

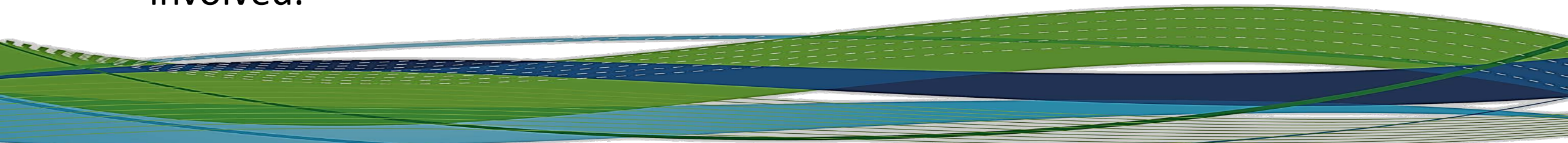


2020: An unprecedented year

- Unprecedented challenges to an already fragile rural health safety net
- Impact of the pandemic today and tomorrow
- Unprecedented NRHA advocacy and funding victories
- More important than ever for us to team together 2020

ADVOCACY: Why is your involvement critical?

- Top method to grow your membership.
- Without you, we could not do our job.
- It's only when the connection is made by you that a Member of Congress understands why support of a particular piece of legislation is critical. (They often don't care about the federal impact.)
- It's YOU that create our rural health champions
- TODAY: Walk through some key issues. Your time is valuable. Demonstrate quick and easy ways to be involved.





VIRGINIA RURAL HEALTH ASSOCIATION

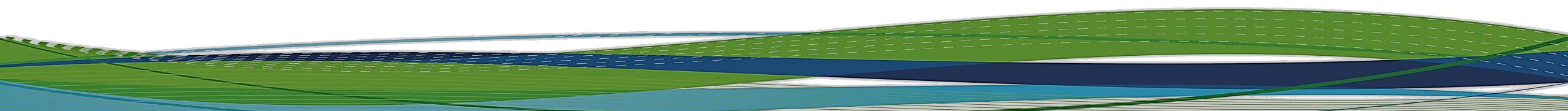
Senators are taking a recess from Capitol Hill and beginning their state work period, which will last [until July 17th](#). When they return from this break, they will discuss a fourth COVID-19 relief bill that will be finalized before August. This is not conjecture.

This relief package is certainly overdue for millions of Americans, and we need the Senate aware of how vulnerable rural populations have become in recent weeks. Hundreds of rural hospitals and other health care providers are on the brink of closure during a time when they are needed most.

MS delegation seeks definite rural healthcare relief as COVID-19 cases increase

By [YallPolitics Staff](#) - July 6, 2020

- U.S. Senator Cindy Hyde-Smith (R-Miss.) late Friday led a letter to the U.S. Department of Health and Human Services strongly encouraging the agency to quickly provide relief to rural healthcare providers increasingly affected by the COVID-19 pandemic.
- The letter, signed by 49 members of Congress, including U.S. Senator Roger Wicker (R-Miss.) and Representatives Trent Kelly (R-Miss.) and Michael Guest (R-Miss.), seeks a dedicated 20 percent Provider Relief Fund set aside for rural America.
- “Rural healthcare was already in crisis prior to the COVID-19 pandemic, and the situation is only getting worse. Last year rural hospitals closures hit a record high, and 2020 is on pace to be even higher. So far this year twelve rural hospitals have closed, with hundreds more on the brink.



