

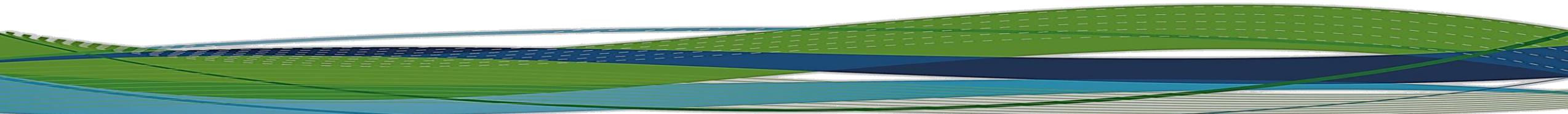


National Rural Health Association

The Impact of COVID-19 on Critical Access and Other Rural Hospitals

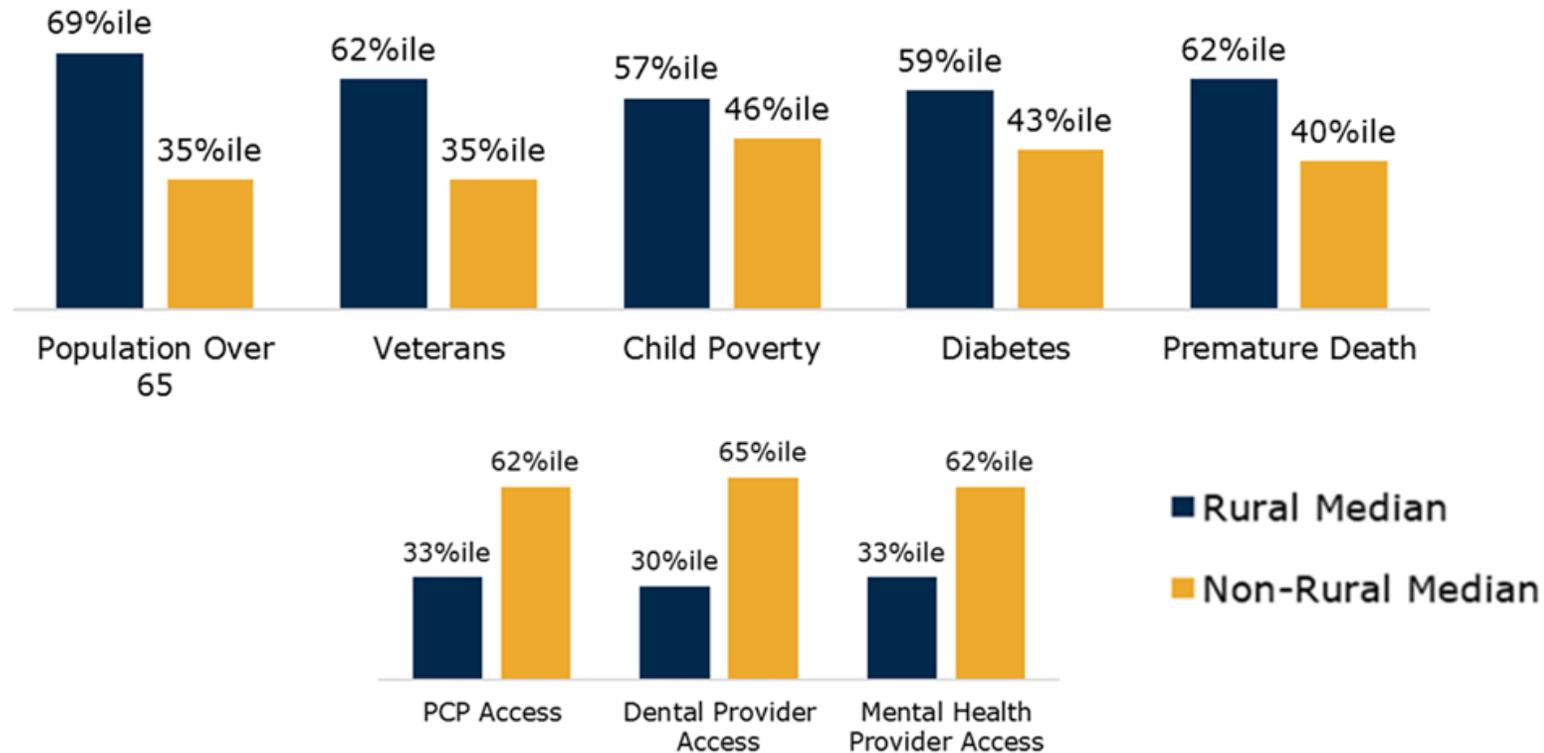
Josh Jorgensen, NRHA Government Affairs and Policy Manager: jjorgensen@nrharural.org

