Keep Commitments to Rural Providers: Reauthorize Medicare Extenders and Community Health Centers

NATIONAL RURAL HEALTH ASSOCIATION

Congress created unique payment structures for certain rural providers to enable them to keep their doors open, which are collectively known as the "Rural Extenders." Congress made a commitment to ensure that rural facilities and providers could keep their doors open to provide care. But Congress let funding for these programs expire on October 1, 2017 without any intervention. If Congress doesn't act soon, rural health providers across the nation will be hit with hundreds of millions of dollars in reimbursement cuts, many rural facilities will close, and underserved communities will be left with even fewer options.

Community Health Centers Provide Essential Care

Like so many other programs essential to the health of rural America, the funding for Community Health Centers (CHCs) ran out on September 30th, and has not yet been renewed. CHCs are community-based and patient-directed organizations that serve populations with limited access to health care. Most CHCs are based in rural America, where care options are limited and they are a crucial part of core safety net providers meeting the need for care in underserved populations. There are currently more than 1,400 community health centers across the country that provide care to more than 25 million Americans.

We ask Members of Congress to include Community Health Centers in the next funding bill.

Rural Medicare Extenders Create Care Opportunities

- **Extension of the Low-Volume Hospital adjustment:** This payment adjustment, based on mileage and the number of discharges, sustains providers in rural America by taking into account factors unique to rural America. These facilities face higher costs due to an inability to achieve savings through economies of scale (such as physical isolation and low patient volumes) that are beyond the control of the provider. This important payment keeps hospital doors open and protects access to care.
- **Extension of the Medicare Dependent Hospital (MDH) program:** The MDH program was created in 1987 to ensure that small rural hospitals which provide care for a significant number of seniors can remain open. (To be classified as an MDH, a rural hospital must have at least 60% of its days or discharges covered by Medicare Part A.) Even with this enhanced payment, most of the 200 MDH hospitals are financially vulnerable. In fact, if this program is cut, an MDH hospital would need an 18% increase from private payers to make up the loss – which is an impossible task – meaning most will close. The MDH program keeps hospital doors open and protects seniors' access to their local hospital.
- **Extension of the work geographic index floor under the Medicare physician fee schedule:** This provision provides an extension of the floor on geographic adjustments to the work portion of the fee schedule, with the effect of increasing practitioner fees in rural areas.

- **Extension of current rural ambulance payments:** This payment provides equity to rural EMS providers who travel greater distances in rural and remote service areas. The loss of this payment is equivalent to a 22.6% Medicare cut and would mean many EMS services would close.
- **Extension of exceptions process for Medicare therapy caps:** This provision extended the process allowing exceptions to limitations on medically necessary therapy.

Concerns with Proposed Extenders Legislation

While we have encouraged Congress to reauthorize these crucial programs, the House Ways and Means Committee's proposed legislation to extend funding includes a pay-for that would adjust the Critical Access Hospital (CAH) swing-bed reimbursement rates. The swing bed program mentioned in House Ways and Means proposed legislation is essential to hospitals that are located in underserved areas with high Medicare utilization. Swing beds are crucial for the continuity of care for seniors and high medical need residents in rural America. The Senate Finance Committee's released legislation included a change to Low Volume Hospital (LVH) adjustments, one that would devastate LVH hospitals and force them to close their doors. These extenders need to be renewed, but Congress cannot fund some rural hospitals at the expense of others.

Rural America needs our help, and Congress has worked for decades to establish programs to protect some of the most underserved communities in our country. At a time when the rural hospital closure crisis continues to escalate, when rural Americans are dying at far higher rates than those in cities, when the opioid crisis is ravaging our communities, we cannot afford to let these programs disappear.