

A View from the Hill: Rural Health Updates from Washington, D.C.

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What We Fight for on Behalf of Rural

- Addressing Rural Declining Life Expectancy and Inequality
- Investing in a Strong Rural Health Safety Net
- Reducing Rural Healthcare Workforce Shortages





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Agenda

- The Rural Health Context
- What's Happening in Washington
- Regional Trends
- Advocacy Materials
- Q & A



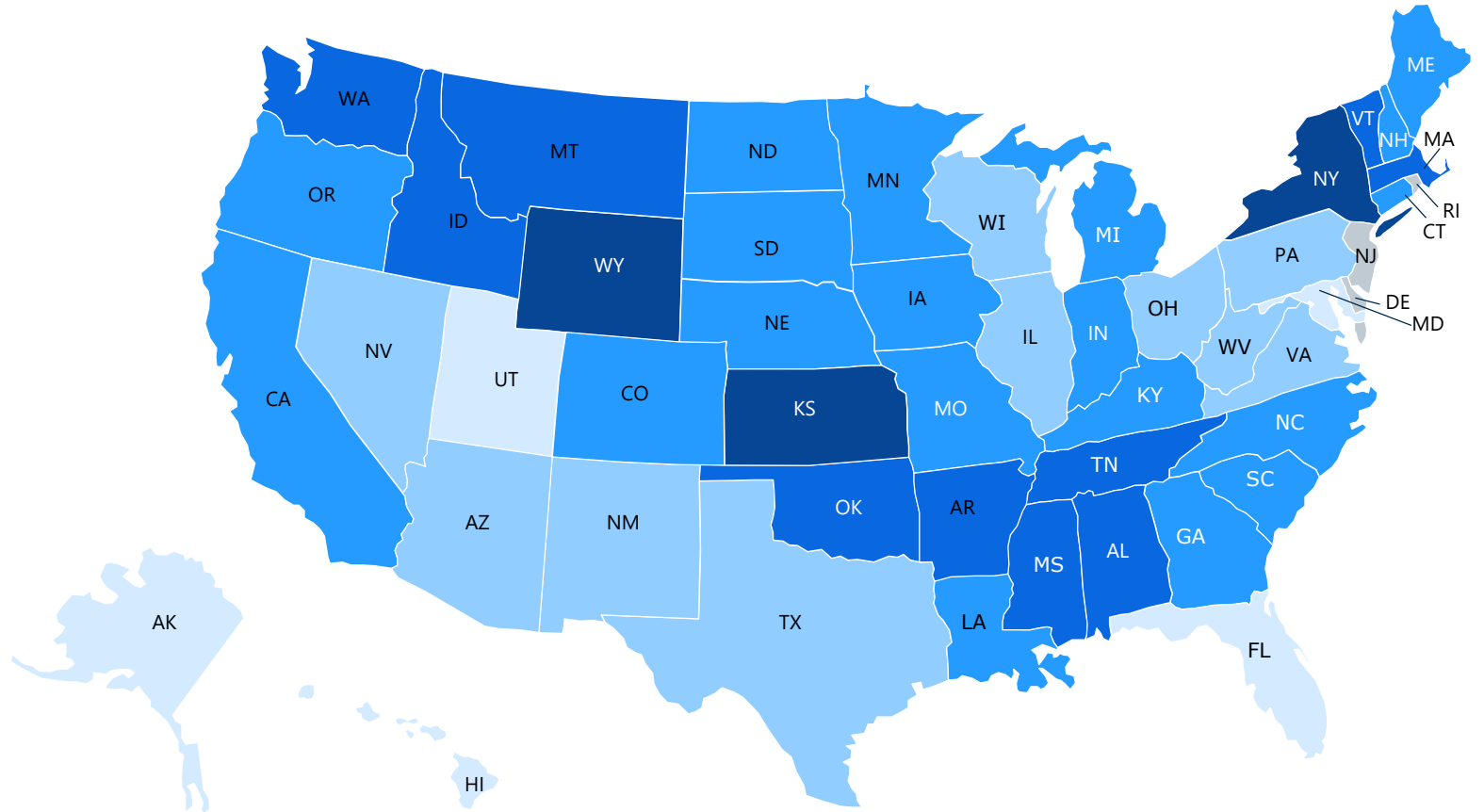
The Rural Health Context

Half of all Rural Hospitals Now in the Red

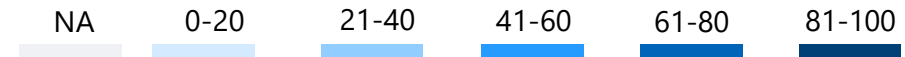
Overall, **50% of America's rural hospitals** are operating **in the red**.**

Highest percentage ever calculated in Chartis' annual analysis.

In **non-expansion states**, **55%** of rural hospitals are **in the red**.



State-level percentage of rural hospitals with negative operating margin.



