NRHA FY 2022 Appropriations Request

Expand the United States Department of Agriculture Rural Hospital Technical Assistance Program.

Request: **NRHA requests that the United States Department of Agriculture (USDA) Rural Hospital Technical Assistance (TA) program is funded at $5 million for fiscal year (FY) 2022.** As a proven solution to rural hospital closures, the request for additional resources is developed by calculating the number of rural hospitals currently in financial trouble and estimating the impact of the ongoing pandemic.

Description: The USDA Rural Hospital TA program was developed as a pilot technical assistance program for rural hospitals. The program is designed to assist rural residents, businesses, and professionals in the health sector by providing affordable, effective, and educated technical assistance to help rural hospitals better manage their financial and business strategies. The program helps improve rural hospitals' financial and operational performance, prevent closures, and strengthen the delivery of healthcare in rural communities. FY 2019 program funding was $300,000, for FY 2020, the program was funded at $1million, and for FY 2021, the program was funded at $2 million.

Impact: NRHA works with USDA to provide comprehensive and targeted TA to rural hospitals. The program provides direct on-the-ground assistance and is flexible enough to meet the varied needs of rural hospitals, especially those under operational and financial stress from the current, ongoing pandemic. As part of the TA effort, NRHA has developed an advisory board, which provides an annual report of lessons learned and recommendations for how to better provide TA to rural hospitals. The TA has helped numerous rural hospitals identify issues and develop concrete strategies to ensure sustainability. One recipient, a small rural hospital in Iowa, was able to keep its doors open because of the assistance they received via this program.

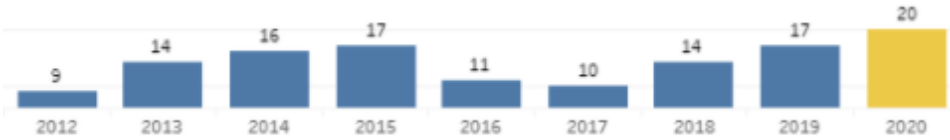
Context: Rural hospitals across the country are in a dire situation. The Center for Healthcare and Payment Reform published **this 1-pager** on imminent rural hospital closures. They note that, "Over 500 rural hospitals – more than one-fourth of the rural hospitals in the country – were at immediate risk of closure even before the coronavirus pandemic because of continuing financial losses and lack of financial reserves to sustain operations."

The Chartis Center for Rural Health published **their updated report (February 2021) on rural hospital vulnerability**, which claims, "Today the stability of the rural health safety net is even more tenuous. Rural hospital closures now stand at 136, and our research indicates that another

453 are "vulnerable to closure." The states with the highest percentage of rural hospitals with a negative operating margin are Alabama (78 percent), Kansas (71 percent), Mississippi (68 percent), Arkansas (67 percent), and Wyoming (65 percent) (Figure 1). In 2015, 39 percent of America's rural hospitals operated in the red. Today, 46 percent of rural hospitals have a negative operating margin.

Figure 1: States with highest percentage of rural hospitals with a negative operating margin

136 rural hospitals have closed since 2010 (**UNC Sheps**). In 2020, the U.S. experienced the greatest number of rural hospital closures in a single year: 20. Rural hospital closures by year:



From January 1, 2010 – January 1, 2015: 47 rural hospital closures
From January 1, 2015 – February 4, 2021: 89 rural hospital closures

NRHA FY 2022 Appropriations Request

Fund the Rural Maternal and Obstetric Management Strategies Program.

Request: **NRHA calls on Congress to build into Health Resources and Services Administration's (HRSA) Rural Health Outreach budget an additional $10 million to support the Rural Maternal and Obstetric Management Strategies (RMOMS) program.** We also recommend Congress include report language that includes RMOMS as a program within the outreach grant line to protect the funds.

Description: In 2019, HRSA's Federal Office of Rural Health Policy (FORHP) used the Rural Health Outreach program authority to create the RMOMS pilot program to develop and test models that improve access to and continuity of maternal obstetrics care in rural communities. This program was able to continue in 2020 through funding from **HRSA's Maternal and Child Health Bureau Maternal Health Initiative**. The goals of the RMOMS program are to:

- Develop a sustainable network approach to coordinate maternal and obstetrics care within a rural region;
- Increase the delivery and access of preconception, pregnancy, labor and delivery, and postpartum services;
- Develop sustainable financing models for the provision of maternal and obstetrics care; and
- Improve maternal and neonatal outcomes.

Impact: OB services are often not accessible in rural America. With continued funding allocated to this important program, HRSA can continue to innovative ways to address OB shortages in rural areas. RMOMS runs from September 2019 to August 2023. The program began with one year of planning, followed by a three-year implementation period. HRSA is funding a study to learn what helps and hinders maternal care in rural areas, and they hope to use these results to replicate the program in the future. Additional information on the RMOMS program can be found on the HRSA website **here** and a program fact sheet **here**. Current RMOM networks include:

- Bootheel Perinatal Network (BPN) - **Missouri**: Dunklin, Mississippi, New Madrid, Pemiscot, Scott, and Stoddard counties. "The network's overarching goal is to increase access to prenatal, labor and delivery, and postpartum services for mothers and babies with an initial focus on mothers with high-risk pregnancies."
- Rural Ob Access & Maternal Services Network (ROAMS) - **New Mexico**: Colfax, Taos, and Union counties. "The network ultimately aims to improve access to care in its underserved service area, improve maternal health and family education and outreach, and achieve greater financial and network sustainability for maternal and obstetrics services."

