

2020 RURAL HEALTH REQUESTS

1. Stop the Access to Care Crisis & Reduce Rising Rural Mortality Rates

End the Rural Hospital Closure Crisis

- Rural hospitals are closing, and closure rates are accelerating. 121 rural hospitals have closed since 2010, and in 2019, the U.S. experienced more rural hospital closures than in any other year in the past decade (1).
- In 2015, 39% of rural hospitals operated at a financial loss, and now, that figure is 47%. Nearly 1/3 of rural hospitals in the U.S. are at risk of closure (2).
- Studies demonstrate that when rural hospitals close EMS travel times increase on average by 76%, mortality rates increase on average by 6%, and medical deserts form (3, 4). Additionally, rural economies suffer. Rural hospitals are often the largest or second largest employer and represent 20% of the rural economy.

SUPPORT: The Rural Hospital Closure Relief Act (H.R. 5481/S. 3103)

LEGISLATION SOON TO BE INTRODUCED: The Save Rural Hospitals Act (Rep. Loeb sack), The Save Rural Communities Act (Rep. Arrington)

Improve Rural Workforce Shortages

- HRSA reports that 77% of rural counties are considered Health Professional Shortage Areas (HPSAs), and although 20% of the U.S. population lives in rural America, only 9% of physicians practice in rural areas (5).
- Mental health, EMS, oral health and specialty care shortages all plague rural America, and significant barriers to implementing telehealth remain.
- Rural Health Clinics, established by Congress to help rural Americans access care, are struggling due to longstanding payment inequities.

SUPPORT: The Rural Physician Workforce Production Act (S. 289), The Improving Access to Care in Rural and Underserved Areas Act (S. 3194), The Strengthening Our Rural Workforce Act (S. 2902), The Rural Health Clinic Modernization Act (H.R. 2788/S. 1037), The Rural America Health Corps Act (S. 2406)

End the Rural Maternity Care Crisis

- In the U.S., over 200 rural maternity wards closed between 2004 and 2014 (6).
- In 1985, 24% of rural counties lacked obstetric services. Now, 54% of rural counties are without hospital-based obstetrics (7).

SUPPORT: The Rural Maternal and Obstetric Modernization of Services Act (H.R. 4243/S. 2373)

Stop the Widening Mortality Gap Between Rural & Urban America

- "The death rate gap between urban and rural America is getting wider." - CDC, 2017 (8)
- The rates of the five leading causes of death - heart disease, cancer, unintentional injuries, chronic respiratory disease, and stroke - are all higher among rural Americans.
- Research has shown that mortality is tied to income and geography.
- Minorities, especially Native Americans, consistently experience premature deaths in many rural communities.

SUPPORT: Creating an Office of Rural Health within the Centers for Disease Control & Prevention



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2. Protect the Rural Health Care Safety Net

- Rural health safety net programs increase access to health care providers, improve health outcomes for rural Americans, and increase the quality and efficiency of health care delivery in rural America, at little cost to Congress.
- We thank both the House and Senate for their support of rural health funding in FY20 Appropriations. As we begin discussions regarding funding for FY21, we must maintain this commitment to rural Americans.
- Protect Medicaid. Due to high poverty levels, rural Americans are disproportionately reliant upon Medicaid. Ensure continuity of the federal government's current financial commitment to the states to care for our nation's rural Americans.
- Defend the 340B program for rural providers. Without these savings, 73% of hospitals will have to reduce staff, 71% will have to reduce pharmacy services, and 40% would have to close clinics.

3. Join the Senate Rural Health Caucus or the House Rural Health Coalition

- The Caucus and the Coalition are a collection of rural health champions, and they have passed significant legislation to improve the lives of the 60 million rural Americans.
- Join your colleagues in the Senate and House of Representatives as part of the Senate Rural Health Caucus or House Rural Health Care Coalition. Stand up for rural health care in the 116th Congress by joining these important groups.

