Headquarters
4501 College Blvd. #225
Leewood, KS 66211-1921
816-756-3140
Fax: 816-756-3144

NATIONAL RURAL HEALTH ASSOCIATION

Government Affairs Office
1025 Vermont Ave. NW
Suite 1100
Washington D.C. 20005
202-639-0550
Fax: 202-639-0559

The COVID-19 Crisis in Rural America

The COVID-19 pandemic has spread to over 1000 rural communities. At the same time, hundreds of rural hospitals are on the verge of closure, leaving tens of thousands of rural patients without access to their nearest emergency room. The loss of revenue over the last few weeks, due to the inability to provide non-emergency care, is destabilizing core health services in rural America. Already financially fragile hospitals (nearly half of all rural hospitals were operating at a financial loss prior to the COVID-19 outbreak) are now facing catastrophic cash shortages. The rate of rural hospital closures, already at crisis levels pre-COVID-19, will soon escalate to cataclysmic rates. The headlines just from the last few days are daunting:

"Another Rural Hospital Closes Amid COVID-19 Outbreak"

"Rural areas fear spread of virus as more hospitals close"

"Rural America Could Be the Region Hardest Hit by the COVID-19 Outbreak"

"COVID-19 threatens rural hospitals already stretched to breaking point"

We must ensure the effectiveness of the stimulus bill for struggling rural providers who are devastated by either COVID-19 cases in certain rural communities or who are on the verge of closure due to the current inability to provide non-emergency care. **NRHA earnestly requests the following modifications to the third relief package to provide rapid relief to keep rural hospitals and providers doors open during this pandemic:**

1. **$100 billion provider grant program will not be easily accessed by rural hospitals**. As drafted, large urban facilities and health systems may have significantly easier access to the fund.
    - Solution: Establish a rural set-aside of 20% of the total provider grant program. Without the inclusion of a rural set-aside, we believe that small, rural and isolated providers may not be able to access the funds before they are depleted by other facilities.

2. **Medicare accelerated payments are ineffective for rural providers**. Unless modified, the Medicare advance payment provisions will not provide the immediate relief intended for rural providers, who are desperately in need of cash-on-hand. The provisions were designed to provide access to upfront needed assistance. However, because the advance payments are loans that will have to be repaid to CMS with interest if delinquent, we believe that most struggling rural hospitals will not be able to take advantage of it. Most rural hospitals will have extreme difficulty or will not have the ability to repay. When a rural hospital's cost report has shown negative operating margins for the last several years, most rural providers will not risk being indebted to CMS and subjecting to a costly audit.
    - Solution: Allow loan forbearance for rural providers if payment is utilized for patient care, staff salaries, utilities, or mortgage/lease. For rural providers, create a Medicare advanced payment system replicating the SBA loan forbearance provision that provides for an 8-week forbearance if a loan is used to maintain employees, pay utilities or mortgage/lease.

3. **SBA/PPP Loan and Loan Forgiveness provisions, specifically designed to help small rural health providers, excludes a third of all rural hospitals and nearly fifth of all rural health clinics.** This program specifically excludes county-owned and other types of publicly owned facilities. These facilities, which are rural health safety net providers, are struggling to stay open and cannot take advantage of the relief offered in this program.

4. **The Medicare COVID-19 Add-on Payment does not apply to Critical Access Hospitals.** These facilities are the foundations of rural health care access in their communities and serve populations that are older, sicker, and poorer: more vulnerable to COVID-19. These facilities should not be excluded from receiving the Medicare COVID-19 add-on payments that are intended to help providers treating COVID-19 patients stay open during the pandemic.

Additionally, NRHA requests that the following legislative relief is included in the fourth COVID-19 relief package to stabilize the rural health care safety net:

1. **The Immediate Relief for Rural Facilities and Providers Act** (S.3559 / H.R. 6365). This vital legislation will provide immediate funding, relief and stability for rural health care providers.

2. **The Rural Hospital Closure Relief Act of 2019** (S. 3103 / H.R. 5481). This legislation allows the most vulnerable rural hospitals (rural PPS hospitals) to convert to Critical Access Hospitals.

3. **Emergency Medical Services (EMS) relief.** EMS services in rural America were struggling prior to the COVID-19 pandemic and are now in crisis. An increase in funding of the SIREN Act, and a 20% add-on payment to the rural and "super-rural" Medicare extender provisions is needed.

4. **Reauthorize the Medicare Dependent Hospitals and Low-Volume Hospital Adjustment.**