



# National Rural Health Association

The National Rural Health Association is a national nonprofit and nonpartisan membership organization with more than 21,000 members. NRHA membership consists of a diverse group of individuals and organizations, all of whom share the goal of improving rural health. NRHA strives to improve the health of the 60 million who call rural America home. **Our mission is to provide leadership on rural health issues through advocacy, communications, education and research.**

## WE FIGHT FOR ACCESS TO CARE

Rural populations are per capita older, sicker, and poorer than their urban counterparts. COVID-19 has devastated the financial viability of rural practices, disrupted rural economies, and eroded availability of care. Medical deserts are appearing across rural America, leaving many without timely access to care.

## WE FIGHT FOR A ROBUST RURAL WORKFORCE

The COVID-19 pandemic exacerbated the workforce shortage in rural America. Historically, rural areas have struggled to recruit and retain an adequate health care workforce. Seventy-seven percent of rural counties are Health Professional Shortage Areas, and nine percent have no physicians at all. With far fewer physicians per capita, the maldistribution of health care providers between rural and urban areas results in unequal access to care and negatively impacts rural health.

## WE FIGHT FOR A STRONG RURAL SAFETY NET

The federal investment in rural health programs is a small portion of federal health care spending, but it is critical to rural Americans. These safety net programs expand access to health care, improve health outcomes, and increase the quality and efficiency of health care delivery in rural America.

### 2021 Rural Health Champion Award Winners

Senator Joe Manchin (D-WV)  
Senator Bill Cassidy (R-LA)  
Representative David McKinley (R-WV)

### 2021 Legislative Staff Award Winners

Kripa Sreepada- Office of Sen. Tina Smith (D-MN)  
Nicholas Widmyer - Office of Rep. Abigail Spanberger (D-VA)



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NATIONAL RURAL HEALTH ASSOCIATION

# HEALTH IN RURAL AMERICA

## What challenges do rural Americans face?

### COVID-19

COVID-19 death rates in rural areas have surpassed those in urban areas.

Rural residents are more likely to live in a COVID-19 high-vulnerability county.

### SICKER

According to the CDC, rural Americans are more likely to die of the five leading causes of death (heart disease, cancer, unintentional injury, chronic lower respiratory disease, and stroke).

### OLDER

Approximately 10 million people ages 65 and older live in rural America.

A quarter of older Americans live in a small town or other rural communities.

### POORER

Nineteen percent of rural Americans, including 25% of rural children, are living in poverty.

Rural economies, still struggling to recover from the Great Recession, have seen greater increases in unemployment.

## Why is rural health care disappearing?

### PROVIDER 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 9% of physicians practice in rural communities.

Twenty million rural residents live in Dental Health Professional Shortage Areas, leaving many rural Americans with the emergency room as their only source of dental care.

### RURAL HOSPITAL CLOSURES

Over 135 rural hospitals have closed since 2010, with nearly 20 closing last year alone

Rural hospitals provide access to care, as well as jobs and other economic opportunities; these hospitals are often one of the largest employers in a rural community.

### EMS SHORTAGES

In an emergency, rural patients travel twice as far as urban residents to the closest hospital. As a result, 60% of trauma deaths occur in rural America, even though only 20% of Americans live in rural areas.

A new study published by the National Bureau of Economic Research showed that rural hospital closures increased inpatient mortality by 5.9%, while urban closures had no impact.

## How do we fix it? By empowering Rural Americans.

**Address Rural Declining Life Expectancy and Inequality**  
**Reduce Rural Healthcare Workforce Shortages**  
**Invest in a Strong Rural Health Safety Net**



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# 2021 RURAL HEALTH COVID-19 REQUESTS

## 1. Provide COVID-19 relief equity to support rural providers.

### COVID-19 Vaccine Deployment

COVID-19 is ravaging rural America. It is imperative that Congress provide the tools rural areas need to adequately combat the ongoing pandemic. Rural parts of the country faced increased cases and deaths compared to their urban counterparts. Additionally, vaccine distribution has relied heavily on chain pharmacies to help disperse the vaccine, something that is not readily available in rural areas compared to urban areas.