“With great challenges come great opportunities...let’s work together.”



What are the Obstacles Facing Rural America?

Summary: rural populations are older, less healthy, less affluent and have more limited access to multiple types of care than non-rural populations.

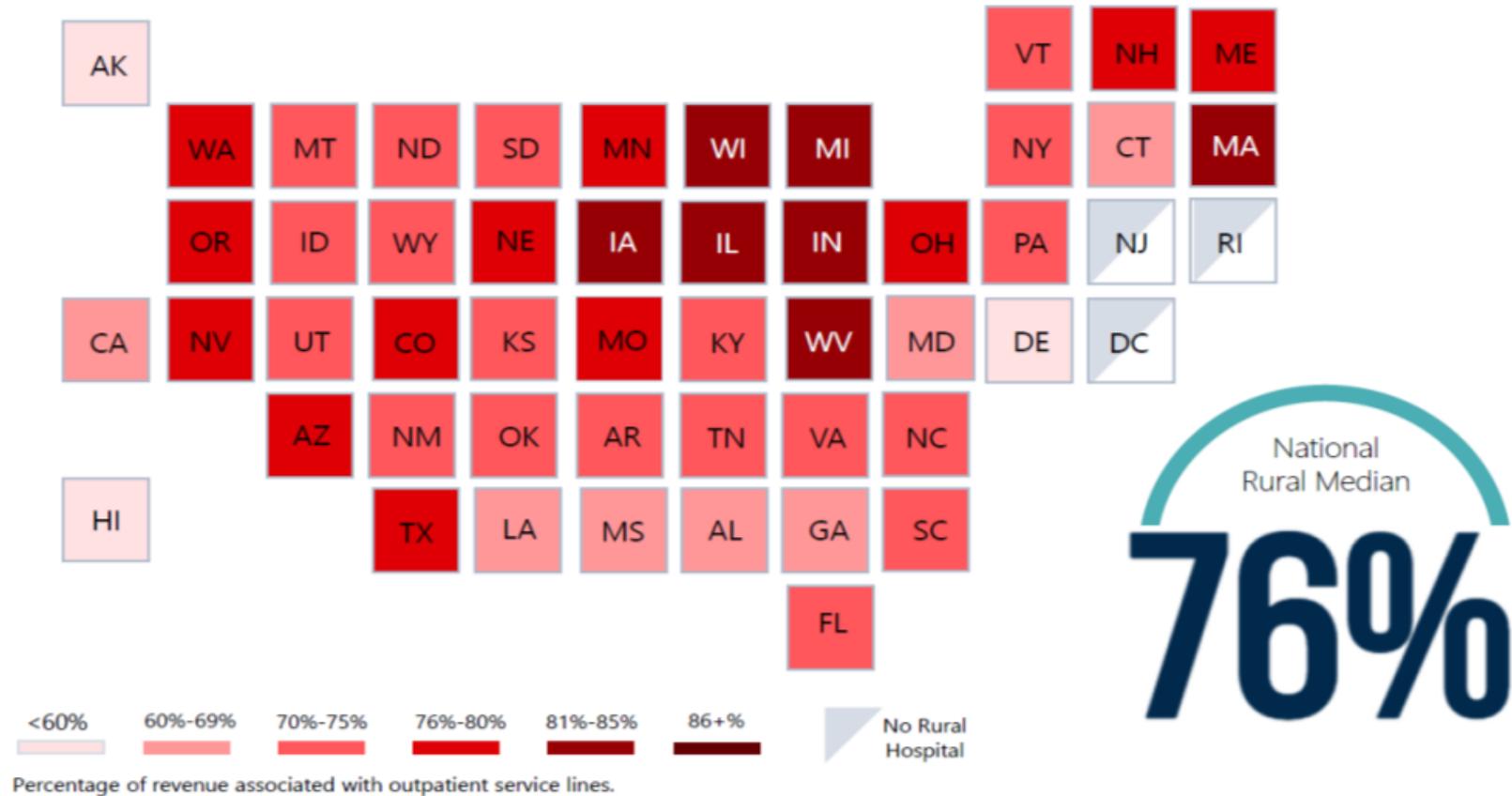


Source: iVantage Chartis Health Analytics

What are the Obstacles Facing Rural America?

Rural Hospitals' % Revenue Associated with Outpatient Services

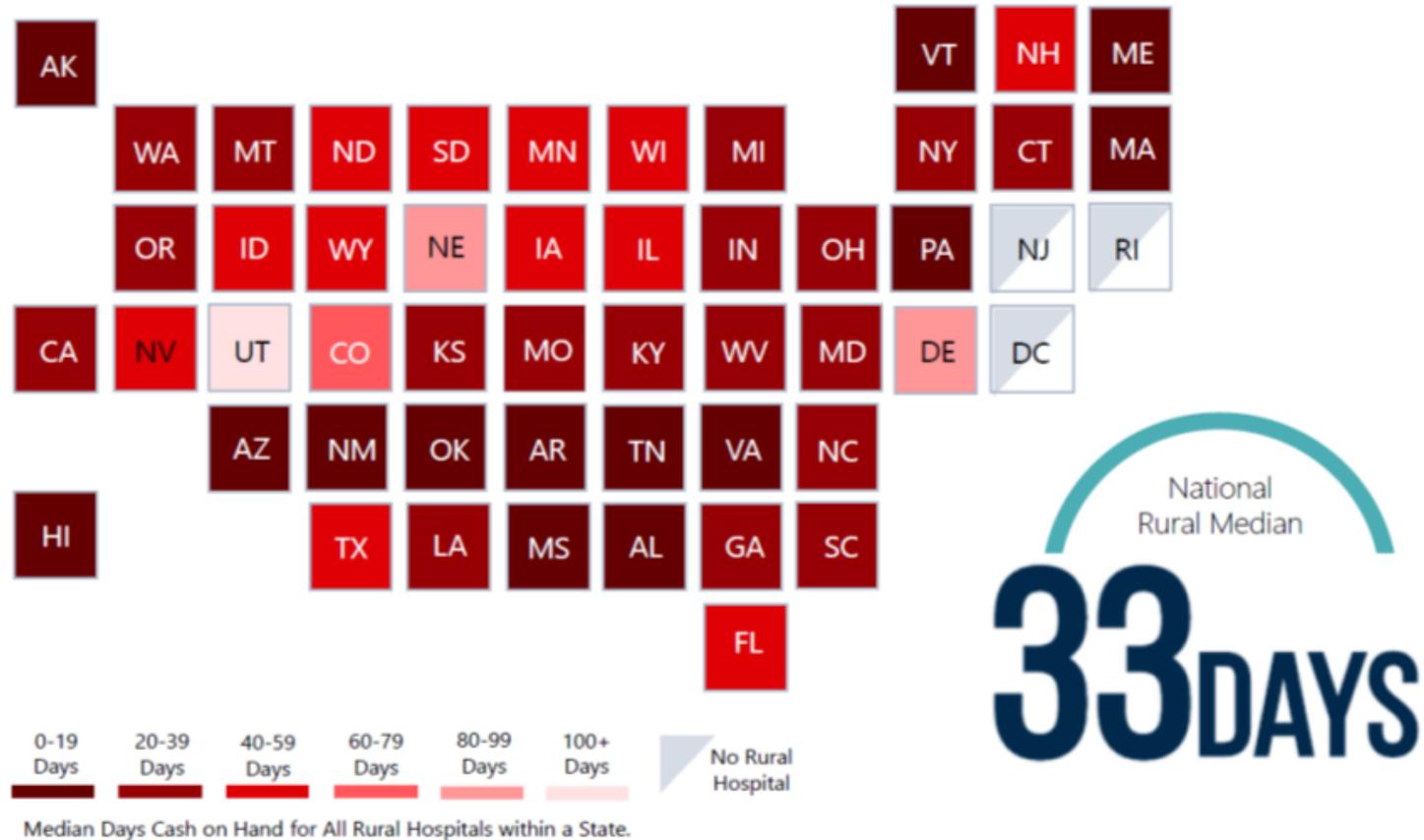
(January, 2020)