Source: The Chartis Center for Rural Health,

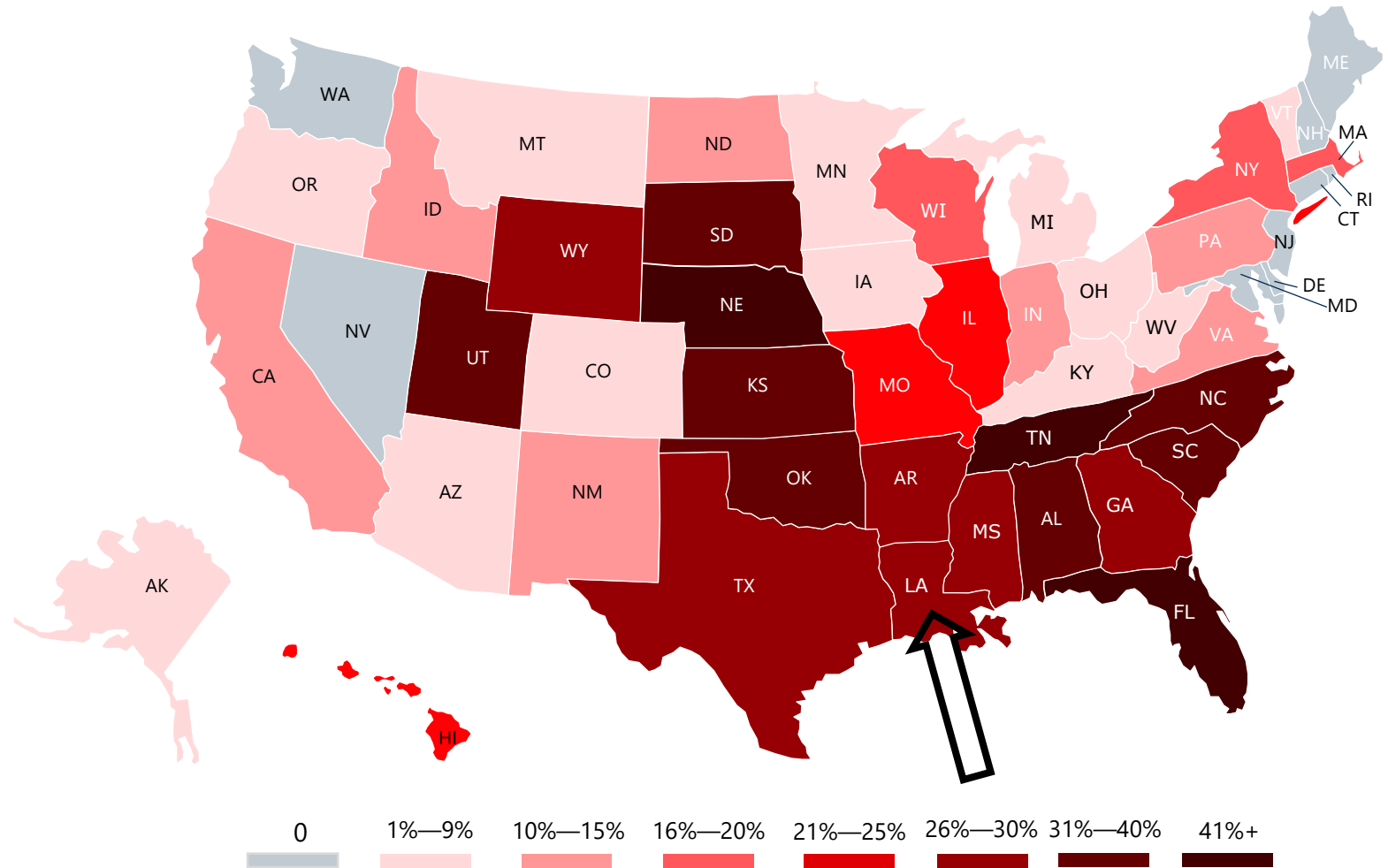
**CMS Healthcare Cost Report Information System (HCRIS) Q3 2023. Operating margin is computed in accordance with Flex Monitoring Team guidance. Outliers are excluded. Hospitals for which data are unavailable are excluded. Reported Covid-19 PHE Funds (Worksheet G-3 line 24,50) excluded from operating margin. Adjustments made to operating margin to reflect full 2% sequester.