Co-Chairs of the Senate Rural Health Caucus

Sen. Pat Roberts (R-KS)

Sen. Tina Smith (D-MN)

Co-Chairs of the House Rural Health Care Coalition

Rep. Ron Kind (D-WI)

Rep. Cathy McMorris Rogers (R-WA)

Citations

- (1) Sheps Center, University of North Carolina (January, 2020)
- (2) The Chartis Center for Rural Health (2019)
- (3) Troske S, Davis AF. Do Hospitals Closures Affect Patient Time in an Ambulance? Lexington, KY: Rural and Underserved Health Research Center; 2019.
- (4) Basu, Anirban. Gujral, Kritee. Impact of Rural and Urban Hospital Closures on Inpatient Mortality. Cambridge, MA: National Bureau of Economic Research; 2019.
- (5) Doescher MP, et. al. Policy brief: persistent primary care health professional shortage areas and health care access in rural America. WWAMI Rural Health Research Center, University of Washington; 2009
- (6) Health Affairs 36, No. 9 (2017): 1663-1671. DOI 10.1377/hlthaff.2017.0338
- (7) Hung, P., Kozhimannil, K. B., Casey, M. M., & Moscovice, I. S. (2016). Why are obstetric units in rural hospitals closing their doors?. Health services research, 51(4), 1546-1560.
- (8) Centers for Disease Control and Prevention. Rural Americans at higher risk of death from five leading causes. Retrieved from <https://www.cdc.gov/media/releases/2017/p0112-rural-death-risk.html>



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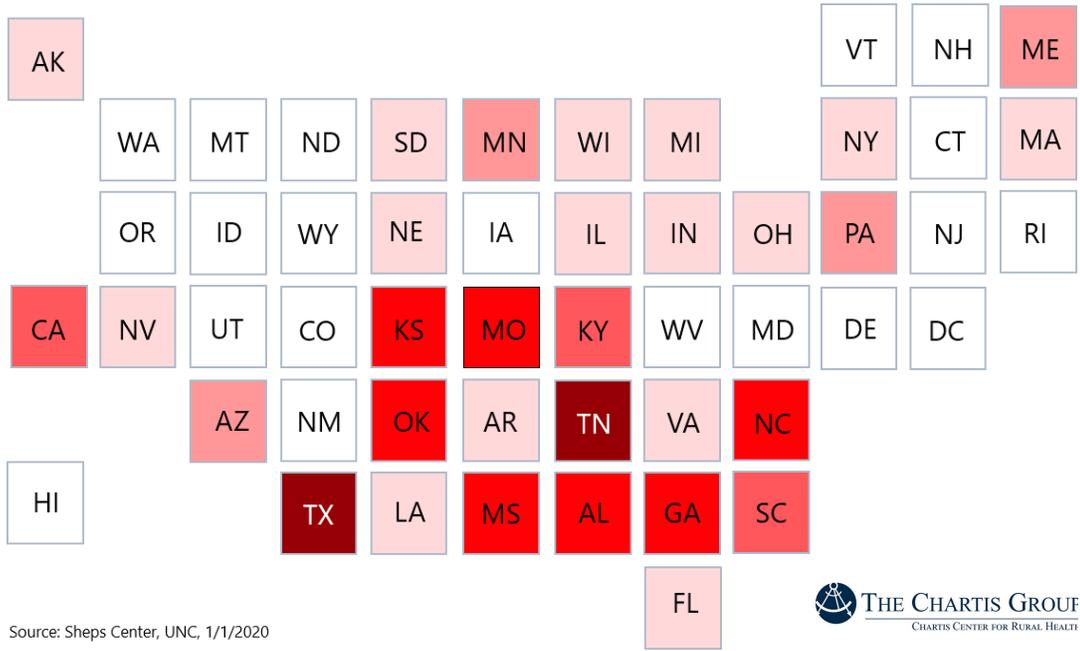
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END THE RURAL HOSPITAL CLOSURE CRISIS