What are the Obstacles Facing Rural America?

Rural Hospitals' Days Cash on Hand

(January, 2020)



What are the Obstacles Facing Rural America?

48% of All Rural Hospitals Have Negative Operating Margins

(January, 2020)

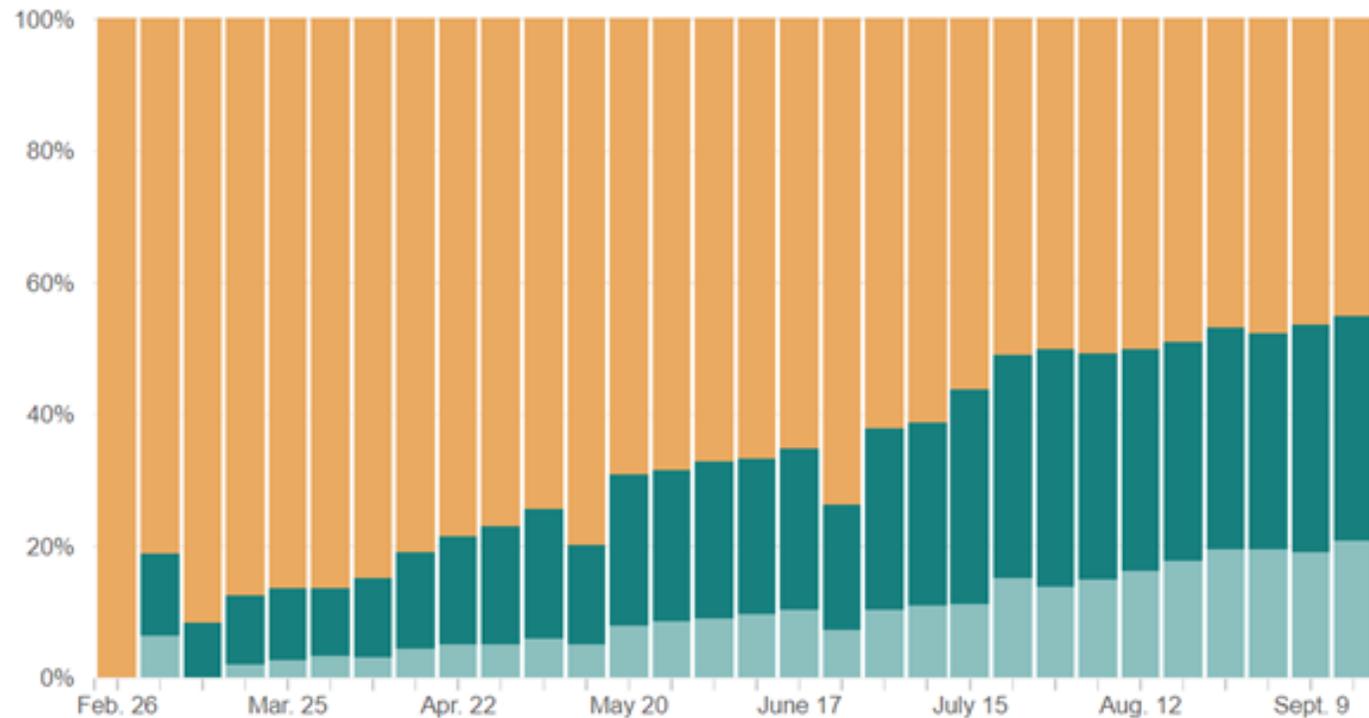


Source: The Chartis Center for Rural Health, 2019.