Nearly 420 Hospitals Vulnerable to Closure

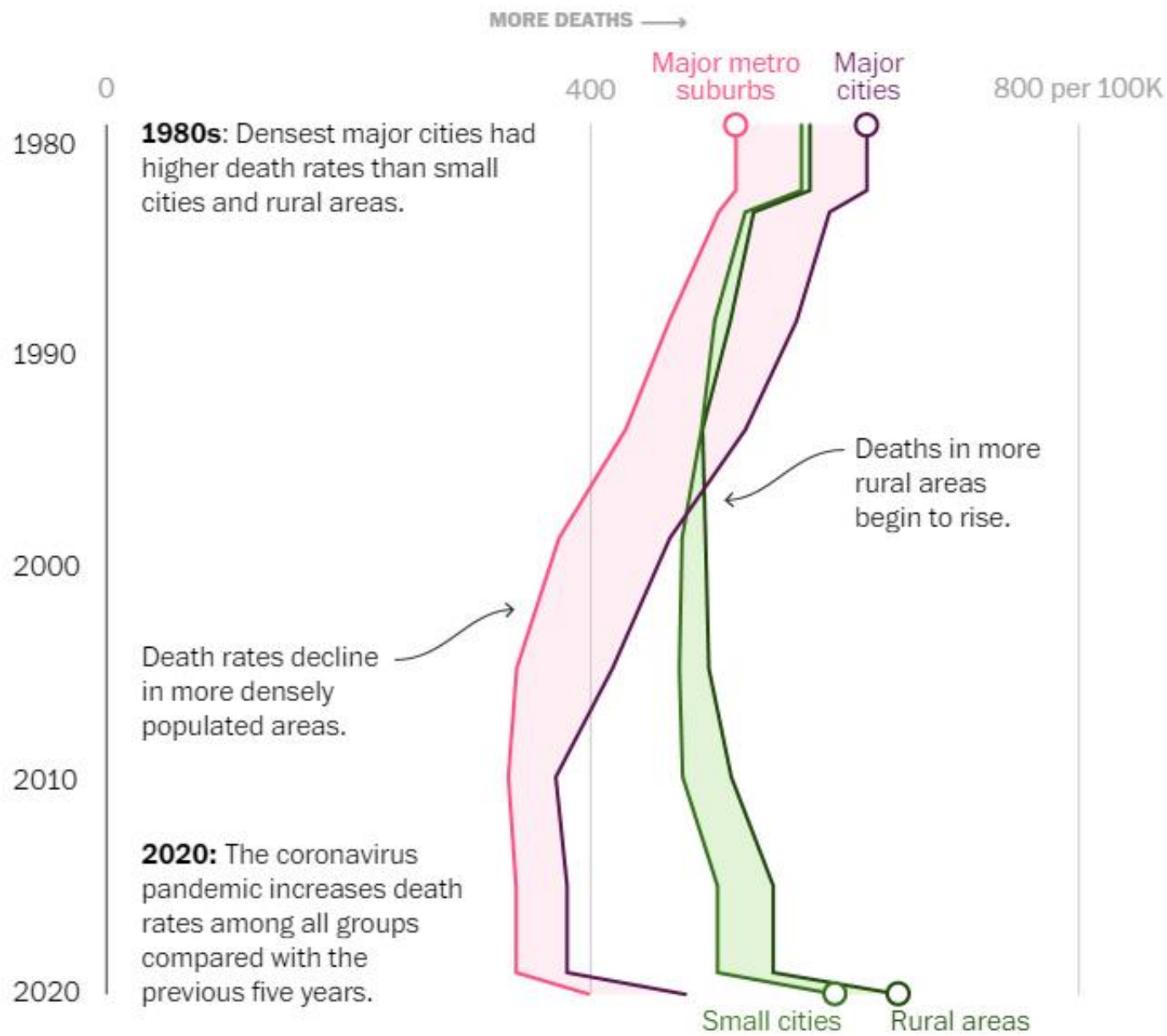
418 rural hospitals across America are **vulnerable to closure**.

Across **16 states**, the **percentage** of rural hospitals **vulnerable to closure is 26% or higher**.

Non-expansion states are home to **nearly 200** vulnerable rural hospitals.



Source: The Chartis Center for Rural Health, January 2024



Source: Centers for Disease Control and Prevention

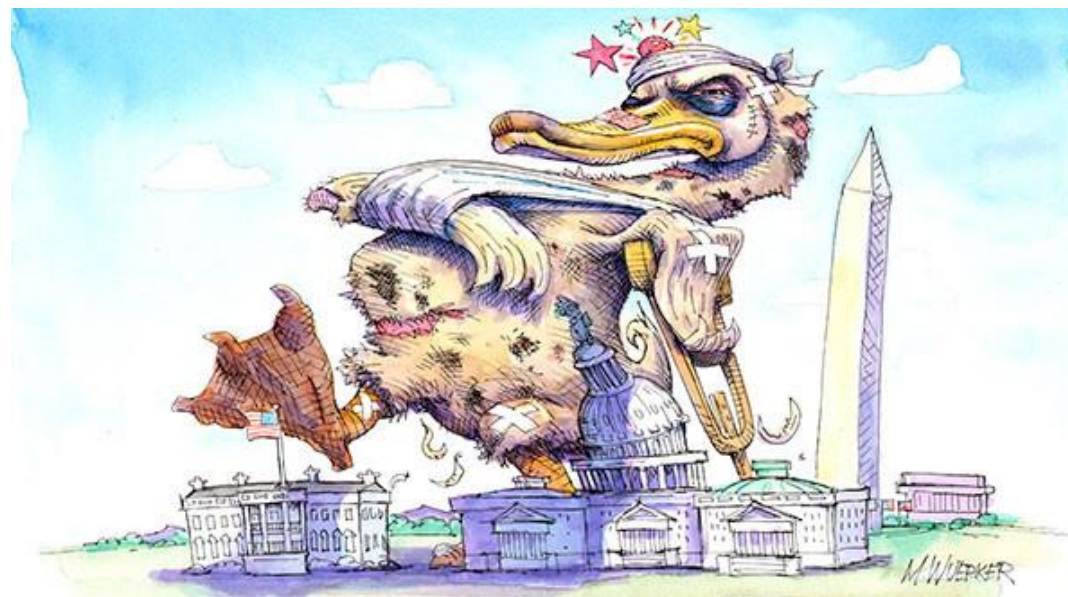
Rural Residents are dying at sharply higher rates than their counterparts in urban regions.

