

**Appalachian Regional Commission
Request for Proposals**

**Health Care Cost and Access
Disparities in Appalachia**

**Proposals due on or before close of business
August 20, 2010**

Appalachian Regional Commission, Suite 700
1666 Connecticut Ave., NW
Washington, D.C. 20009-1068

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202-884-7790

Appalachian Regional Commission - Request for Proposals

Health Care Cost and Access Disparities in Appalachia

I. Overview

The Appalachian Regional Commission (ARC) invites proposals from qualified researchers and consultants to conduct an analysis of Health Care Cost and Access Disparities in Appalachia.

A 2008 California study found that 34% of adults ages 19 to 64 had medical bill problems in the past year, such as medical debt, inability to pay medical bills, or being contacted by a collection agency. Although the uninsured are most at risk of having medical bill problems and medical debt, the survey found that more than 25% of people continuously insured over the previous year had medical bill problems or medical debt.

A 2007 nationwide study found that 62% of all bankruptcies were medical; 92% of these medical debtors had medical debts over \$5000, or 10% of pretax family income. The rest met criteria for medical bankruptcy because they had lost significant income due to illness or mortgaged a home to pay medical bills. Most medical debtors were well educated, owned homes, and had middle-class occupations. Three quarters had health insurance. Using identical definitions in 2001 and 2007, the share of bankruptcies attributable to medical problems rose by 49.6%.

The lack of affordable health care carries tremendous social and economic costs for the insured and uninsured alike. The uninsured are less likely to access treatment for preventable illnesses, and when they require treatment, their health condition is often worse. If the uninsured access emergency services, the cost is often passed on to hospitals and insured patients in the form of higher health care costs and insurance premiums. The lack of access to medical care is likely to be a greater problem in Appalachia not only because of fewer medical professionals and hospitals, but also because of lower rates of health insurance coverage, lower labor force participation rates, a higher proportion of low-wage and part-time jobs, and higher rates of unemployment and underemployment.

This study would assess several dimensions of health care costs and access, including health insurance coverage among the employed and unemployed, Medicaid and Medicare participation rates, access to hospitals, doctors, and medical practitioners, and prevalence of medical bankruptcies and debt. The study would then compare the strengths and weaknesses of various data sources and statistical methods that have been used to measure and health care costs and access. The study will also examine the economic impacts of reduced access and higher health care costs, including but not limited to higher per capita medical expenses and higher rates of medical bankruptcies. Indirect economic costs should be calculated for the Appalachian region, including the loss of disposable income for other purposes, the social cost of bankruptcy, and the impact on persistent poverty.

This study will also examine time trends and spatial variations in health care costs and access in rural and economically distressed areas, and evaluate county-level relationships between health care access and cost indicators and socioeconomic indicators, the supply of doctors and other health care providers relative to the population served, state policies for independent practice by medical practitioners, trends in Federal and state health program access and budgets (including Medicare and Medicaid), and trends in health insurance coverage. The study should review existing literature and survey best practices in providing better health insurance and health care access to rural residents, investigate whether these options can be pursued in the Appalachian region, and ascertain whether the projected benefits would exceed the costs. This study should conclude by evaluating the impact of the 2010 health care reform legislation on household and state budgets, and examining the implications of the legislation for improving health care access and services in remote and distressed rural communities.

II. Scope of Work

Proposals should present a general outline of the research to be conducted, a work plan, and a schedule for reports and deliverables, and specifically address the following topics:

