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# NATIONAL RURAL HEALTH ASSOCIATION

April 15, 2021

The Honorable Tina Smith  
United States Senate  
720 Hart Senate Office Building  
Washington, DC 20510

The Honorable Mike Rounds  
United States Senate  
502 Hart Senate Office Building  
Washington, DC 20510

The Honorable Deb Fischer  
United States Senate  
454 Russell Senate Office Building  
Washington, DC 20510

The Honorable Tammy Baldwin  
United States Senate  
709 Hart Senate Office Building  
Washington, DC 20510

Dear Senators Smith, Rounds, Fischer, and Baldwin:

**RE: The need for rural health care representation in the upcoming infrastructure package to be debated before Congress.**

The United States is in the midst of an ongoing rural hospital closure crisis. Since 2010, rural America has lost 136 hospitals. In 2020 alone, 20 rural hospitals closed their doors. It is imperative that Congress continue to provide opportunities for these hospitals to stay viable during these unprecedented times. Unfortunately, 453 rural hospitals are operating at margins similar to the 20 rural hospitals that closed last year. Further, 216 of those hospitals are considered ‘most vulnerable’ for closure.

NRHA applauds the work done for rural providers early in the 117<sup>th</sup> Congress which has built upon and supported successful programs from the *Coronavirus Aid, Relief, and Economic Security (CARES) Act* last Congress. Congress has taken substantial steps to provide support to the rural safety net but more is needed. As Congress shifts its focus from reacting to the COVID-19 pandemic to building back the American economy, NRHA encourages lawmakers to be mindful of the unique needs of rural America and ways rural health care supports local economies.

NRHA is eager to continue to work with Congress to craft the *American Jobs Plan*, commonly referred to as ‘the infrastructure package,’ to provide additional support and opportunities to rural providers. In the *Consolidated Appropriations Act (CAA), 2021*, Congress created the new Rural Emergency Hospital (REH) designation, and in the CARES Act, Congress afforded rural providers with greater flexibilities for telehealth services. We believe that Congress should use this infrastructure package to provide resources to rural providers to modernize their services for the 21<sup>st</sup> century.

In order to build upon the success of the *American Rescue Plan Act* and other COVID-19 related pieces of legislation, NRHA encourages Congress to do the following:

### **1. Provide capital funding for rural hospitals to build and enhance their infrastructure.**

The administration's outline for the *American Jobs Plan* refers to community health centers and hospitals when describing safeguarding critical infrastructure and services and defending vulnerable communities. NRHA applauds the administration for including this language reiterating the importance of hospitals to the American health care infrastructure. It is critical that Congress include funding for rural hospitals in the upcoming infrastructure package.

In rural areas, hospitals are often the first or second largest employer in each county. While these facilities are the lifeblood of a given community, they are typically dated and often operate on negative margins. To keep their doors open, rural hospitals must be able to meet the needs of their patients. Unfortunately, many rural providers have cited lack of resources and inadequate facilities as barriers to providing comprehensive services via in-person care and telehealth services. In some communities, rural hospitals date back more than a half-century and are not able to meet the demands of current health care needs.

The time is due, and Congress has been presented the opportunity to revitalize rural health care by bringing rural facilities into the 21<sup>st</sup> Century so they can meet the distinct needs of their rural communities and to prepare for the next public health crisis. Congress must include rural health clinics (RHC), critical access hospitals (CAH), and other small rural hospital designations in the health infrastructure language to ensure rural communities are provided their fair share of health care capital resources.

**ASK: Capital funding needs to include rural specific providers such as RHCs, CAHs, and small rural hospitals to renovate or replace aging facilities.**

Further, Congress should support facilities wishing to transition to the newly-created REH model by providing them with the capital needed to enhance their facilities to take advantage of this new Medicare provider type. The REH model will offer the opportunity for current CAHs and rural Prospective Payment System (PPS) hospitals with fewer than 50 beds to convert to REH status to furnish certain outpatient hospital services in rural areas, including emergency department and observation services. To successfully convert, these facilities will require capital investments to ensure they comply with Conditions of Participation and are able to update and streamline existing dated facilities into the REH model.