https://www.washingtonpost.com/health/interactive/2023/american-life-expectancy-dropping/?itid=hp-top-table-main_p001_f001

What's Happening in Washington: The Congressional Context

Lame Duck Congressional Session

- 2nd session of the 118th Congress
- Election years historically unproductive on the Hill, in an already historically unproductive Congress
- President, all House members, and 1/3 of Senators are up for re-election in November





118th Congress so far

- June 2023: Passed Fiscal Responsibility Act to increase debt ceiling, place funding limits for FY 2024 and 2025.
 - Level funding in FY 2024
 - 1% increase in FY 2025
- Fall 2023: Two large health packages introduced in House and Senate, have not moved since
- October 2023: McCarthy ousted as Speaker, Rep. Mike Johnson elected as new Speaker of the House
- March 2024: FY 2024 appropriations passed
- May 2024: Farm Bill Framework Introduced

Speaker Johnson's Strategy

May 10th – Retains Speakership

- The vote to kill the effort was an overwhelming **359 to 43**, with seven voting “present.”
- Democrats flocked to Mr. Johnson's aid, with all but 39 of them voting with Republicans to block the effort to oust him.

2025 Appropriations and Farm Bill

- Fiscal 2025 appropriations are underway. A continuing resolution is needed before fiscal 2024 ends on Sept. 30, but there's disagreement on next steps.

Keeping it in the House

- As we get closer to November, expect Republicans and House Leadership to start paying more attention to party platforms and less on “Inside the beltway” leadership discussions.

Majority Leader Schumer Strategy

May 1st – Sen. Leadership Releases their Version of Farm Bill

- The bill includes more than 100 bipartisan priority pieces of legislation, from improving rural healthcare and education, to foreign ownership of farmland.
- A bare bones framework that will need a series of time to work out.

2025 Appropriations

- Fiscal 2025 appropriations are underway but will take on a more progressive plan than House Republicans.
- Look for Senate Democrats to put more of the Biden Administrations priorities into the package.

Retaining the Majority

- Three states will most likely determine the Senate Majority and Senate Democrats will look to make those members prominent.
- 3 votes in the toss up category in MT, AZ, and OH

Remaining Congressional Work Days in 118th

June

Sun.	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16 Eid al-Adha (begins)	17	18	19 Juneteenth Eid al-Adha (ends)	20	21	22
23	24	25	26	27	28	29
30						

July

Sun.	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.
	1	2	3	4 Independence Day	5	6
7	8	9	10	11	12	13
14	15 GOP National Conv.	16 GOP National Conv.	17 GOP National Conv.	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

August

Sun.	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19 Dem National Conv.	20 Dem National Conv.	21 Dem National Conv.	22	23	24
25	26	27	28	29	30	31

September

Sun.	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.
1	2 Labor Day	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

October

Sun.	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.
		1	2	3 Rosh Hashana (begins)	4 Rosh Hashana (ends)	5
6	7	8	9	10	11 Yom Kippur (begins)	12 Yom Kippur (ends)
13	14 Columbus Day	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

November

Sun.	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.
					1	2
3	4	5 Election Day	6	7	8	9
10	11 Veterans Day	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28 Thanksgiving Day	29	30

FY 2025 Appropriations Update



House Appropriations Committee Chairman Tom Cole (R-OK) releases proposed FY2025 Topline Numbers:

- Non-defense programs may be cut effectively by 6%, but cuts are not evenly distributed.
- Labor-Health and Human Services- Education (LHHS) Subcommittee may be cut by up to 10-11%.
 - FY2025 LHHS allocation is set at \$184,564,000,000.
 - FY2024 total budget authority was 195,231,000,000, with total outlays at 260,863,000,000.

FY25 NRHA Appropriations Priorities



2025 appropriation notable priorities areas include:

- Cybersecurity readiness through the Small Hospital Improvement (SHIP) Program
- Rural Hospital Stabilization Program
- Rural Residency Planning and Development (RRPD)
- Rural Maternal Obstetric Management Strategies (RMOMS)
- Rural Communities Opioid Response Program (RCORP)

Mark up for LHHS bill is June 27th and July 10th for full committee.

Ways and Means Markup

- House Ways and Means Committee held a markup of rural health legislation, passed the following out of Committee:
 - [H.R. 8235](#): (Rep. Murphy) Amends Sec. 126 and Sec. 4122 slot distributions to exclude reclassified hospitals
 - [H.R. 8245](#): (Rep. Feenstra) Creates Rural Hospital Stabilization Pilot Program
 - [H.R. 8246](#): (Rep. Arrington) Allows hospitals closed prior to Dec. 27, 2020, to convert to REH. Includes payment modifications.
 - [H.R. 8261](#): (Rep Schweikert) Extends telehealth 2 years, MDH/LVH, ambulance payment through FY 2025
 - [H.R. 7931](#): (Reps. Miller & Caraveo): Allows mountainous terrain CAHs to receive ambulance reimbursement
 - [H.R. 3227](#): (Reps. Connolly & Estes): Allows CNA training at SNFs with non-patient safety related violations