**NRHA requests Congress support additional funding for COVID-19 vaccination deployment, testing, tracing, and mitigation programs through the CDC with a 20 percent rural set aside.**

### CARES Act Provider Relief Fund (PRF)

Hundreds of rural hospitals remain on the brink of closure. At the beginning of the pandemic, 47 percent of rural providers were operating at negative margins and these grim statistics have only gotten worse. The CARES Act PRF has served as a critical lifeline for rural providers throughout the COVID-19 public health emergency (PHE). It is imperative that rural providers receive additional funding as COVID-19 continues disproportionately impact rural Americans.

**NRHA requests Congress accompany additional PRF dollars with a 20 percent rural carveout. Support the Save Our Rural Health Providers Act (from the 116th Congress – S. 3823/H.R. 7004).**

NRHA appreciates the speed with which PRF funding was distributed during 2020. The Consolidated Appropriations Act, 2021, included language requiring HHS to allow comparisons of actual to budget to document lost revenue. However, HHS requirements for hospitals to fit lost revenues into a calendar year reporting mechanism continues to cause problems, as hospitals lost revenues at different times in different parts of the country, and therefore should be allowed to report lost revenues based on their unique circumstances.

**NRHA requests Congress direct HHS to provide maximum flexibility to allow hospitals to tell their unique stories in documenting lost revenues, as well as COVID-19 expenses.**

### The Rural Health Workforce

The rural health workforce is overwhelmed and under resourced, and the absence of a qualified, robust workforce is one of the largest obstacles rural providers have faced during the pandemic. Providing one-time appropriations to these critical programs will give providers additional tools to recruit a strong, highly qualified workforce.

**NRHA requests Congress provide supplemental appropriations for the National Health Service Corps (NHSC) and the Nurse Corps Loan Repayment Program (NCLRP). Support the Strengthening America's Health Care Readiness Act (S. 54).**



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# 2021 RURAL HEALTH COVID-19 REQUESTS

## 2. Modernize rural health clinic (RHC) program payment.

Provisions to change the freestanding RHC payment formula beginning April 1, 2021, were included in the Consolidated Appropriations Act, 2021. NRHA is supportive of this policy for freestanding RHCs. However, the change also subjects all 'new' provider-based RHC's to the new per-visit cap, effective retroactively on December 31, 2019. Changing the effective date to April 1, 2021, will give hospitals currently in the process of establishing provider-based RHCs an opportunity to address their planning and complete pending conversions.

NRHA requests Congress change the effective date for grandfathering all 'new' provider-based RHCs to April 1, 2021, at a minimum. The definition of a "new" provider-based RHC should be filing of the 855A.

NRHA encourages Congress to bring the RHC program into the 21st century by:

- o Allowing RHC's to serve as distant-site providers for Medicare telehealth reimbursement.
- o Setting telehealth reimbursement at the RHC's All-Inclusive Rate (AIR) and allowable on the Medicare cost-report.
- o Updating provider workforce arrangements. Exploring options to continue cost-based reimbursement without a per-visit cap in exchange for quality reporting by provider-based RHCs.

## 3. Stabilize rural providers and abate the rural hospital closure crisis.

### Necessary Provider Provision for Critical Access Hospitals (CAH)

NRHA is excited about the opportunity created for rural providers with passage of the Rural Emergency Hospital (REH) model. As a short-term solution during the PHE, NRHA encourages Congress to allow the most vulnerable rural prospective payment system (PPS) hospitals to convert to a CAH designation. By reinstating necessary provider status 200 of the nation's most vulnerable rural PPS hospitals could transition to a more sustainable payment model.

NRHA requests Congress support the Rural Hospital Closure Relief Act of 2019 (from the 116th Congress – S.3103/H.R. 5481).

### CARES Act telehealth provisions

Congress should permanently extend the ability for Federally Qualified Health Centers (FQHC) and RHCs to provide distant-site telehealth services.

NRHA requests Congress permanently extend CARES Act telehealth provisions and mandate RHCs and FQHCs be reimbursed at their AIR rather than at a PPS rate.