Fragile Rural Health Safety Net Pre-COVID-19



- Rural Health Clinics
 - FQHCs
 - AHECS
 - State Offices of Rural Health
 - Rural PPS Hospitals and Critical Access Hospitals
 - Overall challenges of running a state association
-
- Vulnerable populations
 - Systemic workforce shortages
 - Scattered populations with inherent access to care issues
 - Limited resources for providers
 - Inadequate Medicare, Medicaid and private insurance coverage
 - Lack of Medicaid expansion/High Uninsured populations

And, this was happening in 128 communities

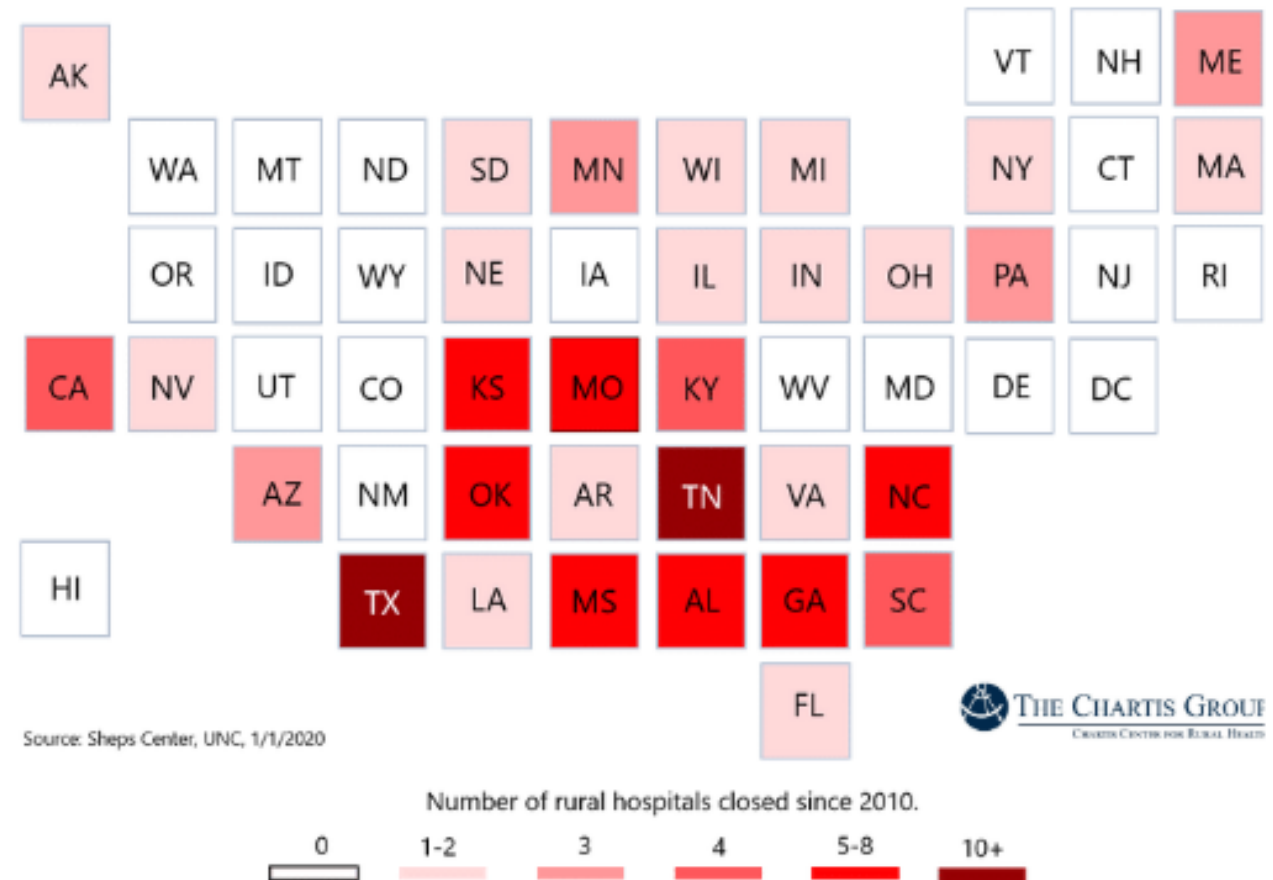


END THE RURAL HOSPITAL CLOSURE CRISIS

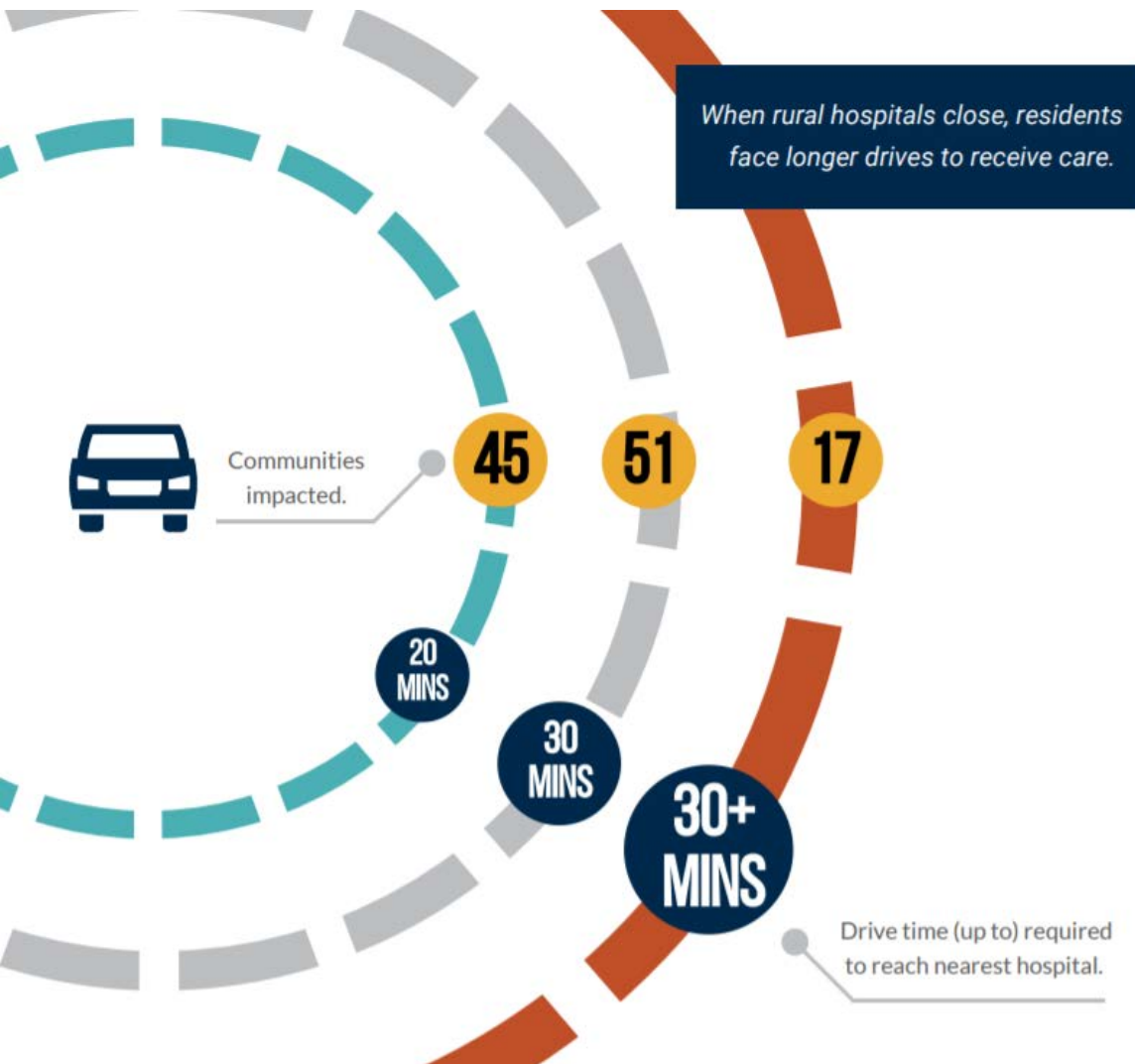
- In 2020, 12 rural hospitals have closed:
 - After 2019's record setting year, the 2020 outlook looks similar
- Increased ambulance transportation times and can lead to increases in rates of inpatient mortality
- Rural hospital closures also impact workforce shortages

128
rural hospitals have closed since 2010.