2024 Farm Bill

- House Agriculture majority introduced bill, the [Farm, Food, and National Security Act](#).
- NRHA [summary](#)
- Markup held last Thursday
- Passed out of Committee by 33-21 vote
- Includes:
 - Rural Hospital Technical Assistance Program Act
 - Rural Healthcare Facilities Stabilization Act
 - Expanding Childcare in Rural America Act
 - Combines ReConnect Program and Rural Broadband Program into one
 - Reauthorizes Farm and Ranch Stress Assistance Network

2024 Farm Bill

- Senate Agriculture majority [outline](#) of Rural Prosperity and Food Security Act released. No bill text or markup scheduled
- NRHA [summary](#)
- Major differences between current House and Senate versions will need to be reconciled
- Includes:
 - \$50 million in mandatory funding for RD title, \$200 million mandatory funding for Community Facilities program
 - Rural Partnership Program Grants for public and private partnerships. Rural healthcare facilities would be eligible grantees
 - Reauthorizes ReConnect, Community Connect Grant, Distance Learning and Telemedicine Programs
 - Expanding Childcare in Rural America Act
 - Reauthorizes Farm and Ranch Stress Assistance Network at \$15 million/year

Senate HELP Markup

- The Senate Health, Education, Labor, and Pensions Committee held a markup of the following legislation, reported favorably through committee.
 - S. 3679 (Sens. Kaine & Young) Dr. Lorna Breen Healthcare Protection Reauthorization Act
 - S. 3765 (Casey & Budd) Emergency Medical Services for Children Reauthorization Act
 - S. 4351 (Murray & Tuberville) The Poison Control Centers Reauthorization Act
 - S.3775 (Collins & Cortez Masto) BOLD infrastructure for Alzheimer's Reauthorization
 - S. 4325 (Collins & Baldwin) The Lifespan Respite Care Act
 - S. 3757 (Durbin & Young The Congenital Heart Failures Reauthorization Act)
 - S. 4045 (Vance, Brown, Casey, Fetterman)The East Palestine Health Monitoring Act

Senate HELP Oral Health Hearing

- On May 16, the Senate HELP Committee held a hearing on, “Dental Crisis in America”
- Senators focused questions on:
 - Senator Cassidy emphasized the expanded technologies in the workforce and finding solutions to tackle care in rural parishes.
 - Senator Murkowski emphasized the need for expanded licensure programs. The Senator highlighted Dental Therapists and the positive impacts that an expanded scope of practice has had.
 - Senator Hickenlooper supported the integration of oral care into primary care.

Senate Finance Rural Health Hearing

- On May 16, the Senate Finance Committee held a hearing, “Rural Health Care: Supporting Lives and Improving Communities”
- Senators focused questions on:
 - Hospital closures
 - Obstetric deserts
 - Medicare Extenders: MDH/LVH, telehealth
 - GME and workforce innovations
 - Medicare Advantage
 - SNF minimum staffing rule

Senate Finance GME Policy Proposal

- Unspecified number of new slots distributed between FY 2027 – 2031
 - 25% to primary care, 15% to psychiatry or psych subspecialties
 - **Distribution to rural hospitals would exclude hospitals treated as being located in a rural area**
 - Includes hospitals in rural area, in area with RUCA code 4+, sole community hospitals (SCHs), and hospitals w/in 10 miles of SCH
- Allow SCHs and MDHs to receive IME payments
- Extends the ability of teaching physicians to use telehealth to supervise resident physicians beyond December 31, 2024
- Establish GME Council to evaluate distribution of new slots, make recommendations
- Amends Sec. 131 to give hospitals 10 years to build residency programs to reset their GME cap/PRA

Senate Finance GME Policy Proposal

- Bipartisan Medicare GME Working Group released a [draft policy outline](#) and questions for consideration
- NRHA will be submitting a response
 - Send any comments for inclusion in NRHA's comment by June 14

Lame Duck Congressional Session

“Must Dos”

- PHE Telehealth Extensions
- Rural Medicare extenders: MDH, LVH, Ambulance,
- Safety Program extenders: NHSC, CHC, THCGME
- Eliminate/postpone: DSH/physician cuts, site neutrality payments

“Wanna Dos”

- 340B SUSTAIN Act
- Key program authorizations: Flex, RRPD, RCORP, CDC
- RHC Burden Reduction Act
- Rural Emergency Hospital 2.0
- Rural Obstetric Access

What's Happening in Washington: The Administration

President's Fiscal Year 2025 Budget

- Viewed as starting point for heading into appropriations negotiations on the Hill.
- Highlights Administration's priorities:
 - Access to Prescription Drugs
 - Coverage Initiatives
 - Advancing Behavioral Healthcare
- Overall, President's budget decreased from FY24 request due to agreed upon caps in the Fiscal Responsibility Act.
 - FORHP's total discretionary budget equal to FY23 enacted level.