- TX-RMOMS Comprehensive Maternal Care Network - **Texas**: Edwards, Kinney, Real, Uvalde, Val Verde and Zavala counties. The TX-RMOMS network brings together several health systems and stakeholders with the common goal of ensuring access to coordinated maternal health services from prenatal through postpartum care.

Context: More than **28 million women** of reproductive age live in rural areas. **Half of all rural births are paid by Medicaid**, which often has lower reimbursement rates for labor and delivery services than other insurance providers. More than half of all rural counties lack access to a hospital obstetrics unit or to a single obstetrician (**Lewis et al., 2019**). Between 2004 and 2014, 179 rural counties lost hospital-based obstetric services (**Kozhimannil et al., 2018**). The percentage of rural counties with hospital-based obstetric services declined from 55% to 46% between 2004 and 2014, with less-populated rural counties experiencing more rapid declines. Counties with fewer obstetricians and family physicians also had a higher percentage of non-Hispanic black women of reproductive age and lower median household incomes, highlighting the challenge of providing adequate geographic access to obstetric care in vulnerable and underserved rural communities." (**Hung et al., 2017**)

Data from 2000 to 2012 showed that women and infants in the most remote rural areas, compared with their urban counterparts, had higher rates of delayed prenatal care initiation, pregnancy-related hospitalizations, low birth weight, preterm births, and infant mortality. Hospital and OB unit closures mean rural women in labor increasingly face **lengthy journeys** to the hospital, sometimes even hours long. They also have contributed to **increases in births outside hospitals**, births in hospitals without OB care, and in preterm births: all of which carry greater risks for mom and baby.

NRHA FY 2022 Appropriations Request

Establish an Office of Rural Health within the Centers for Disease Control and Prevention.

Request: **NRHA calls on Congress to create an Office of Rural Health within the Centers for Disease Control and Prevention (CDC), with $1 million appropriated annually to establish and operate the office.**

Description: To assist CDC with oversight in rural America, this office would:

1. Serve as the primary point of contact in CDC on matters pertaining to rural health;
2. Assist the Secretary in conducting, coordinating, promoting, and disseminating data and research regarding public health issues affecting rural populations;
3. Work across CDC to develop, refine, and promulgate policies, best practices, lessons learned, and coordinated successful programs to improve care, services, and social determinants of health for populations who reside in rural areas of the United States;
4. Conduct, support, and disseminate rural health research, educational outreach, and evidence-based interventions to prevent death, disease, injury, and disability, and promote healthy behaviors in rural populations;
5. Identify disparities in the availability and accessibility of health care and public health interventions for populations living in rural areas; and
6. Administer grants, cooperative agreements, and contracts to provide technical assistance and other activities as necessary to support activities related to improving health and healthcare in rural areas

Context: In recent years, CDC has expanded its focus on rural health and disparities faced by rural Americans, and this focus has become increasingly evident during the COVID-19 pandemic. Unfortunately, rural communities face numerous structural challenges. They have older and sicker populations, and in recent years, many of the small rural hospitals that serve these communities have closed or are facing nearly insurmountable workforce challenges.

About 57 million Americans live in rural areas, which face distinctive challenges during the COVID-19 pandemic. Long-standing systemic health and social inequities have put rural residents at increased risk of getting COVID-19 or having severe illness. They are also less likely to have health insurance. CDC has been tasked with the herculean duty of overseeing and managing vaccine and testing deployment, as well as tracing and mitigation programs: all of which are key to rural America, which has been disproportionately affected by the COVID-19 pandemic. A CDC Office of Rural Health would play a critical in supporting rural communities through the end of the public health emergency (PHE) and in preparing for future public health crisis.

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NRHA FY 2022 Appropriations Request

Expand the Rural Residency Planning and Development Program.

Request: **NRHA calls on Congress to provide $11,000,000 to support the Rural Residency Development Program (RRDP).**

Description: Congress should expand the rural residency program to support the development of new rural residency programs to address the physician workforce shortages faced by rural communities. Funds for this program support training in family medicine, internal medicine, public health, and general preventive medicine, psychiatry, general surgery, and obstetrics and gynecology.

The goal for the RRPD program is for each recipient to establish a new rural residency program that is accredited by the Accreditation Council on Graduate Medical Education (ACGME) and has a strong sustainability plan for a stable future financial outlook by the end of the period of performance. All RRPD program recipients should be capable of effectively training physicians to practice in and meet the clinical needs of rural populations. As a result, the proportion of graduates from these programs entering careers in practices primarily serving rural populations exceeds that seen in other programs across the nation.