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# 2021 RURAL HEALTH COVID-19 REQUESTS

## The Paycheck Protection Program (PPP)

The PPP, created by Congress in the CARES Act, has been a lifeline for many struggling rural hospitals. However, some rural hospitals have been denied access to this crucial program because their affiliation with a larger system causes them to surpass the 500-employee threshold. By waiving this affiliation rule, Congress would extend this financial lifeline to hundreds of rural hospitals vulnerable to closure.

**NRHA requests Congress support the PPP Access for Rural Hospitals Act (from the 116th Congress - S. 4217/H.R. 7208).**

## The 340B Program

NRHA is calling on Congress to enable certain hospitals that were participating in or applied for the drug discount program under section 340B of the Public Health Service Act prior to the COVID-19 public health emergency to temporarily maintain eligibility for such program.

**NRHA requests Congress support A Bill to Enable Certain Hospitals to Maintain Eligibility in the 340B Drug Pricing Program (from the 116th Congress - S.4160)**

The 340B program is a lifeline to rural hospitals, particularly during the PHE. Several manufacturers have ceased shipping 340B drugs to hospitals for eligible scripts when those scripts are dispensed by the hospitals' contract pharmacies. Manufacturers are in plain violation of the 340B statute, as reported in the December 30, 2020, opinion by HHS general counsel, and continue to refuse compliance with the law.

**NRHA requests Congress take all measures necessary to force manufacturers to comply with the 340B program requirements.**

## Medicare Sequestration

Medicare sequestration relief should be extended beyond March 31, 2021, until December 31, 2021, as the pandemic will continue well into 2021.

**NRHA requests Congress continue Medicare sequestration relief until December 31, 2021.**



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# FY 2022 Appropriations Requests

**Expand the USDA Rural Hospital Technical Assistance Program.** This program provides direct on-the-ground assistance and is flexible enough to meet the many varied needs of rural hospitals—especially those under critical duress from the current, ongoing pandemic. The program was developed in 2019 as a pilot technical assistance program for a small number of rural hospitals at \$300,000. The success of the program led to a second round of funding for \$1 million. By calculating the number of rural hospitals currently in financial trouble, and estimating the impact of the ongoing pandemic, **this program should be expanded greatly, at closer to \$200 million.**

Include specified funding for the **Rural Maternal and Obstetric Management Strategies (RMOMS) program** within the Health Resources and Services Administration's (HRSA) Federal Office of Rural Health Policy (FORHP). In 2019, FORHP used the Rural Health Outreach program to create an RMOMS pilot program to evaluate ways to improve the quality of obstetric (OB) care in rural America. The results have been significant. **NRHA calls on Congress to build into HRSA's Rural Health Outreach budget an additional \$10 million to support the critical RMOMS program.** OB services in rural America are simply not at an acceptable level. With continued funding allocated to this important program, HRSA can continue innovating to find new ways to address the OB shortage in rural areas.

**Establish rural representation at the Centers for Disease Control and Prevention (CDC).** In recent years, the CDC has expanded its focus on rural health, which has become increasingly important during the COVID-19 pandemic. NRHA believes it is important that Congress build upon this progress by creating and funding an Office of Rural Health within the CDC Office of the Director. Given known rural health disparities, coupled with the ongoing COVID-19 pandemic, it is critical for CDC to facilitate coordination with rural communities directly and serve as a direct resource for rural providers. **NRHA calls on Congress to support the creation of a CDC Office of Rural Health, with \$1 million to stand up the office.** To assist the CDC with oversight in rural America, this office could serve: 1) As a focal point in advising CDC Director on rural issues; 2) Reviewing programs and regulations internally with a rural perspective; 3) Hold program and grantmaking authority; and 4) Oversee CDC rural research centers.