President's Fiscal Year 2025 Budget

- Medicare Rural Hospital Flexibility Grants Program: \$64 million
 - NRHA request: \$102 million, including cybersecurity funds under SHIP
- State Offices of Rural Health: \$13 million
 - NRHA request: \$13 million
- Rural Residency Planning & Development: \$13 million
 - NRHA request: \$13 million
- Rural Communities Opioid Response Program: \$145 million
 - NRHA request: \$148 million
- Rural Maternity & Obstetrics Management Strategies: \$10 million
 - NRHA request: \$12 million
- CDC Office of Rural Health: \$5 million
 - NRHA request: \$10 million

Current Activities

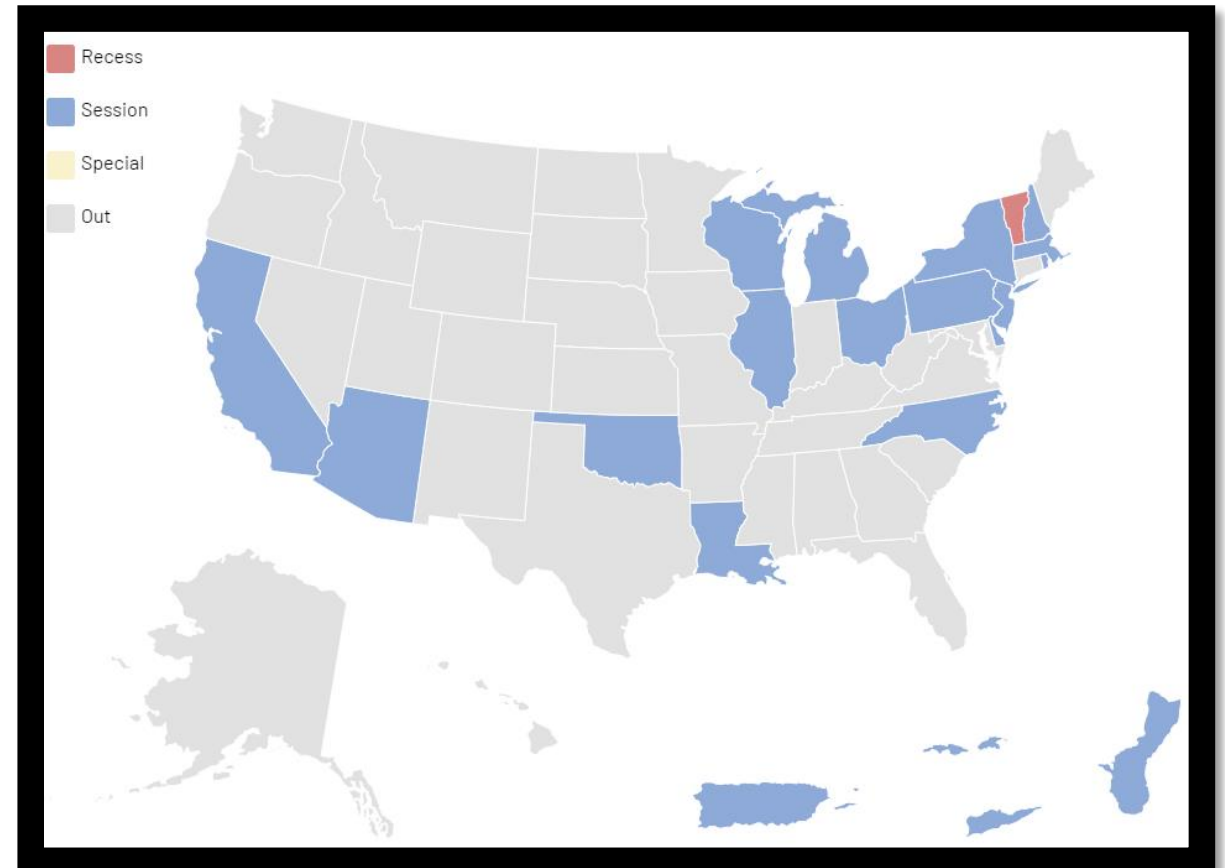
FY 2025 Inpatient Prospective Payment System proposed rule

- Comments were due June 10, 2024
- **2.6% payment increase overall, 1.9% for rural hospitals**
- **Separate IPPS payment for small hospitals to maintain buffer of essential medicines**
- Low wage index policy extended for 3 years
- Distribution of 200 new GME slots, half to psychiatry
- Clarifying definitions for new residency programs
- TEAM model for coordinated, accountable care post-surgery

Regional Trends

State Legislature Tracking

- Eighteen states are still "in session" with a few possibly back for a special session.
- Outside of Louisiana, most of the Delta and southeastern states have finished legislative work for the year.
- State Budgets across the board have been cutting public health spending.



Map Cite: [State Scope](#)

Trends: Nursing Home Rule

- The Nursing Home Staffing Rule is causing a myriad of issues including a shortage of inspectors, raising concerns about their ability to adequately monitor nursing homes.
- What are states doing?
 - **North Carolina:** Secretary of Health and Human Services has claimed they can't comply due to the cost and timeline.
 - **South Carolina:** Health department requested \$6 million from the Legislature for hiring 47 more staff and purchasing new equipment.
 - **Missouri and Idaho:** Both states reported shortages and are advocating for increased federal funding.
 - **Oregon:** Facing an \$830,000 shortfall in CMS funding for FY 2024 but currently has enough inspectors.

