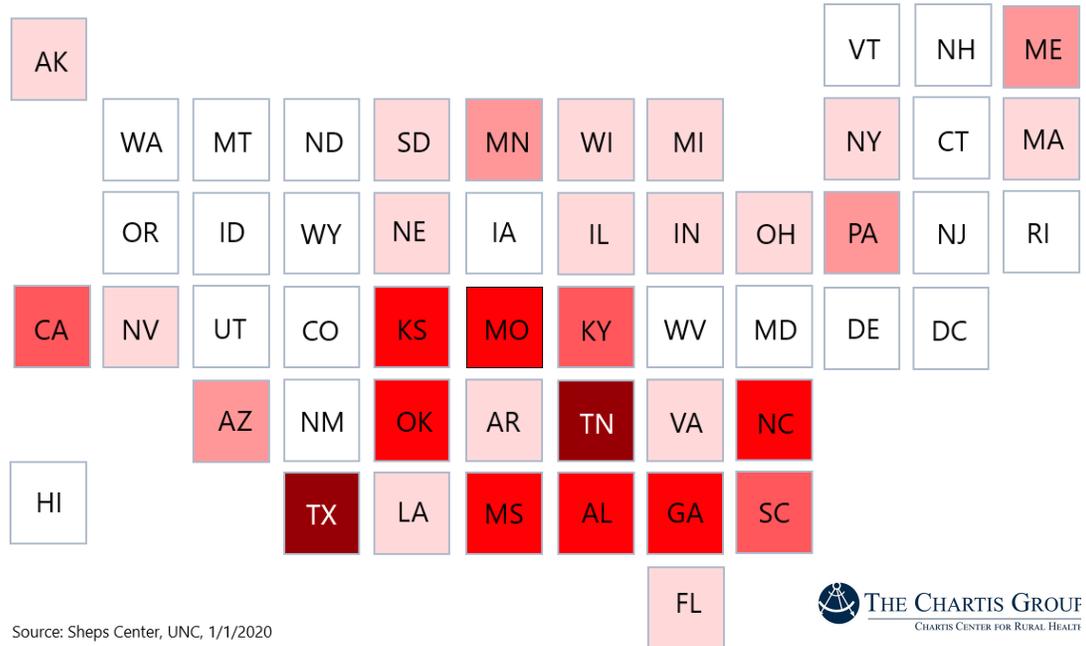


END THE RURAL HOSPITAL CLOSURE CRISIS

124
rural hospitals have closed since 2010.

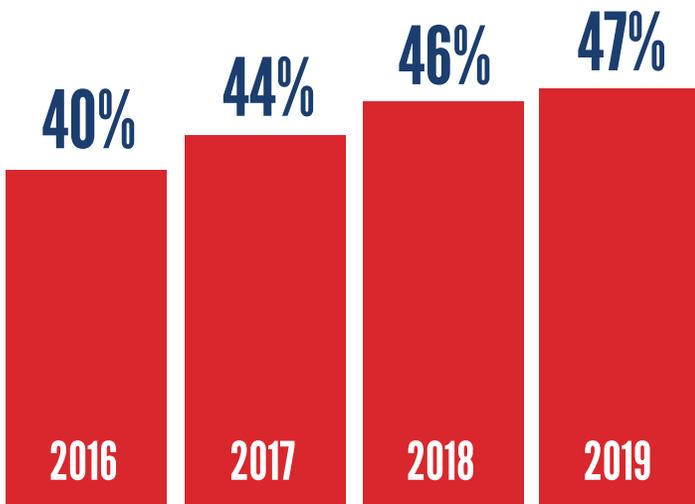
453
rural hospitals are currently vulnerable to closure.



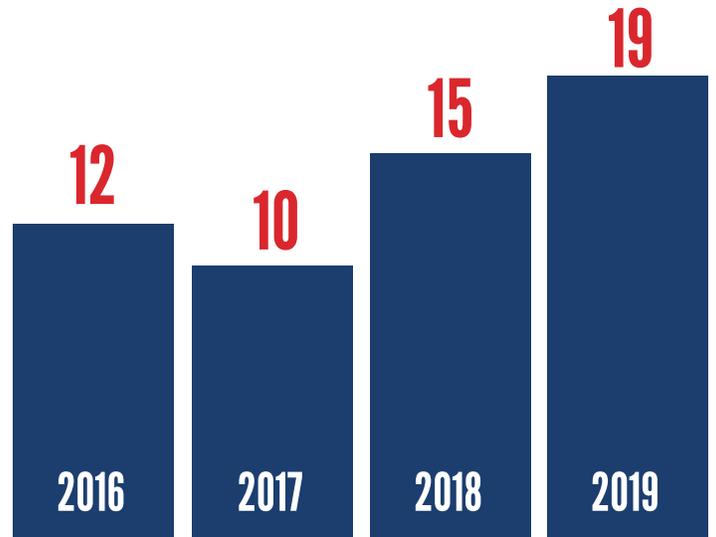
Source: Sheps Center, UNC, 1/1/2020

THE CHARTIS GROUP
CHARTIS CENTER FOR RURAL HEALTH

Number of rural hospitals closed since 2010.



% 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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