**ASK: Congress should support facilities willing to transition to the new REH designation with capital financing and technical assistance.**

Additionally, Congress should use this infrastructure package to provide incentives to rural providers who want to expand services related to mental health, pulmonary therapy, oncology, cardiovascular rehabilitation, and obstetric services. Given low patient volumes, rural hospitals face structural barriers in meeting local needs for certain clinical services. As a result, patients often bypass their local hospital to receive services that could otherwise be provided in their community. It takes time and an initial capital investment to cover associated start-up costs and offset initial operating losses while building up the necessary patient volume to make clinical services economically viable. In order to do this, Congress should create a grant program that would cover the initial start-up costs until the services become economically viable. Not only would a grant program like this bring a long-term solution to rural areas, but it will also increase access to critical specialty services, including obstetric and behavioral health care. Giving rural providers the tools they need to add specialty services will allow their populations to stay in their community for care and provide additional high-skilled jobs to communities. Addressing the unique needs of rural America through a capacity expansion grant program would help to strengthen the future of rural America.

**ASK: Create a grant program devoted to rural health clinical capacity expansion.**

## **2. Improve broadband and telehealth services in rural America.**

In the administration's outline for the *American Jobs Plan*, President Biden intends to achieve 100 percent broadband connectivity nationwide, including in rural America. NRHA applauds this goal and believes it will be critical as health care continues to evolve. In March 2020, Congress significantly expanded telehealth services under the Medicare program. For example, before the COVID-19 pandemic, RHCs and Federally Qualified Health Centers (FQHCs) were unable to serve as distant site providers. Today, these allowances have become a staple to providing health care in rural areas. NRHA requests that Congress take the necessary steps to ensure that providers can continue providing telehealth services through the establishment of reliable, high-speed internet access.

**ASK: Use all programs available to provide reliable broadband to rural communities.**

NRHA encourages Congress to utilize all available programs to provide reliable broadband services to rural communities and take a multi-prong approach to expanding broadband services. NRHA believes the Department of Health and Human Services' (HHS) Office for the Advancement of Telehealth (OAT) could be useful in dispersing broadband funding and resources. OAT would be a great host for grants that would engage a broad range of partners (hospitals, clinics, nursing homes, home health agencies, local municipalities, educational partners, State Offices of Rural Health, etc.). These resources would support regional broadband needs assessments to develop business plans that could be used to access the Federal Communications Commission (FCC) or the United States Department of Agriculture (USDA) funding more effectively or create enough critical demand to entice telecommunications providers to offer services and build out broadband infrastructure. These grants would empower groups of rural counties and regions to have a say in building the broadband they need to meet their health and educational needs.

**ASK: Create a grant program through the HHS' OAT to provide funding for networks to bring in a broad range of partners.**

## **3. Invest in rural workforce, including for health care.**

It is critical that any infrastructure package be coupled with investment toward the rural health workforce. Throughout the pandemic, the largest obstacle our members faced was the lack of workforce. NRHA encourages Congress to build on the significant health care workforce investment made in the CAA, 2021 and the *American Rescue Plan* to ensure the rural health workforce is strengthened and ready to serve their communities.

This year, Senators Jon Tester (D-MT) and John Barrasso (R-WY) are introducing the *Rural Physician Workforce Production Act*, which was introduced by former Senator Cory Gardner (R-CO) in the 116<sup>th</sup> Congress. This legislation allows hospitals and CAHs to receive payment under Medicare for each resident that receives training in a rural training location. Further, the bill removes caps for rural training under GME and establishes a definition of rural that truly captures rural. NRHA believes Congress has a unique opportunity to improve rural health workforce infrastructure through passage of a comprehensive infrastructure package. Including provisions from the *Rural Physician Workforce Production Act* is essential so that rural providers can build this critical health safety net and provide services for their patients long after the PHE.

**ASK: Include provisions from the Rural Physician Workforce Production Act in the infrastructure package.**

On behalf of our 21,000 members nationwide, which encompasses every component of America's rural health care infrastructure, including rural community hospitals, CAHs, health clinics, doctors, nurses, and patients, NRHA implores you to take these important actions to stabilize rural health care.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan Morgan", with a long, sweeping horizontal stroke extending to the right.

Alan Morgan  
Chief Executive Officer  
National Rural Health Association