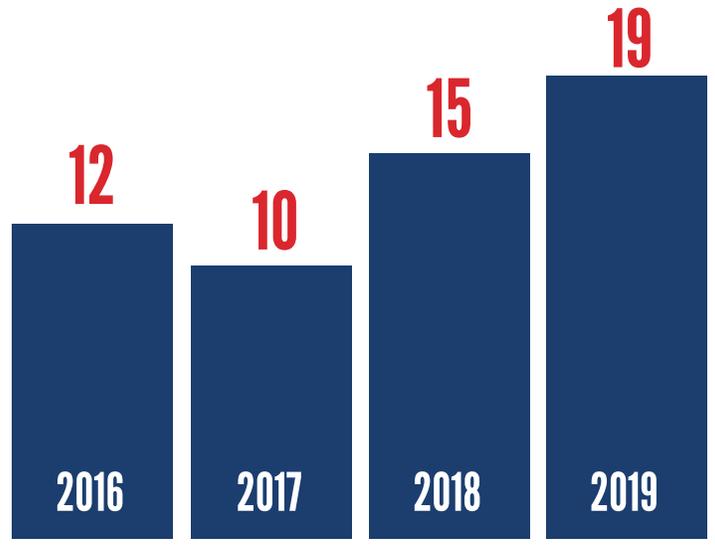
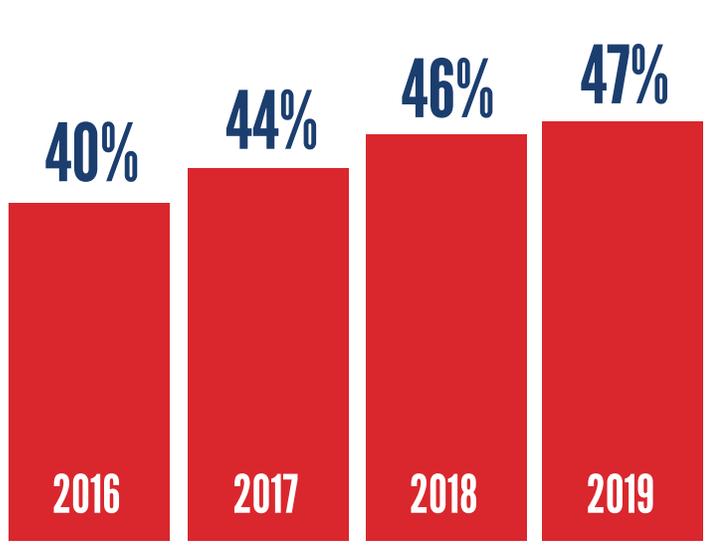
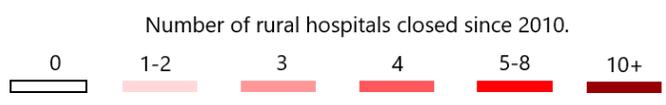
121
rural hospitals have closed since 2010.

453
rural hospitals are currently vulnerable to closure.



Source: Sheps Center, UNC, 1/1/2020

THE CHARTIS GROUP
CHARTIS CENTER FOR RURAL HEALTH



% Rural Hospitals with Negative Operating Margins

Number of Rural Hospital Closures

Bad debt cuts, sequestration, and other Medicare changes for rural providers have forced more and more into the red. It is time for Congress to empower rural Americans by ensuring access to care and a strong and healthy economic future.



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THE SOLUTION

1. Provide Immediate Relief to the Most Vulnerable Rural Hospitals

SUPPORT: The Rural Hospital Closure Relief Act (S.3103, H.R. 5481)

Critical bipartisan and bicameral legislation has been introduced to provide immediate and commonsense relief to the most vulnerable rural hospitals to combat the closure crisis. Representatives Adam Kinzinger (R-IL), David Loebsack (D-IA), and Jimmy Panetta (D-CA) and Senators Dick Durbin (D-IL) and James Lankford (R-OK) introduced the Rural Hospital Closure Relief Act of 2019 (H.R. 5481; S. 3103) to protect vulnerable rural facilities at risk of closure.

Why is this bill needed?

Forty-seven percent of rural hospitals are operating at a financial loss; just five years ago, 36% of rural hospitals operated at a loss. Over 120 rural hospitals have closed since 2010. When rural hospitals close, they rarely reopen and rural patients are left without emergency room access, and 20% of a community's economy vanishes. Health disparities and economic decline ensue. Most of these closures are occurring in areas where hospitals are needed the most - in communities of high health disparities, high poverty and high minority populations. Hundreds more rural hospitals are in high financial risk and are vulnerable to closure. Many have reported double digit losses in their latest cost reports.

What does the bill do?

This legislation allows a limited number of struggling rural PPS hospitals to convert to Critical Access Hospitals (CAH). The Rural Hospital Relief Act will support rural hospitals by providing flexibility around the 35-mile distance requirement and enabling states to certify a hospital as a "necessary provider" to obtain CAH designation. This authority ended in 2006, but this bill will re-open this financial lifeline for certain rural hospitals that serve a low-income community, are located in a health professional shortage area, and have operated with negative margins for multiple years. It also will enable those facilities to keep essential health services in their rural communities, and allow rural patients continued access to local emergency rooms. This critical legislation is a lifeline to struggling rural providers and the communities that rely on them. This common-sense approach utilizes a tested and proven rural payment system, the CAH payment system, and will stabilize vulnerable rural hospitals until a new rural Medicare payment model can be developed as a longer-term solution to the closure crisis.

