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April 28, 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.

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, this week, the tenth 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:

[“Rural Hospitals are Facing Financial Ruin and Furloughing Staff During the Coronavirus Crisis”](#)

[“Calm Before the Storm: Rural Hospitals Brace for the Coronavirus Surge”](#)

[“Idaho’s Blaine County Has More Coronavirus Cases Per Capita Than Italy and New York City”](#)

[“Rural Areas Fear Spread of Virus as More Hospitals Close”](#)

[“The Worst is Yet to Come.’ How COVID-19 Could Wipe Out Many Rural Hospitals”](#)

NRHA calls for the following actions to ensure immediate relief and stabilization is provided to keep rural provider' doors open:

Provide Immediate Relief to Rural Providers

1. **Ensure a proportionate rural benchmark of the \$75 billion new funds in the “Provider Relief Fund”.** Rural providers care for 20% of the nation’s population. Rural Americans, because they are proportionately older and with higher percentages of comorbidities, are extraordinarily vulnerable to COVID-19. Even with an earlier \$10 billion rural set aside, the Provider Relief Fund has fallen woefully short of providing equitable relief to rural patients and providers. Additionally, priority should be granted to rural facilities that have been significantly affected by COVID-19 preparation, care for disproportionately high percentage of Medicare & Medicaid patients, have limited health care infrastructure, or facilities that care for populations with above average senior populations that are particularly vulnerable to complications from the virus.
2. **Reinstate Medicare accelerated payments and provide loan forgiveness for rural providers.** The Medicare advance payment provisions are an important way to provide relief for rural providers if the program is done correctly. The advance payments are loans that will have to be repaid to the CMS with high interest rates if delinquent. Struggling rural hospitals, who likely have negative operating margins on the last several costs reports, will not risk being indebted to CMS and subjected to costly audits. Medicare advance payments must be reinstated and revised to allow loan forgiveness comparable to Small Business Administration (SBA) loans (i.e., loan forbearance can occur for small rural providers if payment is used for patient care, staff salaries, utilities, or mortgage/lease).
3. **Modify U.S. Department of Agriculture (USDA) Programs to provide immediate relief to rural providers.** NRHA, the American Academy of Family Physicians, and the National Association of Rural Health Clinics [have joined together calling on USDA](#) to expand specific rural programs to provide immediate relief to rural health care providers. **The USDA Community Facilities Direct Grant Program, Community Facilities Direct and Indirect Loan Programs, Distance Learning and Telemedicine Grants, and Rural Hospital Technical Assistance Program** must be expanded and utilized to their fullest capabilities. USDA grant and loan programs can provide both immediate relief and stabilizing have the potential to immediate provide financial, technical and technological relief to rural providers on the frontlines of this pandemic.
4. **Equitable Medicare Reimbursements. Include 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.

Stabilization Relief for Rural Providers

1. **Include 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 (CAHs). Rural PPS hospitals have been the majority of rural hospitals closed in the last decade and the CAH designation is a tried and proven equitable reimbursement structure that will keep rural health providers doors open.

2. **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.
3. **Implement New Payment Models to Stabilize Rural Health Care by Adopting Recommendations of the Bipartisan Policy Center.: The fragile state of rural health care must be stabilized during the COVID-19 pandemic and beyond.** It is unacceptable for rural communities to continue losing their access to care. A recent [Bipartisan Policy Center report](#) highlighted NRHA supported ideas for new models. There needs to be a rightsizing of health care services to fit the unique needs of a rural community. Rural transformation models such as the Rural Emergency Outpatient Hospital designation, global budget model, and new CMMI projects are needed to establish sustainable payment structures for rural communities.

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 in providing relief to rural health care providers. Communities across the country rely on rural hospitals and providers to be there for them in times of emergencies. Rural hospitals, clinics, and the front-line providers who work in them are fulfilling their commitment to their patients in these unprecedented times, and they require immediate relief to survive this pandemic.

Sincerely,



Alan Morgan
Chief Executive Officer
National Rural Health Association