453
rural hospitals are currently vulnerable to closure.



Rural Closures and Impact on Access to Care



Residents of **68** communities must now drive **30 minutes more** to reach the nearest hospital.*

The Decline of Access to OB Services in Rural America



➤ Rural hospitals dropping OB since 2011:

134

➤ Rural hospitals offering OB that have closed:

21

Rural communities that have lost access to OB since 2011.

155



THE CHARTIS GROUP

CHARTIS CENTER FOR RURAL HEALTH



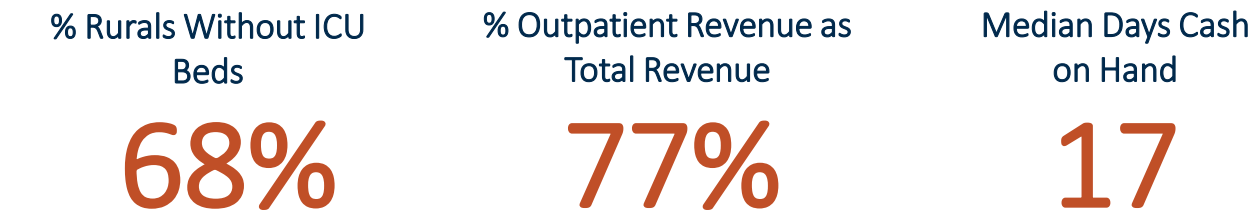
CORONAVIRUS


Impact of COVID-19 (State Spotlight)



Arkansas

Medicaid Expansion: **Yes**





“Rural hospitals, without coronavirus patients, see empty beds and dark hallways instead”
Saint Louis Today, May 3, 2020

- 30%-50% staff layoffs
- Losing over \$100,000/day



- “Coronavirus strains cash-strapped hospitals, could cause up to 100 to close within a year”

Josh Salman and Jayme Fraser
USA TODAY NETWORK

Rural Health Clinics
FQHC

More than
HALF

of rural counties have

NO

hospital-based maternity ward.

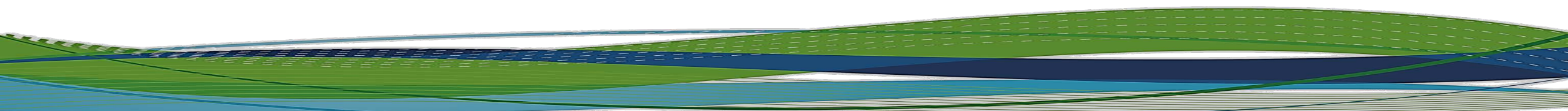
#RuralMaternalHealthForum



What did your advocacy do?

- Unprecedented media campaign
- Unprecedented Capitol Hill campaign
- Unprecedented advocacy with the Administration

- Because of your advocacy, BILLIONS of dollars went directly to rural health providers. NEVER BEFORE has so much money gone directly to rural America.



NRHA and SRHA Advocacy: Unprecedented Rural Health Dollars/CARES Act Provider Relief Fund (3.0 and 3.5)

- CARES 3.0 - \$100 billion
- CARES 3.5 – Additional \$75 billion added
 - \$30 billion to Medicare providers (\$500,000 to \$1.3 million)
 - **\$10 billion carve-out for rural providers**
 - \$15 billion to Medicaid providers and \$10 billion to safety net hospitals
- Approximately \$50 billion still to be allocated. NRHA fights for equitable rural distribution.
- But there is much more...



CARES Act: Medicare Accelerated and Advance Payment Program

- \$175 billion appropriated for healthcare provider relief payments
- CMS approved over 21,000 applications totaling \$59.6 billion in payments to Part A providers, and 24,000 applications totaling \$40.4 billion in payments to Part B providers.
- Recipients obligated to repay commencing 120 days from distribution; if not, interest rate 10.25%.
- April 26, 2020 CMS stopped accepting new applications.