2. Ensure Future Stability for All Rural Hospitals

SUPPORT: A New Rural Payment Model, such as The Save Rural Hospitals Act (soon to be reintroduced)

The rate of hospital closures operating at a loss continues to escalate. This means that the rural hospital closure crisis will continue to escalate unless Congress intervenes by stopping payment cuts or creating equitable reimbursement rates. We need new and sustainable rural payment models that make sense for rural communities. Other models such those proposed in the REACH Act, REM-C Act, Rural Hospital Sustainability Act, and others should be considered by Congress as viable paths forward as well.

Why is this bill needed?

The rates of rural hospital closures has steadily increased since sequestration and bad debts cuts began. Last year, the U.S. experienced the greatest number of rural hospital closures since recent tracking. Hundreds of more rural hospitals will close if Congress refuses to act.

What does this bill do?

The Save Rural Hospitals Act will stop the impending flood of rural hospital closures, provide important regulatory relief, and expand needed access to care by keeping hospital doors open in rural America. Additionally, it will create an innovative delivery model that will ensure emergency access to care for rural patients across the nation.



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IMPROVE RURAL WORKFORCE SHORTAGES

One of the most enduring characteristics of the rural health landscape is the uneven distribution and shortage of health care professionals. As a result, many rural residents experience a lack of basic services.



Primary Care Shortages

Over three-fourths of rural counties are primary care Health Professional Shortage Areas (HPSAs). While 20% of the population lives in rural America, only nine percent of physicians practice in rural communities. Workforce shortages in primary care and specialty care must be addressed through robust funding of programs like Area Health Education Centers and the National Health Service Corps (NHSC). Rural residency programs and other rural training programs must be expanded and supported. Extreme shortages of mental health and oral health professionals in rural America must be also addressed. **SUPPORT: S. 289, S. 3194, S. 2902, H.R. 2788/S. 1037, & S. 2406.**

- **S. 289, The Rural Physician Workforce Production Act** - One of the best methods to recruit physicians to rural areas is through rural residency training. Currently, Medicare discourages rural hospitals from providing such opportunities. S. 289 provides new incentives for rural hospitals (including CAHs) to provide rural training opportunities for medical residents.
- **S. 3194, Improving Access to Health Care in Rural and Underserved Areas Act** - This bill creates a five-year pilot program that provides a funding opportunity for up to 100 FQHCs and RHCs to boost capacity in specific areas of medical need within their communities, enhancing skills in these areas and expanding access to care.
- **S. 2902, The Strengthening Our Rural Workforce Act** - This bill ensures the Primary Care Training and Enhancement programs are strengthened by creating more training positions for family, general internal, and general pediatric physicians, and guarantees that training has a rural focus. The bill also robustly funds Area Health Education Centers and creates a high-level commission to report to Congress both short-term and long-term solutions to the workforce shortage crisis in rural America.
- **H.R.2788/S. 1037, The Rural Health Clinic Modernization Act** - This important bill allows Rural Health Clinics the flexibility to contract with Physician Assistants and Nurse Practitioners and allows RHCs to be the distant site for a telehealth visit. Additionally, beginning in CY 2020, the upper limit (or cap) on reimbursement will increase to \$105 per visit, in CY 2021 to \$110 per visit and in CY 2022, to \$115 per visit. Thereafter, cap is adjusted annually by MEI.
- **S. 2406, The Rural America Health Corps Act** - This legislation creates a new \$25 million program that bolster the existing rural NHSC placements and provides funding for up to five years – an increase from the current two-year forgiveness period – for doctors, dentists, behavioral health specialists, and nurse practitioners.



EMS Shortages

Providing EMS care is literally the difference between life and death for many people. As rural closures of critical access hospitals escalate, ambulance services are more important now than ever before. According to GAO, ambulances are reimbursed below cost by Medicare, which has hampered the ability of ambulance service providers to hire new staff, update equipment, and provide life-saving around the-clock services in their communities, especially those in economically distressed areas. Without frequent add-on payments authorized by Congress, these providers must often operate at a loss. **SUPPORT: H.R. 4938.**

- **H.R. 4938, The Medicare Ambulance Access, Fraud Prevention, and Reform Act of 2019** - This legislation will permanently increase the rate at which ambulance providers are reimbursed by Medicaid, allow ambulance services that serve low population areas to continue to receive additional rural Medicare funding and eliminate burdensome, duplicative paperwork requirements.