1. Review and summarize relevant information from relevant research reports and studies addressing health care coverage, costs, access, and their economic impacts on households and state budgets, including but not limited to:
 - o ARC commissioned health studies (available at www.arc.gov/health):
 - Underlying Socioeconomic Factors Influencing Health Disparities in the Appalachian Region
 - Analysis of Disparities in Health Status and Access to Health Care in the Appalachian Region
 - Analysis of the Financial Conditions of Health Care Institutions in the Appalachian Region
 - Analysis of Mental Health and Substance Abuse Disparities & Access to Treatment Services in the Appalachian Region
 - Issues Affecting Health Care and Access for Indigent Populations (ARC, 1989)
 - Access to Health Insurance for Small Businesses in Kentucky and Appalachia (ARC, 1992)
 - Heart Disease in Appalachia: an Atlas of Mortality and Medical Care Resources (ARC, 1998)
 - o The Access Project Health Insurance Survey: www.accessproject.org/new/pages/pubRural.php
 - o AHRQ- National Healthcare Quality and Disparities Report: www.ahrq.gov/qual/qdr08.htm
 - o RUPRI- Rural Policy Research Institute: www.rupri.org
 - o State Health Access and Coverage Disparities: www.shadac.org/
 - o American Public Health Association and United Health Foundation- America's Health Rankings: www.americashealthrankings.com/2009/disparity.aspx
 - o County Health Rankings: www.countyhealthrankings.org/about-project
 - o Appalachian Ohio Health Care Needs and Access surveys: www.healthpolicyohio.org/
www.voinovichschool.ohio.edu/ARHIReports.aspx, www.oucom.ohiou.edu/arhi/research.htm
 - o University of Kentucky Center for Poverty Research- Socioeconomic Status, Child Health, and Future Outcomes: www.ukcpr.org/Publications/DP2009-10.pdf
 - o Physicians for a National Health Program: http://pnhp.org/new_bankruptcy_study/
 - o Engelberg Center for State Health Care Reform: www.brookings.edu/health/Projects.aspx
 - o Pew Center Report on Medicaid: www.pewcenteronthestates.org/topic_category.aspx?category=526
 - o The Impact of Health Reform on Health System Spending and School-Based Health Centers: www.americanprogress.org/issues/domestic/healthcare,
www.americanprogress.org/issues/2010/05/healthy_students.html
 - o Adult Obesity in Appalachia: An Atlas of Geographic Disparities (West Virginia Univ., 2004)
 - o Blueprint for Health Improvement and Health-Enabled Prosperity (SWVA Health Authority, 2009)
 - o RHW- Economic Impact and Health Services Surveys www.ruralhealthworks.org/publication.html
2. Discuss and compare the relative merits of various methods for measuring disparities in health care costs and access. Explain the choice of data and methods to be used in this study. Using publicly available data (including but not limited to the Behavioral Risk Factor Surveillance System), develop a consistent database of national, state, and county-level information on health status, access to health care services, health insurance coverage among the employed and unemployed, the extent of state and other private insurance coverage, prevalence of medical bankruptcies and debt, and prevalence of clinics, hospitals, licensed practitioners and other health care providers.

3. Analyze variations in Medicare/ Medicaid participation, state limitations on Medicare/Medicaid coverage, Medicare payments by county or region to health care providers. The unit of measure for Medicare reimbursement of health care providers is typically the Relative Value Unit (RVU). A decade ago, the Medicare reimbursement rate per RVU varied widely by county, and was especially high in parts of Central Appalachia.
4. Construct standardized indexes of health care costs and access per patient, per capita, or per household, using ARC's methodology for the economic distress index. Prepare charts and/or maps showing regional variations in the indexes for counties by type, including the 5 Appalachian subregions, Appalachian vs. non-Appalachian portion of the 13 Appalachian states, 5 urban-rural county types, and/or 420 Appalachian counties. County classifications are available from ARC.
5. Summarize methods that prior studies have used to estimate cost savings under baseline and alternative health policy scenarios, and the impact on direct and indirect jobs in the health care industry. Quantify the cost savings opportunity for households and state and county governments, given alternative policies that increase health care access or reduce health care costs. Identify tools that could be used by state and local governments to identify potential cost savings, describe how costs and benefits were identified and measured, and develop cost-benefit models for a range of public policy options. If feasible, analyze the relationship between health care costs and indicators of social and economic distress.
5. Analyze specific case studies of best practices in health care delivery and cost control with demonstrated cost savings. Identify innovative or promising state, regional and local programs that are addressing these needs, particularly in rural and distressed counties, with the goal of providing federal, state, and local policy makers with realistic policy options to improve health care status and service delivery in the Appalachian Region. Describe how barriers and challenges were overcome. Specific attention should be given to best practices for rural, underserved, and economically distressed communities, and the reliance on foreign medical graduates (FMG's) who were raised in cultures much different than those in Appalachia.
6. Summarize opportunities and barriers to addressing health care cost and access disparities, and identify ways that these barriers have been or could be overcome. What can state and regional policy makers and ARC programs do to mitigate disparities in health care costs and access and overcome impediments to providing adequate health care to Appalachian residents?
7. Specify ways to tap into existing Federal programs and incentives, outline an effective approach for measuring and achieving results, and outline pilot projects that would test the forecasted savings. Evaluate the impact of the 2010 health care reform legislation on health care access, cost, and quality, including household and state budgets, with special attention given to the implications of the legislation for health care access and quality in remote and distressed communities in Appalachia.
8. Summarize conclusions, findings, and policy implications, referring to research questions posed in the overview, RFP, and proposal. Outline policies that would improve health care financing and the provision of community-based services, and implications of findings for outreach and education.