Trends: Mental Health Legislation

Texas:

- Workforce - [HB 400](#): An Act to establish Grant Programs, specialized for individuals focusing on psychiatric care in adolescent and adults.
- Workforce - [SB 532](#): An act that decreases the number of years a mental health professional must work in a designated mental health professional shortage area to qualify for the Loan Repayment Program for Mental Health Professionals from five to three years.

Arkansas:

- Reimbursement/Medicaid - [HB 1129](#): An act that requires the state Medicaid program to reimburse for behavioral health screenings and behavioral health services provided in hospital outpatient clinics or physician clinics.

Tumultuous End to Mississippi Medicaid

Governor Tate Reeves vetoed several bills passed by the Legislature.

- Originally, it was anticipated they would need to return to address Governor Reeves' expected veto of a bill to expand Medicaid.
- However, the Medicaid expansion bill died late in the session due to a failure to reach a compromise.

What this Means?

- Mississippi lawmakers have already indicated they will try again in 2025.
- **These fights may open the door to necessary work provisions.**
 - Gov. Landry is considering work requirements and copayments for enrollees in Louisiana's Medicaid program.

Trends: Current Funding Activity



- Budget Fights:
 - Alabama: Gov. Ivey Budget asked for an 8+ percent increase to public funding.
 - Mississippi: The Legislature completed its work for the 2024 with a state budget that was 5.8% larger than the budget it passed last year.
 - Louisiana: The Governors proposed budget would decrease of 6.9 percent from the existing operating budget for fiscal 2024.

Advocate With Us!

Advocacy Campaigns

Urge Congress to Reduce Burden in Rural Health Clinics

Urge Congress to Invest in a Robust Rural Health Workforce

Urge Congress to Invest in Rural Health

Urge Congress to Invest in Rural Health Infrastructure

Encourage your Member of Congress to join the Rural Health Caucus!

Urge Congress to Block CMS' Minimum Staffing Standards Rule


Urge Congress to Extend Rural Healthcare Bills and Programs



Advocacy Priorities

Core Advocacy Materials:

- [NRHA Rural Health Extenders Priorities](#)
- [NRHA 2024 Legislative Agenda](#)
- [NRHA 2025 Appropriation Priorities](#)
- [NRHA Rural Hospital Legislative Priorities](#)
- [NRHA Farm Bill Legislative Priorities](#)
- [NRHA Rural Health 101](#)
- [Rural Health Advocacy 101](#)

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Rural Health Extenders

Medicare Extenders


Medicare Dependent Hospital & Low Volume Hospital Designations <i>Expiring October 1, 2024.</i> Extend MDH and LVH Medicare designations in recognition of their low volumes and significant Medicare population S. 1110, H.R. 6430	Medicare Telehealth Flexibilities <i>Expiring December 31, 2024.</i> Make permanent Medicare telehealth flexibilities put in place during the pandemic including RHC/FQHC distant site status, audio-only, and more S. 2016/H.R. 4189, H.R. 7623	Rural Ground Ambulance Payments <i>Expiring October 1, 2024.</i> Extend temporary additional reimbursement for ground ambulance services in rural areas to ensure access to vital emergency services S. 1673/H.R. 1666
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Safety Net Program Extenders

Expiring December 2024.
Extend federal funding for critical programs providing training and services in underserved rural areas:
- National Health Service Corps (NHSC) program
- Community Health Centers
- Teaching Health Centers Graduate Medical Education
S. 2308, H.R. 2559

Avoid Harmful Site Neutrality Proposals

NRHA opposes implementation of site-neutral payments and disproportionate share hospital (DSH) cuts given rural hospital vulnerabilities.
- Current proposals would cost rural hospitals \$272 million in the next 10 years
- Fifty percent of rural hospitals have negative operating margins
- Over 170 rural hospitals have closed, or stopped inpatient services, since 2010
https://www.ruralhealth.us/advocate@nrha_advocacy

 National Rural Health Association

Rural Health 101

Why Rural Health?

About 61 million (15%) of Americans reside in rural areas.

Rural Barriers to Access

People living in rural areas are at greater risk of poor health conditions due to:

- Health care workforce shortages
- Lower rates of health insurance coverage
- Limited availability of health care and public health services
- Vulnerable health care facilities
- Distance and transportation limitations
- Inadequate broadband access
- Higher prevalence of chronic disease
- Lower socio-economic population

Infrastructure

Since 2010, nearly 170 rural hospitals have closed or discontinued inpatient services. Currently, 50% of rural hospitals operating on negative margins. When a rural hospital closes, not only does the community lose access to vital health care, but a major employer and community lynchpin exits, affecting the larger community.

Critical Access Hospitals (CAHs)

CAHs reduce the financial vulnerability of rural hospitals and improve access to healthcare by keeping essential services in rural communities through receiving certain benefits, such as cost-based reimbursement for Medicare services.

Rural Prospective Payment System (PPS) Hospitals

Recognizing that many rural hospitals are the only health care facility in their communities and that their survival is vital to ensure access to health care, Congress created special PPS designations including Sole Community Hospitals (SCH), Medicare Dependent Hospitals (MDH), and Low Volume Hospitals (LVH).