Medicare Accelerate Payment forgiveness legislation

- Reps. Marcy Kaptur (D-OH) and Bob Gibbs (R-OH) legislation to improve these loans:
 - Extends loan repayment period to July 1, 2023
 - Reduces interest rate to 2% if provider demonstrates hardship.
 - Hospitals must meet the following requirements for forgiveness:
 - Cannot use for compensation or benefits for certain highly compensated officers or employees;
 - Must use at least 60% of the payment for employee compensation (other than for officers and employees described in Section 4004(a)(2) of the CARES Act) between January 1, 2020 and June 30, 2021.
 - Cannot balance bill any COVID-19 patient. For out-of-network services, plans shall pay their in-network rate and shall ensure that any applicable cost-sharing requirement is the same as their in-network cost-sharing requirement.

Paycheck Protection Program Improvements

JUNE 5: Improvements signed into law

- Reduces amount that must spend on payroll from 75% to 60%.
 - 40% can now be used for rent, mortgage payments, utilities, and interest on loans. (Cannot be used for inventory, PPE, remote working, and other needs.)
- Extends period that money can be spent until the end of the year (from 8 to 24 weeks). This will dramatically increase amount that can be forgiven;

JULY 4: Extension to August 8th signed into law.



CARES Act Economic Relief Plan

**Paycheck
Protection
Program**

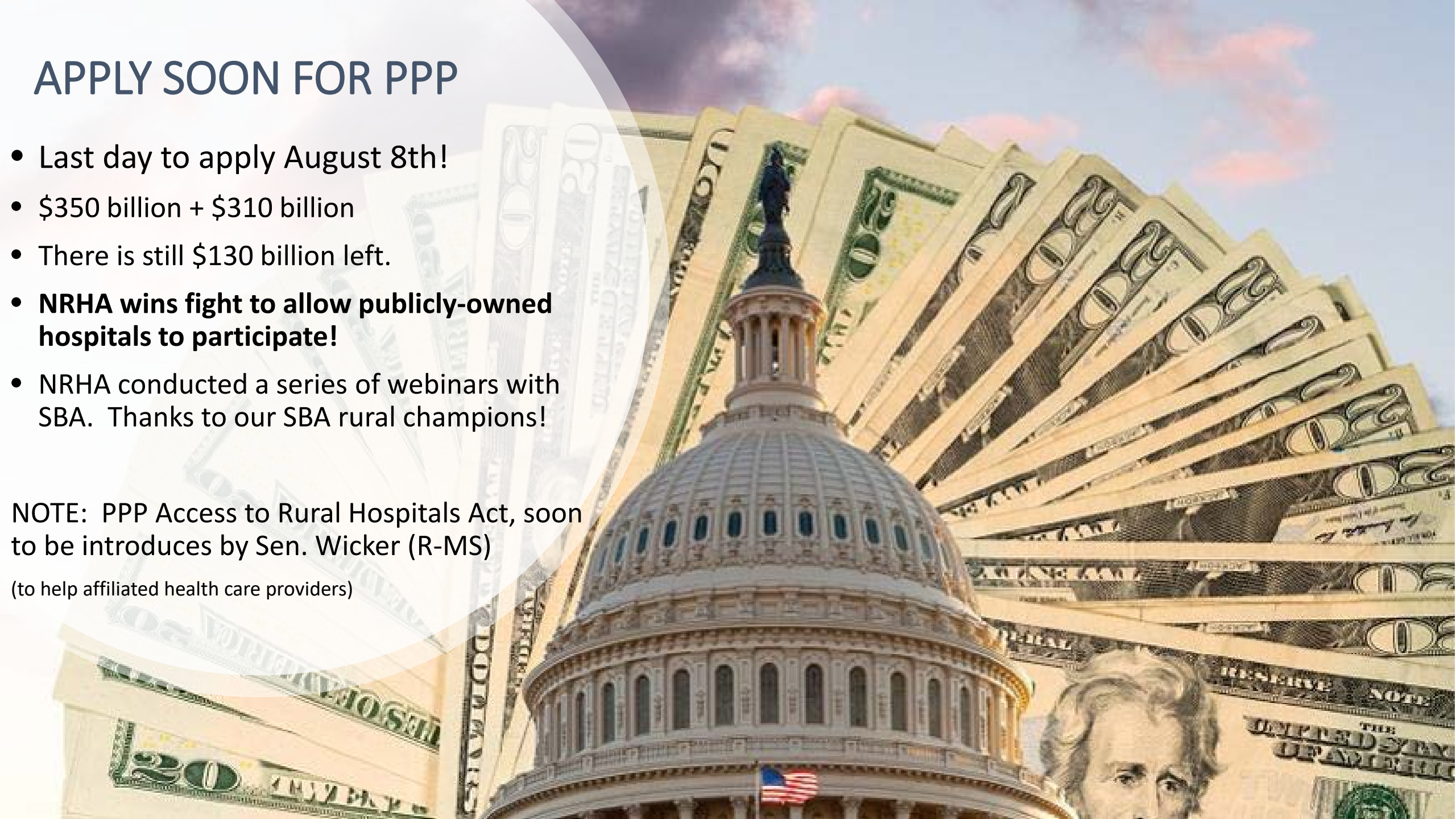


APPLY SOON FOR PPP

- Last day to apply August 8th!
- \$350 billion + \$310 billion
- There is still \$130 billion left.
- **NRHA wins fight to allow publicly-owned hospitals to participate!**
- NRHA conducted a series of webinars with SBA. Thanks to our SBA rural champions!

NOTE: PPP Access to Rural Hospitals Act, soon to be introduced by Sen. Wicker (R-MS)

(to help affiliated health care providers)



But CMS is threatening to take it away!

Rural Health Providers Penalized for Participation in the Paycheck Protection Program