III. Methodology

The successful applicant will develop and describe a complete and systematic methodology and specify resources that will be required to conduct the analysis specified in the scope of work, including:

- Specification of resources and data sets appropriate for the analysis, including both public and proprietary data sources. Describe data cost, availability, and limitations over time and geographical dimensions.
- Discussion of the scope, advantages, and limitations of these resources for the purposes of this analysis, including issues related to data disclosure, aggregation, and geographical coverage.
- Preliminary specification of the analytical framework, research methods, and statistical techniques to be used for the proposed analysis. Proposals should discuss the relative merits of various approaches, and outline the advantages and limitations of the selected approach.
- Outline a method for producing county-level indicators or indexes as specified in the scope of work, and that conform to the methodology used for ARC's distress indicator (refer to ARC's Research Report Guidelines and Distress Indicator Methodology).
- A review of current national and state policies and standards that have a bearing on the research questions, issues, and results.
- Specify the decision process and protocols to be used for selecting and conducting case studies of representative public policies, programs, and best practices that address the research questions, issues, and results.
- Discussion of methods for specifying a business-as-usual scenario and alternative scenario(s) that would be technically and economically feasible, given a credible policy framework of incentives and public programs that address the research questions, issues, and results.
- Specify a design concept for developing and applying a user-friendly analytical framework and decision support tools that economic development practitioners can use to assess impacts and implications of the research results for regions, states, and counties in Appalachia.

Proposals can recommend other methodological approaches as needed. In keeping with the overall budget constraint for this project, proposals may present trade-offs among tasks as long as the research design can ensure the accomplishment of the main research objectives of the project.

IV. Deliverables

The contract will require three quarterly reports and a final report with an executive summary that integrates, summarizes, and interprets key findings of the study. The report shall conform to ARC's guidelines for written reports, and should include a series of thematic chapters and a conclusion with recommendations for implementation of study findings.

The report should be written for a non-technical audience and relate the narrative discussion to descriptive statistics, analyses, charts, and tables where appropriate. Technical details, data tables, and details regarding data and methodology should be presented in appendices.

Electronic and printed copies of the final report suitable for reproduction must be submitted upon completion of the project in Microsoft Word and Adobe .pdf file formats. Raw data, results, and any computed variables used in the report should be delivered in Microsoft Excel or Access format and in an ESRI geodatabase or shapefile format that can be uploaded to any ESRI-based GIS mapping site such as www.tedis-wv.org/artemis. GIS data should also be uploaded to a Google Earth map site (<http://earth.google.com/>) to allow viewing by the public. Provide metadata (field name description, definition, source, source date, and equation if computed) for all raw and computed data fields.