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Maternity Care Shortages

Pregnant women living in rural America face unprecedented barriers to maternity care. Over 200 rural maternity wards in the U.S. closed between 2004 and 2014. Rural hospitals, facing financial constraints across the nation, are shutting down OB units, leaving 54% of rural counties without hospital-based OB care. In 1985, only 24% of rural counties lacked such care. Rural hospital and OB unit closures mean rural women in labor increasingly face lengthy journeys to the hospital, sometimes even hours long. This contributes to an increase in births outside hospitals, births in hospitals without OB care, and in preterm births - all of which carry greater risks for mom and baby. **SUPPORT: H.R. 4243/S. 2373.**

- **H.R. 4243/S. 2373, The Rural Maternal and Obstetric Modernization of Services Act (The Rural MOMS Act)** - This important bill implements several strategies to improve maternal health for women in rural parts of the country. Specifically, the bill creates grants to train physicians, medical residents (including family medicine and OB/Gyn residents) and fellows to practice maternal and obstetric medicine in rural community-based settings. The bill also expands the use of telehealth to improve health care quality and access.



Mental Health Workforce Shortages

Sixty percent of Mental Health Professional Shortage Areas are in rural communities, and 13% of rural counties have no behavioral health providers, Sixty-five percent of rural counties do not have a practicing psychiatrist, and 81% lack a psychiatric nurse practitioner. **SUPPORT: S. 2741/H.R. 4932.**

- **S.2741/H.R. 4932, The CONNECT Act** - This bill promotes higher quality of care, increased access to care, and reduced spending in Medicare through the expansion of telehealth services. Specifically it removes geographic restrictions and adds the home as an originating site for mental health services; This bill removes geographic restrictions on FQHCs and RHCs to furnish telehealth services as distant sites, removes the geographic and originating site restrictions for facilities of the Indian Health Service facilities and allows for the use of telehealth in the recertification of a beneficiary for the hospice benefit.



Telehealth Solutions

Telehealth helps rural providers deliver health care services by connecting rural providers and their patients to services at distant sites and promoting patient-centered health care. Telehealth allows rural providers to provide quality healthcare without requiring patients to travel long distances to access specialty care. Expanding telehealth services in rural areas will increase access to care for rural communities. **SUPPORT: S. 2408 & S. 1618.**

- **S. 2408, The Telehealth Across State Lines Act** - This legislation creates uniform, national best practices for the provision of telemedicine across state lines. It also includes a five-year grant program to incentivize the expansion of effective telemedicine programs to reach rural communities. Lastly, it will authorize the creation of a new payment system to incentivize the adoption of telemedicine.
- **S. 1618, The ECHO 2019 Act** - This bill increases access to health care services in rural areas and for medically underserved areas and populations through grants and technical assistance to evaluate, develop, and expand the use of technology-enabled collaborative learning and capacity building models.



Stop the Widening Mortality Gap Between Rural and Urban America

The rates of the five leading causes of death (heart disease, cancer, unintentional injuries, chronic respiratory disease and stroke) are all higher among rural Americans. According to a 2017 CDC report, the, "Death rate gap between urban and rural Americans getting wider," and if this trend is not addressed, "the rural population will not only continue to decline but the dependency ratio will increase." Minorities, especially indigenous populations, consistently experience premature deaths in rural communities. **SUPPORT: Creating an Office of Rural Health within the Centers for Disease Control and Prevention.**



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PROTECT THE RURAL HEALTH CARE SAFETY NET

Rural health discretionary spending is relatively small but vitally important for maintaining access to care for individuals living in rural America. To better meet these needs, while simultaneously understanding the fiscal constraints demanded by Congress, NRHA requests a modest funding increase of 10 percent for most of our itemized requests (unless another amount has specifically been authorized by law).

