

Introduction

In 1995, the focus of the national health reform debate has shifted to incremental reforms in the health care marketplace. Many of these reforms are being tried in some form by individual states, bringing a renewed federal interest in states' experiences.

At the same time, the health care system has been undergoing enormous changes of its own. Yesterday's system--independent health care providers being reimbursed by patients and indemnity insurers on a fee-for-service basis--has been uprooted by a turbulent mix of new forms of payment, multiprovider delivery networks, and novel ways of managing the care that enrollees are eligible to receive.

Amid these changes, rural areas are trying to address the same underlying problem that they have always faced in health care: How can they keep local, financially accessible, good-quality care available to rural populations that are less able to pay and less efficient for providers to serve (because of low population density) than their urban counterparts? States continue to implement new programs aimed at continuing to improve ways to address the fundamental problem of rural health care directly, through such mechanisms as special educational and incentive programs for health professionals willing to locate in rural areas.

Systemwide health delivery changes raise special issues in rural areas.¹ By definition, broad-based health reforms and marketplace changes affect both urban and rural areas. However, they will not necessarily have the same impacts in the two places. As states have been instituting broad health care reforms over the past several years, they have had to confront the special barriers, concerns, and opportunities that arise in planning and implementing these reforms in rural areas.

This paper examines the issues that arise in the context of two different categories of reforms:

1. The effects of insurance market reforms--measures intended to make the market more equitable, or to make health care more affordable to those without insurance. These reforms may sometimes have different impacts in rural than in urban areas.

¹"Rural" has two different formal definitions for federal statistical purposes (34). In this paper, the term is used loosely to refer to areas of relatively sparse population. It is not linked specifically to either formal definition.