V. Technical, Management, and Cost Proposal contents

A. Technical Proposal narrative should not exceed 10 pages, and should include:

- *Methodology*: Provide a brief abstract of the proposal by summarizing the background, goals and objectives, proposed methodology, and expected output and results of the research study. Outline the step-by-step approach that will be taken to achieve the project's goals and arrive at research findings and conclusions. Describe how these methods will accomplish the desired results outlined in the RFP. The proposal should also identify any difficulties that may be encountered in executing this project, and propose practical and sound solutions to these problems.
- *Project Work Plan and Milestones*: The proposal should describe several phases into which the proposed work can be logically divided and performed. A schedule of milestones and deadlines should be specified for the completion of the various project elements, including information collection, interviews, surveys, analyses, quarterly progress reports, preliminary review drafts, and final report.
- *Data requirements*: ARC will provide a file containing comprehensive economic data and map templates for the ARC region at project commencement. The proposal should identify additional information needs according to sources, procedures, and individual tasks of the research that may need to be supplied by the Commission. The proposal should also identify analytical tasks in this research project that will require participation by the Commission and ARC staff.
- *Project personnel* performing the work should be described, including name, professional classification (e.g., project director, web-designer, analyst, program designer, etc.), and a brief biography. Brief resumes including education and relevant experience of the principal investigator, co-investigator, and other key personnel are required. The selected contractor will be required to furnish the services of those identified in the proposal as key personnel. Any change in key personnel will be subject to approval by ARC staff and will require a revised project proposal.

B. Management Proposal narrative should not exceed 10 pages, not including resumes and biographies of project personnel. The resource capability and program management for planning and performing the work will be considered in the proposal selection process.

- *Business Management Organization and Personnel*: Provide a brief narrative description of the organization that will perform the proposed work effort, and the authority responsible for controlling resources and personnel.
- *Staffing Plan*: Describe the contractor's proposed staff distribution to accomplish this work. The staffing plan should present a chart that partitions the time commitment of each professional staff member to the project's tasks and schedule. In addition, the proposal should include a detailed description of activities for key project-related personnel and their anticipated deliverables. Finally, the proposal should identify the relationship of key project personnel to the contracting organization, including subcontractors and consultants.
- *Relevant Prior Experience* The proposal should describe the qualifications and experience of the organization and the individual personnel to be assigned to the project. Information should include direct experience with the specific subject-matter area and organizations, addresses, contact persons, and telephone numbers for such references.
- *Contract Agreement Requirements* This section of the proposal should contain any special requirements that the contractor wishes to have included in the contract.

C. Cost Proposal

Each proposal submitted must contain all cost information, including direct labor costs consistent with the staffing plan, labor overhead costs, travel costs, estimated cost of any subcontracts, other direct costs (such as those for creating or maintaining databases), university overhead, total costs, overhead, and contract fees or profit. ARC policy on allowable indirect overhead costs for university-based research is that universities charge the ARC the same rates that are charged to their own state agencies, which typically ranges from 10-12%.

The contractor should include estimated expenses for presenting study findings at a one-day meeting at the ARC offices in Washington, D.C. This activity will be over and above routine meetings with ARC staff during the course of the project.

The contract awarded for this research project will be a FIRM FIXED-PRICE CONTRACT, with partial payments to be processed following review, comment, and acceptance of each quarterly report and the final report by ARC research staff. The contract terms shall remain firm during the project and shall include all charges that may be incurred in fulfilling the terms of the contract.

VI. Proposal Submission, Evaluation, Cost and Timing

Proposals are due on or before close of business on Friday August 20, 2010.

The Commission anticipates that the level of effort required for this project will be medium scale (less than \$150k). The contract will be a FIRM FIXED-PRICE CONTRACT. The Commission anticipates that the work will take 12 months to complete all phases of the project.

An original and three copies of the proposal must be submitted to:

Regional Planning and Research Division
Appalachian Regional Commission
1666 Connecticut Ave. NW, Suite 600
Washington, D.C., 20009-1068

All proposals will be evaluated based on the following criteria:

- Thorough understanding of the study's objectives and tasks; clearly articulated, logical study design; objective and technically credible methodology; and the ability to synthesize and interpret research findings in a manner that will be useful to economic development practitioners and policymakers.
- Qualifications, relevant prior experience, and demonstrated knowledge of existing research and practice regarding the questions and issues outlined in the RFP, and an understanding of practical implications for regional economic development in the Appalachian Region.
- Credible management proposal for staffing and completing the project in a timely fashion. Researchers are encouraged to optimize collaborative efforts with other individuals and institutions, to provide a broader perspective and more thorough coverage of subject matter and geography.
- Cost effectiveness of the proposed overall project design.

Questions about this proposal should be directed to David Carrier at dcarrier@arc.gov.