	FY 2018 Omnibus	FY 2019 Minibus	FY 2020 Omnibus	FY 2021 NRHA Request
<i>HHS Programs for Rural Health</i>				
Rural Communities Opioid Response	100	135	110	121
Community Health Centers	3.8*	4.0*	4.0*	4.4*
Rural Outreach & Network Grants ¹	71.5	77	79.5	87.5
Rural Hospital Flexibility Grants ²	49.6	47.4	53.6	59
Delta Region Community Health Systems ³	4	8	10	11
Telehealth ⁴	23.5	20.4	29	31.9
National Health Service Corps	105	120	120	132
State Offices of Rural Health	10	8.8	12.5	12.5
Rural Maternity and Obstetrics Management Strategies Program ⁵	-	1.8	9	9.9
Rural Research and Policy Analysis	9.3	6.2	10.4	11.4
<i>Title VII and VIII Programs of Particular Interest to Fund</i>				
Geriatric Programs	40.6	40.7	40.7	44.8
Area Health Education Centers	38.3	39.2	41.3	45.4
Rural Residency Development Program	14.9	20.2	10	11
<i>USDA Programs for Rural Health</i>				
Rural Hospital Technical Assistance ⁶	0	0 ⁶	1	1.1

All numbers are listed in millions of dollars, except those with asterisks (listed in billions).

1. Rural & Community Access to Emergency Devices is funded through this program.
2. The Rural Hospital Flexibility Grants must be reauthorized.
3. NRHA requests that the Delta Community Health Systems Program be replicated in other rural communities.
4. Reflects only telehealth funding for the Office for the Advancement of Telehealth, including the telehealth Network Grant Program, and the Small Rural Hospital Improvement Grant Program.
5. In 2019, HHS added funds to the appropriations allocation to increase the total to \$9 million for the RMOMS program. NRHA would like to see this program grow even more in FY21.
6. In late 2018, USDA developed a pilot of a technical assistance program for rural hospitals. For 2019 the program was funded with discretionary USDA funds at \$300,000 for a small number (10-12) of hospitals with existing USDA loans. The 2018 Farm Bill included committee report included language encouraging USDA to expand on this program. These funds will allow USDA to expand on this much needed program.



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Rural Health Programs Breakdown

The **Outreach Grant Program** funds critical community-based projects that significantly improve access to care in rural communities. Typical projects address diabetes, obesity, screening, adolescent health, oral health, and mental health. More than 2 million people have benefited and more than 85% of grant programs continue to deliver services five years after federal funding has ended.

Network Development Grants address the business and management challenges of working with underserved rural communities, including helping to overcome the fragmentation of health care services in rural areas and to achieve economies of scale. The program provides funding to rural communities that are beginning to examine the benefits of building networks so they can initiate the process.

Rural Health Research/Policy funds the Federal Office of Rural Health Policy (FORHP). FORHP administers rural health programs, coordinates activities related to rural health care, and advises the Secretary on access to care, the viability of rural hospitals, and the availability of physicians and other health professionals.

Community Health Centers provide essential community care, including primary care, oral health, and mental health, as well as other necessary services to medically underserved areas. Robust funding is necessary for their continued growth and to ensure they can provide quality, affordable care. NRHA supports legislation that stabilizes CHCs by providing five years of funding and increases of 10%.

State Offices of Rural Health, located in all 50 states, help rural communities build health care delivery systems by collecting and disseminating information, providing technical assistance, helping coordinate rural health state-wide, and by supporting efforts to improve recruitment and retention of health professionals.

Rural Hospital Flexibility Grants are used by each state to implement new technologies, strategies and plans in Critical Access Hospitals (CAH). CAHs provide essential services to a community. Their continued viability is critical for access to care and the health of the rural economy.

EMS Sustainability Grants are included under the Flexibility Grants program and build an evidence base for a sustainable rural EMS model, and are essential in the changing landscape of rural EMS. These grant programs offer the opportunity to develop and implement projects to ensure continued access to EMS in rural America.

Rural Communities Opioids Response Programs provide funds to support treatment for and prevention of substance use disorder, focusing on rural communities with the highest risk for substance use disorders.

Telehealth funding is for the Office for the Advancement of Telehealth, including the **Telehealth Network Grant Program**, which promotes the effective use of technologies to improve access to health services and to provide distance education for health professionals.

National Health Service Corps supports qualified health care providers by providing scholarship and loan-repayment programs for those serving medically underserved communities and populations with health professional shortages and/or high unmet needs for health services.

Title VII and VIII programs, including Rural Physician Training Grants, Area Health Education Centers, and Geriatric programs, provide policy leadership and grant support for health professions workforce development for shortage areas.

The **USDA's Rural Hospital Technical Assistance Program** was created in 2018 using discretionary funding in the USDA's Office of Rural Development. The program will provide technical assistance to rural hospitals with USDA loans to ensure their continued viability and financial success. NRHA requests Congressional support, building upon language in the 2018 Farm Bill, to slowly and responsibly grow this program as it demonstrates success to expand technical assistance to struggling rural providers.



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