During The Pandemic, Deaths Have Shifted Away From Large Cities

Weekly percentage of COVID-19 deaths by county urbanization level

Large cities Medium cities Small/rural towns



One fifth of the first 100,000 COVID-19 deaths were outside of large metro areas, whereas rural deaths accounted for nearly half of the second 100,000 COVID-19 deaths.

- [NPR](#)

Now, rural America's fight against COVID-19 is at its height.

What has the administration done thus far?

Declaration of a public health emergency (PHE):

- On January 27, 2020, Department of Health and Human Services (HHS) Secretary Alex Azar declared a PHE.
 - The PHE has been extended several times throughout the year in 90-day stints. Most recently, on October 2, Secretary Azar extended the PHE, effective October 23, until January 21, 2021.
- In light of the PHE announcement, the administration has utilized 1135 waiver authority to ensure sufficient health care items and services are available to meet the needs of individuals enrolled in Medicare and Medicaid.
 - These 1135 waivers include: *Audio-Only Telehealth for Certain Services; CAH Length of Stay Requirements; Increased CAH Telehealth Flexibilities; Physician services waivers allowing hospitals to utilize practitioners to the fullest extent possible*
 - The 1135 waivers are effective now through January 21, 2021, unless the HHS Secretary makes permanent some of the waivers, or the PHE is extended.

What has Congress done thus far?

Various COVID-19 relief packages:

- Coronavirus relief packages enacted to date: *emergency appropriations supplemental package* (March 6), *Families First Coronavirus Response Act* (March 14), *Coronavirus Aid, Relief, and Economic Security (CARES) Act* (March 27), *Paycheck Protection Program and Health Care Enhancement Act (PPCHEA)* (April 24), *Paycheck Protection Program Flexibility Act of 2020* (June 5).
- Unfortunately, since rural America has begun seeing their most serious increases in COVID-19 cases and deaths, Congress has not been able to pass another, substantive.
- Negotiations over the next COVID-19 package are fluid; last week they were dead, and this weekend they were back on. Today, who knows? We must be prepared and understand that additional relief may not reach rural America until early next year.

What was included in the CARES Act?

CARES Act provisions of note:

- Creation of the Provider Relief Fund (PRF). Initially, Congress allocated \$100 billion to this fund. In subsequent legislation, the PPCHEA, they added another \$75 billion.
 - Of this fund, nearly \$11 billion has been specifically set aside for rural providers.
 - Issues with HHS's interpretation of terms of repayment?
 - NRHA is working with HHS to ensure the terms are more advantageous to rural America. Senate Majority Leader Mitch McConnell echoed NRHA's sentiment telling HHS, in part: "HHS must not impose requirements that will disproportionately affect rural hospitals that already operate on thin margins."
- Creation of the Paycheck Protection Program (PPP). The PPP is arguably the most utilized, popular provision from the CARES Act. Thus far, Congress has allocated \$660 billion to this fund.
 - Unfortunately, the application to apply for additional PPP loans has expired. With no additional action from Congress, small businesses and providers have been unable to access the remaining funding.
 - Originally there were issues with PPP dollars showing up on Medicare Cost Reports.
 - NRHA was able to work with CMS to ensure that rural providers were not negatively impacted by utilizing the program as other small businesses did.

What was included in the CARES Act?