Rural America faces a rural hospital closure crisis. When the pandemic hit, small rural hospitals and health clinics had to eliminate non-emergency care and lost 50-80 percent of their revenue. The closure crisis, already at catastrophic levels, immediately accelerated. Congress specifically crafted the Paycheck Protection Program (PPP) to help small businesses, such as rural health care providers, keep staff working and doors open. For rural hospitals and clinics, like other American businesses, this program was a crucial lifeline.

Now, the Centers for Medicare and Medicaid (CMS) is cutting that lifeline. This week, CMS imposed a regulatory action that will force rural providers to repay as much as 80% of their forgiven PPP loan through drastic reductions in future Medicare and Medicaid reimbursements. This action will dismantle the benefit of the PPP Program and accelerate the rural hospital closure crisis while COVID-19 hotspots rage in rural communities.

The National Rural Health Association believes this punitive action by CMS, which will force closures instead of keeping provider doors open, is counter to the Congressional intent of the PPP. We strongly support an immediate legislative solution to require CMS to not penalize rural providers. For more details, please see NRHA's letter to CMS Administrator Verma ([LINK](#)). Please contact Josh Jorgensen at jjorgensen@nrharural.org if your boss is interested in helping with this critical issue.

Actions Taken by the Administration



- HHS distributed of payments from [the Provider Relief Fund to rural providers \(\\$10B\)](#)
- HRSA [distributed \\$225 million from CARES Act to more than 4,500 Rural Health Clinics \(RHCs\) for COVID-19 Testing](#)

[HRSA Awards Nearly \\$165 Million to rural hospitals and rural telehealth to Combat COVID-19 in Rural Communities](#)

- HRSA \$8 million to health centers for training.
- CMS issued [another round of regulatory waivers and rule changes](#) to provide flexibility to the health care system during COVID-19
 - CMS also released additional guidance on Rural Health Clinic (RHC) and Federally Qualified Health Centers (FQHC) billing and providing additional flexibilities related to additional claims submission and processing instructions, information on cost-sharing related to COVID-19 testing, additional information on telehealth flexibilities, and information on provider-based RHCs exemption to the RHC payment limit.