Context: Approximately 18 percent of the population, roughly 57 million individuals, live in rural communities. Rural Americans often have poorer health status than their urban counterparts, likely due in part to challenges in accessing health care, such as limited transportation options, geographic isolation, and lack of infrastructure. In particular, rural communities are much less likely to have the health professionals necessary to adequately care for their communities' needs. Of the nearly 2,000 rural counties in the United States, 1,895 (95 percent) are entirely or partially in a primary care health professional shortage area (HPSA).

Enrolling trainees with rural backgrounds and training residents in rural settings are strategies shown to successfully encourage graduates to practice in rural settings. Despite this, graduate medical education (GME) in rural areas remains very limited, with 1% of residents across all specialties training in rural areas. Recent in the changes Consolidated Appropriations Act (CAA), 2021, will expand the number of GME positions available in rural areas, creating the need for additional rural residency programs.

Rural residency programs are accredited medical residency training programs that primarily train residents in rural training sites for greater than 50 percent of their total time in residency and

focus on producing physicians who will practice in rural communities. One common model is the 1+2 Rural Training Track (RTT), where the first year of training occurs within a larger program, typically in an urban hospital or academic medical center, and the final two years in a rural health facility.

NRHA FY 2022 Appropriations Request

Enhance the United States Department of Health and Human Services' Office for the Advancement of Telehealth.

Request: **NRHA calls on Congress to enhance the authority of the United States Department of Health and Human Services' (HHS) Office for the Advancement of Telehealth.**

Description: Congress should expand authority of the HHS Office for the Advancement of Telehealth (Section 330I(c)3 and 4 of PHSA) to:

- 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 and telehealth-related technologies 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 technical assistance and other activities as necessary to support activities related to advance the use of telehealth broadly.

Context: Telehealth should be viewed as a part of the future of health care, and ensuring rural providers are able to access and utilize these critical services for their patients is a top priority. Telehealth flexibilities afforded to providers through COVID-19 relief legislation and 1135 Waivers have been the silver lining of the public health emergency (PHE). Through an expanded authority, the HHS Office for the Advancement of Telehealth will be able to provide greater support for rural communities to ensure the continued access to critical services in rural areas.

NRHA FY 2022 Appropriations Request

Reauthorize and modernize the Medicare Rural Hospital Flexibility Program to help rural communities rebuild after the public health crisis.

Request: **NRHA calls on Congress to reauthorize and modernize the Medicare Rural Hospital Flexibility Program to help rural communities and healthcare providers rebuild after the public health crisis through an appropriation of $92.2 million.**

Description: Modernization of the Medicare Rural Hospital Flexibility Program would include:

- Provide $38 million in **Rural Hospital Flexibility Grants** to continue the work and funding for technical assistance for hospital conversation, quality, operational, financial, population health, EMS, and innovation for Critical Access Hospitals.
- Provide $10 million in support for the **Rural Emergency Hospital Technical Assistance Program** to ensure the implementation of the new Rural Emergency Hospital (REH) model with technical assistance from existing State Flex Programs and other stakeholders to assist facilities in the transition of PPS and Critical Access Hospitals (CAH) to a REH model.
- Provide $8 million to **Rural Provider Modernization Technical Assistance** to expand current Flex technical assistance program to support hospitals, clinics, and communities in implementing new sustainable models of care. These models of care will address health equity, social determinants of health, and build collaborative approaches to improve health.
- Provide $23.2 million in support for the **Small Rural Hospital Improvement Grant Program** to continue the work and funding for grants from states to small rural hospitals or networks of hospitals (with less than 49 beds) for operational improvements including improving data collection, quality, and payment building.
- Provide $13 million in **Rural Provider Modernization Grants** to support hospitals, public health departments, clinics, and community-based organizations to plan and implement emerging, sustainable models of care.

Impact: The Medicare Rural Hospital Flexibility Program has a proven track record of improving the health of rural people and places. Through Flex funding, 72% of Critical Access Hospitals voluntarily reported quality metrics that saw improvement in at least one quality domain. The Flex program helped to convert over 1,300 rural hospitals to Critical Access Hospital status and therefore have the right skill set and knowledge to provide similar technical assistance for the REH model. Over $150 million in CARES Act relief was rapidly distributed to 1,717 small rural hospitals through the critical role that Flex programs play within their states.

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Context: Prior to the COVID-19 pandemic, nearly 47 percent of rural hospitals were operating on negative margins. COVID-19 has made this dire situation worse. The U.S. has lost 136 rural hospitals to closure over the past decade, with 20 closing just last year. **Recent data from the Chartis Center for Rural Health** shows there are currently 453 rural hospitals operating at levels similar to ones that have closed in recent months. Of those, there are 216 rural providers that are considered 'most vulnerable' to closure. We cannot afford to continue to lose health care providers in rural areas, especially as COVID-19 continues to push rural communities to their limits.

Modernization of the Medicare Rural Hospital Flexibility Program helps rural communities, hospitals, clinics, and 57 million rural Americans by:

- Providing technical assistance to support the development of rural emergency hospitals
- Ensuring resources and responses for a rural public health crisis in all 50 states
- Providing funding for rural communities, certified rural health clinics, and other providers for:
  - Community-based initiatives for health equity
  - Behavioral health
  - Telehealth
  - New models for care
  - New rural emergency hospitals