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NATIONAL RURAL HEALTH ASSOCIATION

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July 7th, 2020

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker of the House
United States House of Representatives
Washington, DC 20515

The Honorable Charles Schumer
Minority Leader
United States Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
Washington, DC 20515

Dear Majority Leader McConnell, Speaker Pelosi, Leader Schumer, and Leader McCarthy:

Hundreds of rural hospitals and rural health care providers are on the brink of closure.

The National Rural Health Association (NRHA) applauds efforts in the Coronavirus Aid, Relief, and Economic Security (CARES) Act and in the Paycheck Protection Program and Health Care Enhancement Act (PPPHCEA) that provided a temporary lifeline to rural health care providers. However, such relief is short-lived as rural providers continue to lose 50-80% of their revenue. The current rural hospital closure crisis will catastrophically escalate if more is not done. It is imperative to provide stabilization to rural providers as they face the pandemic head-on and prepare to start regular procedures.

As you know, before the COVID-19 pandemic, rural health care providers were extremely vulnerable, with nearly half of all rural hospitals operating at a financial loss. Now, these hospitals are facing grave cash shortages. In fact, recently, the twelfth rural hospital in 2020 closed their doors, at a time when their community needs them the most. If Congress allows the hundreds of vulnerable rural hospitals to close, hundreds of thousands of rural patients will lose access to local emergency health services. The rate of rural hospital closures was at crisis levels prior to the pandemic; it will soon escalate to cataclysmic rates. The headlines just from the last few days are daunting:

"In a time of pandemic, another rural hospital shuts its doors"

"COVID-19 Now Reaching into Rural America"

"COVID-19 in Rural America – Is There Cause for Concern?"

NRHA calls for the following actions to ensure stabilization is provided to keep rural health providers' doors open:

1. **Implement New Payment Models to Stabilize Rural Health Care by Adopting Recommendations of the Bipartisan Policy Center.** A recent Bipartisan Policy Center report details the great need to create a new and substantial rural health payment model such as the Rural Emergency Outpatient Hospital designation, Rural Emergency Acute Care Hospital (S.706), global budget model, Rural Emergency Health Center (H.R. 5808), and new CMMI projects. A new model is critical to create a sustainable payment structures for many rural communities.

2. **Include the *Save Our Rural Health Providers Act*** (S. 3823 / H.R. 7004) **to establish a 20% Rural Carveout in the $100 Billion Provider Fund.** Priority should be granted to facilities that have been significantly affected by COVID-19 preparation, facilities that care for a disproportionally high percentage of Medicare and Medicaid patients, facilities that care for populations with above average senior populations or co-morbidities that are particularly vulnerable to complications from COVID-19, and for areas with limited access to health infrastructure and high uninsured populations.

3. **Include the *Rural Hospital Closure Relief Act of 2019*** (S. 3103 / H.R. 5481) **in any future relief package**. This legislation allows the most vulnerable rural hospitals (rural PPS hospitals) to convert to Critical Access Hospitals (CAHs). Most of the rural hospitals that have closed in the last decade have been rural PPS hospitals, and the CAH designation is a tried and proven equitable reimbursement structure that will keep rural health providers open.

4. **Protect Struggling Rural Providers from Harsh Provisions of the Medicare Accelerated and Advance Payment (AAP) Program.** Prior to the pandemic, nearly half of rural hospitals operated at a financial loss, and most others operated in the narrowest of financial margins. Rural providers, who care for a higher percentage of Medicare beneficiaries, will be unable to repay the high-interest loans in the Medicare AAP Program. Loan forgiveness is critical and must be granted to providers if funds were used to retain employees, pay mortgage, or keep needed services in a rural community.

5. **Ensure Rural 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.

6. **Provide Equitable Medicare Payments for Rural Providers.** The *Save Our Rural Hospitals Act of 2020* (S. 3665) would establish an appropriate national minimum (0.85) for the Medicare Area Wage Index (AWI) to ensure rural hospitals are paid for the care they provide. Last year, the Trump Administration made significant changes to the AWI, which provided higher Medicare payments for most rural hospitals, and this legislation will build upon that.

7. **Permanently Suspend Medicare Sequestration.** In the CARES Act, the Medicare sequester was suspended for the duration of the pandemic. This change needs to be made permanent to allow for rural hospitals to continue providing care to their communities. The 2% Medicare payment reductions due to the sequester are devastating for rural providers who are operating on slim margins.

8. **Permanently Keep Telehealth Changes.** Include a permanent policy that allows Rural Health Clinics (RHCs) and Federally Qualified Health Centers (FQHCs) to furnish distant site telehealth services and bill for those services through their normal reimbursement mechanisms. Medicare telehealth services generally require an interactive audio and video telecommunications system that permits real-time communication between the practitioner and the patient. RHCs and FQHCs with this capability can immediately provide and be paid for telehealth services to patients covered by Medicare for the duration of the COVID-19 PHE. Also, now distant site telehealth services can be furnished by any health care practitioner working for the RHC or the FQHC within their scope of practice, expanding the access to care for rural communities that lack an adequate workforce.

On behalf of our 21,000 members nationwide – including every component of America's rural health care infrastructure -- rural community hospitals, critical access hospitals, doctors, nurses and patients, the National Rural Health Association (NRHA), implores you to take these important actions to stabilize rural health care providers.

Sincerely,

Alan Morgan
Chief Executive Officer
National Rural Health Association