Rural Health Clinics (RHCs)

RHCs are public, nonprofit, or for-profit healthcare facilities that use a team approach to healthcare delivery, using advanced practice nurses and physician assistants to provide services. To receive Centers for Medicare & Medicaid Services (CMS) certification, RHCs must be located in a non-urban area that is designated as underserved.

1,353 CAHs operating in the US

Rural Hospital Priorities

- H.R. 833**
Save America's Rural Hospitals Act
Reps. Graves (R-MO) and Huffman (D-CA)
This legislation works to ensure critical rural providers are equipped to support their patients through permanently eliminating Medicare sequestration for rural hospitals, making permanent Low-Volume Hospitals and Medicare-Dependent Hospitals designations, reversing cuts to reimbursement of bad debt, permanently increasing Medicare payments for ground ambulance services, making permanent telehealth enhancements for RHCs and FQHCs and reauthorizing the Flex program, among other provisions.
- H.R. 4713**
Rural Hospital Technical Assistance Program Act
Reps. Kilmer (D-WA) and Jackson (R-TX)
This legislation would authorize the USDA Hospital Technical Assistance Program to identify and address hospital needs to improve financial performance and quality outcomes.
- S. 1571**
Rural Hospital Closure Relief Act Of 2023
Sens. Durbin (D-IL) and Lankford (R-OK)
This bill provides flexibility around the 35-mile distance requirement and enables states to certify a hospital as a "necessary provider" in order to obtain CAH designation, expanding the number of rural hospitals who qualify.
- H.R. 5989**
Rural Health Care Facilities Revitalization Act
Reps. Caraveo (D-CO), Moolenaar (R-MI), Moylan (R-GU), Salinas (D-OR)
This bill allows hospitals, behavioral health facilities, clinics, and long-term care facilities to use Rural Development assistance to upgrade health IT, refinance debt obligations, and support ancillary needs.

Advocacy Materials!

- **Topic specific 1-pager leave behinds:**

- Includes background information and NRHA supported legislation & programs

- [340B Program](#)
- [REH](#)
- [Rural Health Clinics](#)
- [Rural Hospitals](#)
- [Rural Community Health Centers](#)
- [Rural Maternal Health](#)
- [Rural Telehealth](#)
- [Rural Behavioral Health](#)
- [Rural Oral Health](#)
- [Rural EMS](#)
- [Rural Veteran's Health](#)
- [Rural Public Health](#)



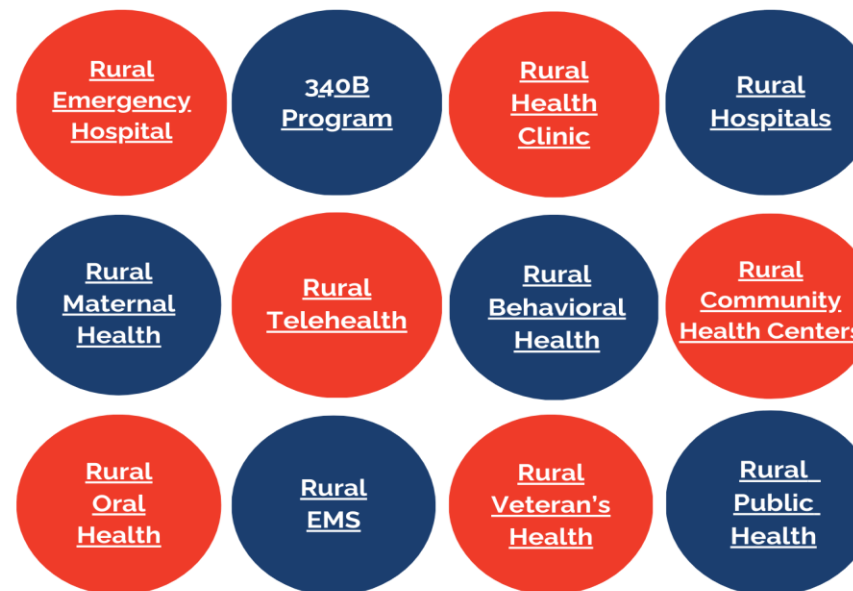
Rural Advocacy Materials

Core Advocacy Materials:

- [NRHA 2024 Legislative Agenda](#)
- [NRHA 2024 Appropriation Priorities](#)
- [NRHA Rural Hospital Legislative Priorities](#)
- [2024 Rural Medicare Extender Priorities](#)
- [NRHA Farm Bill Legislative Priorities](#)
- [NRHA Rural Health 101](#)
- [Rural Health Advocacy 101](#)



Supplementary Topic 1-Pager Materials:



2024 NRHA Advocacy Aids

- Sign up to receive [NRHA's Rural Roundup](#) & [NRHA Today](#).
- [Register](#) for NRHA's Monthly Grassroots Call.
- Contact your NRHA Government Affairs Team:
 - Email: [Carrie Cochran-McClain](#), [Alexa McKinley](#), [Zil Joyce Dixon Romero](#), [Doson Nguyen](#), [Sabrina Ho](#)
- Engage with NRHA Advocacy online!



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Questions?



NRHA

Your voice. Louder.

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