CARES Act provisions of note:

- Telehealth flexibilities have arguably been the true silver lining throughout the pandemic. While the administration was able to act in some cases unilaterally, Congress provided additional flexibilities through the CARES Act:
 - Allowing Federally Qualified Health Centers (FQHC) and Rural Health Clinics (RHC) to furnish telehealth in Medicare.
 - Expanding Medicare telehealth flexibilities by waiving certain prior authority requirements.
- Expansion of the Medicare Accelerated & Advanced Payment (MAAP) Program.
 - Because other programs created within the CARES Act took time to create and distribute, including the PRF, the MAAP became one of the earliest dollar allocations available for rural providers. However, the original repayment terms, as written, would've proven devastating.
 - In H.R. 8337, the Continuing Resolution (CR) funding the government through December 11, 2020, Section 2501 contains provisions modifying the repayment period of MAAP.
 - 12 months before recoupment begins;
 - During the first 11 months of recoupment – withholding at the rate of 25 percent of the payment amount;
 - During the next six months of recoupment – withholding will be at the rate of 50 percent of the payment;
 - 29 months from when providers received the funding to repay the balance;
 - Interest rate reduced to four percent.
 - CMS release on this information [here](#).

Where does Congress go from here?

Status of another COVID-19 relief package:

- On Tuesday, October 6, President Trump publicly stated there would be no deal on COVID-19 relief until after the election citing too high of a price tag from Speaker of the House Nancy Pelosi (D-CA).
- On Friday, October 9, the White House signaled willingness to get back to the negotiating table to get a deal done in the coming weeks.
- Over the weekend, Treasury Secretary Steve Mnuchin and Speaker Pelosi continued negotiations in earnest. Still unclear what the outcome of these negotiations will look like.
- Unfortunately, we're not optimistic a deal will be signed into law in the immediate future.

NRHA advocacy agenda for additional COVID-19 relief packages

NRHA is advocating on behalf of the following legislation to protect and promote rural health:

- *Rural Hospital Closure Relief Act of 2019* ([H.R. 5481](#) & [S. 3103](#)): allows a limited number of rural PPS hospitals vulnerable to closure to convert to CAH designation.
- *Critical Access Hospital Relief Act*, ([H.R. 1041](#) & [S. 586](#)): repeals the 96-hour physician-certification requirement for inpatient critical access hospital services under Medicare.
- *Save Our Rural Health Providers Act* ([H.R. 7004](#) & [S. 3823](#)): establishes a 20 percent rural carveout of funds in the Provider Relief Fund. Priority would be granted to rural facilities who provide care for patient populations especially vulnerable to COVID-19.
- *PPP Access for Rural Hospitals Act* ([H.R. 7208](#) & [S. 4217](#)): waives the affiliation rule to allow additional rural hospitals to apply for additional rounds of PPP funding.
- *Conrad State 30 and Physician Access Reauthorization Act* ([H.R. 2895](#) & [S. 948](#)): modifies the Conrad 30 Waiver program, which incentivizes qualified foreign physicians to serve in underserved communities. It also extends statutory authority for the program through FY2021.
- *Healthcare Workforce Resilience Act* ([H.R. 6788](#) & [S. 3599](#)): makes previously unused immigrant visas available to nurses and physicians who petition for such a visa before the date that is 90 days after the end of the declared national emergency relating to the COVID-19 outbreak.
- *Seeding Rural Resilience Act* ([H.R. 4820](#) & [S. 2599](#)): directs the Department of Agriculture (USDA) to implement a public service announcement campaign to address the mental health of farmers and ranchers, including television, radio, print, outdoor, and digital public service announcements.
- *Healthcare Broadband Expansion During COVID-19 Act* ([H.R. 6474](#) & [S. 3838](#)): provides for the expansion of the Rural Health Care Program of the Federal Communications Commission in response to COVID-19, and for other purposes.

Regulatory Update: CMS Price Transparency Rule

CMS's Price Transparency rule is slated to go into effect on January 1st, 2021.