**Expand rural residency programs** to support the development of new rural residency programs to address the physician workforce shortages and challenges faced by rural communities. Recent changes in CMS Medicare GME will expand the universe of program applicants. Funds would support training in family medicine, internal medicine, public health, and general preventive medicine, psychiatry, general surgery, and obstetrics and gynecology. **NRHA calls on Congress to provide \$11,000,000 to support the Rural Residency Development Program through the Federal Office of Rural Health Policy (FORHP) at HRSA.**

**Enhance HHS Office for the Advancement of Telehealth** (Section 3301(c)3 and 4 of PHSA) to include:

- Advise the Secretary on telehealth issues including the effects of current policies and proposed statutory, regulatory, administrative, and budgetary changes in the programs established under titles XVIII and XIX that affect the appropriate use of telehealth services and training, telehealth-related technologies, licensure portability, and access to affordable broadband service to improve access to high-quality healthcare services and help to broaden the use of the health care workforce.
- Create and staff an HHS Telehealth Advisory Committee to make recommendations to the HHS Secretary related to telehealth policy and program efforts across the Department.
- Administer grants, cooperative agreements, and contracts to provide telehealth services, training, and technical assistance and other activities as necessary to support activities related to advance the use of telehealth broadly.

**Create a technical assistance program to support the Rural Emergency Hospital (REH) Model.** The program would provide \$5-\$10 million in resources for state designated entities to assist facilities in the transition of PPS and Critical Access Hospitals (CAH) to a Rural Emergency Hospital (REH) model. The technical assistance includes quality, operational, financial, and population health improvement with the goal of supporting access to necessary health care services in rural communities. This program would be modeled after the Medicare Rural Hospital Flexibility Program and should be housed under FORHP at HRSA.



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# FY 2022 Appropriations Requests

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 2019<br>Minibus | FY 2020<br>Omnibus | FY 2021<br>Omnibus | FY 2022 NRHA<br>Request |
|--|--------------------|--------------------|--------------------|-------------------------|
|--|--------------------|--------------------|--------------------|-------------------------|

## HHS Programs for Rural Health

|  | FY 2019<br>Minibus | FY 2020<br>Omnibus | FY 2021<br>Omnibus | FY 2022 NRHA<br>Request |
|--|--------------------|--------------------|--------------------|-------------------------|
| Rural Communities Opioid Response                            | 135                | 110                | 110                | 121                     |
| Community Health Centers                                     | 1.6*               | 1.62*              | 1.68*              | 1.85*                   |
| Rural Outreach & Network Grants                              | 77                 | 79.5               | 82.5               | 90.8                    |
| Rural Hospital Flexibility Grants                            | 47.4               | 53.6               | 55.6               | 61.2                    |
| Rural Emergency Hospital Technical Assistance                | -                  | -                  | -                  | 10                      |
| Delta Region Community Health Systems                        | 8                  | 10                 | 12                 | 13.2                    |
| Telehealth   | 20.4               | 29                 | 34                 | 37.4                    |
| National Health Service Corps                                | 120                | 120                | 120                | 132                     |
| State Offices of Rural Health                                | 8.8                | 12.5               | 12.5               | 15                      |
| Rural Maternity and Obstetrics Management Strategies Program | 1.8                | 9                  | -                  | 10                      |
| Rural Research and Policy Analysis                           | 6.2                | 10.4               | 11.1               | 12.2                    |
| Rural Residency Program                                      | 10                 | 10                 | 10                 | 11                      |

## Title VII and VIII Programs

|                                     | FY 2019<br>Minibus | FY 2020<br>Omnibus | FY 2021<br>Omnibus | FY 2022 NRHA<br>Request |
|-------------------------------------|--------------------|--------------------|--------------------|-------------------------|
| Geriatric Programs                  | 40.7               | 40.7               | 42.7               | 47                      |
| Area Health Education Centers       | 39/2               | 41.3               | 43.3               | 47.6                    |
| Rural Residency Development Program | 20.2               | 10                 | 10.5               | 11.6                    |

## USDA Programs for Rural Health

|                                     | FY 2019<br>Minibus | FY 2020<br>Omnibus | FY 2021<br>Omnibus | FY 2022 NRHA<br>Request |
|-------------------------------------|--------------------|--------------------|--------------------|-------------------------|
| Rural Hospital Technical Assistance | 0                  | 1                  | 2                  | 200                     |

\* listed in billions



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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.

**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 statewide, 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.



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