- During a recent call with CMS Administrator Verma, NRHA leadership asked her to either 1) remove this egregious regulation from its regulatory agenda or 2) delay implementation.
 - No concessions were made during the call and it appears CMS is steadfast on a January 1 implementation date.
- We understand this regulation will prove devastating, particularly for rural hospitals. We've heard of third-party organizations chomping at the bit to help hospitals, but that help is only as good as the work you as a provider put in. Ultimately, the burden still lays on the rural hospital.
- CMS released a FAQ document on September 30 to help hospitals prepare for implementation of the looming regulation. Further, CMS has mentioned the possibility of technical assistance.
 - Tommy Barnhart is collecting additional questions and comments to provide to CMS.
- NRHA is beginning an advocacy campaign blitzing Capitol Hill. Any support you can provide to the Louisiana delegation would be extremely beneficial.

Regulatory Update: Attacks on 340B

Drug Manufacturers Attack 340B Program:

- Five large pharmaceutical manufacturers, Eli Lilly and Co., Merck, Sanofi, AstraZeneca, and Novartis, [have taken disturbing actions threatening the longevity and integrity of the 340B Drug Pricing Program.](#)
- NRHA is deeply concerned by these attacks to the 340B Drug Pricing Program, a lifeline for many providers in rural America. We stand committed to working with Congress and the administration to see that this lifeline remains viable.
- NRHA has sent a letter to HHS Secretary Azar asking him to instruct HRSA to rein in the attacks by PhRMA.
- Congress joined NRHA in sending letters to Secretary Azar calling for an end to these attacks. 275+ Members from both chambers and both parties joined in the call.
- In recent weeks, HHS has told Eli Lilly: "Don't take our silence as acceptance" of these attacks.

Executive Order on Improving Rural Health and Telehealth Access

President Trump signs Executive Order aimed at improving rural health and telehealth access.

- On August 3, 2020, President Trump signed the 'Executive Order on Improving Rural Health and Telehealth Access.'
 - This EO instructed the Center for Medicare and Medicaid Innovation (CMMI) to create a new rural payment model.
 - The Community Health Access and Rural Transformation (CHART) Model was created a few weeks later.
 - Additionally, the EO instructed HHS and CMS to review 1135 waivers, particularly those pertaining to telehealth, to see which should be permanently extended.

Executive Order on Saving Lives Through Increased Support for Mental- and Behavioral- Health Needs

President Trump signs Executive Order aimed at improving mental health care in light of COVID-19.

- On October 5, 2020, President Trump signed the 'Executive Order on Saving Lives Through Increased Support for Mental- and Behavioral-Health Needs.'
 - This EO creates the 'Coronavirus Mental Health Working Group' which requires the submission of a plan by the group for addressing mental health impacts of COVID-19.
 - NRHA is immensely supportive of this effort but is deeply concerned by the lack of rural America mentioned in the EO text. In a recent call with HHS, we mentioned the issue with them to ensure rural representation is present on this working group.

Administration Update: Rural Telehealth Initiative

HHS, USDA, and FCC signed a Memorandum of Understanding to improve rural telehealth access.

- In September, the Trump Administration [announced a partnership between](#) the FCC, USDA and HHS to improve rural broadband in relation to telehealth. The advent of telehealth has been the true silver lining of the PHE. However, the only way for some rural Americans and providers to really take advantage of the enhanced flexibility is to improve the broadband capabilities in rural America.

More news from Washington

More news from Washington:

- Recently, the Department of Defense and HHS released their joint vaccination plan, '[From the Factories to the Frontline](#).' On rural, the release said: "HHS is also committed to ensuring rural populations receive the vaccine and has decades of experience working with public health partners addressing the needs of hard-to-reach populations."
- On November 10, a week after the election, the Supreme Court will be hearing *California v. Texas* challenging the Affordable Care Act's constitutionality. This comes after the individual mandate was set to \$0 following the passage of the 2017 Tax Cuts and Jobs Act. The argument is based on the 2012 case that upheld the Affordable Care Act which found at the time that the law was an appropriate use of Congress' power to tax because of the individual mandate. It is worth noting that the ACA expanded the 340B Drug Pricing Program to include CAHs.



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