

Rural Hospitals



Approximately 60 million Americans live in rural areas and depend on the hospital serving their community as an important source of care. These hospitals face a unique set of challenges and require a unique policy strategy. The American Hospital Association's (AHA) nearly 5,000 member hospitals, health systems and other health organizations – includes over 2,000 rural hospital members. The AHA works on behalf of rural hospitals to ensure that their unique needs are a national priority.

Working for Rural Hospitals

AHA continues to advocate on behalf of all health care providers, including rural hospitals, for high quality, affordable and accessible health care. Key rural health advocacy and policy initiatives AHA worked on in 2018 are highlighted below.

- **Bipartisan Budget Act of 2018.** The BiBA contains several wins for rural hospitals for which AHA advocated including:
 - Section 50202 - Repeal of Medicare Payment Cap for Therapy Services; Limitation to Ensure Appropriate Therapy – BiBA requires for services after December 31, 2017 Medicare claims are no longer subject to the therapy caps (one for occupational therapy and another for physical therapy and speech-language pathology combined);
 - Section 50203 - Medicare Ambulance Services - BiBA extends two expiring ambulance payment provisions: (1) the 3 percent increase in the ambulance fee schedule rates for covered ground ambulance transports that originate in rural areas and (2) the increases in the base rate of the fee schedule for the “super rural” add-on. Both are extended through December 31, 2022.
 - Section 50204 - Extension of Increased Inpatient Hospital Payment Adjustment for Certain Low-Volume Hospitals – BiBA extends changes to a provision that allows qualifying low-volume hospitals to receive add-on payments based on their number of discharges and their distance from the nearest hospital for fiscal years 2018 through 2022 and makes additional changes to the provision for fiscal years 2019 through 2022.
 - Section 50205 - Extension of the Medicare-Dependent Hospital (MDH) Program – BiBA extends the MDH program until October 1, 2022. It also provides for an eligible hospital that is located in a state with no rural area to qualify for MDH status if the hospital satisfies the statutory criteria to be reclassified as rural.
 - Section 50208 – Extension of Home Health Rural Add-On (for 2018) – BiBA extends a provision through December 31, 2018 allowing a 3 percent payment add-on for home health services provided in rural areas. Beginning in 2019 and subsequent years, BiBA puts in place a home health rural add-on payment that varies by year across three different tiers of rural counties in which home health services are furnished.
 - Section 51007 – Extension of Enforcement Moratorium on Supervision Requirements for Outpatient Therapeutic Services in CAHs and Small Rural Hospitals for CY 2017 - BiBA extends the enforcement moratorium on the “direct supervision” requirements for outpatient therapeutic services furnished in CAHs and small, rural hospitals with 100 or fewer beds for CY 2017. The bill closes the gap so that hospitals are no longer at risk for enforcement actions.
 - Section 51008 – Allowing Physician Assistants, Nurse Practitioners, and Clinical Nurse Specialists to Supervise Cardiac, Intensive Cardiac, and Pulmonary Rehabilitation Programs – BiBA revises current law so that, beginning Jan. 1, 2024, PAs, CRNPs and clinical nurse specialists will be permitted to supervise cardiac, intensive cardiac and pulmonary rehabilitation programs. Currently, only a physician may supervise such programs.
- **Ensuring Access for Vulnerable Communities.** AHA Board taskforce report outlines nine emerging strategies that can help preserve access to health care services in vulnerable communities. Legislation has been introduced in Congress to advance these strategies including:
 - Rural Emergency Acute Care Hospital (REACH) Act: AHA supported bipartisan legislation that would allow CAHs and small rural hospitals with 50 or fewer beds to convert to rural emergency hospitals and continue providing necessary emergency and observation services at reimbursement rates of 110 percent of reasonable costs. The

legislation also provides enhanced reimbursement rates for the transportation of patients to acute care hospitals in neighboring communities.

- [Rural Emergency Medical Center Act of 2018 \(H.R. 5678\)](#): AHA-supported bipartisan legislation that would create a new Medicare facility designation to help rural communities maintain access to essential emergency and outpatient services for patients.
- **Battling to Preserve 340B Pricing.** AHA has been advocating for continued coverage of 340B pricing at the legal, regulatory and legislative levels.
 - AHA announced stewardship principles to strengthen the 340B program by increasing transparency while helping 340B hospitals communicate the value of the program for vulnerable patients.
 - The AHA and others Sept. 5 refiled a lawsuit in federal district court seeking expedited relief from Medicare payment cuts for many hospitals in the 340B Drug Pricing Program.
 - The AHA and others Sept. 11 asked a federal court to order HHS to make effective within 30 days a final rule requiring drug companies to disclose 340B drug ceiling prices and civil monetary penalties for manufacturers. HHS has delayed five times the effective date for the rule, required by Congress in 2010.
- **Fighting Escalating Rx Prices.** As a member of the steering committee of the Campaign for Sustainable RX Pricing, AHA has raised awareness with legislators, policymakers and the media of how rising prescription drug prices strain the entire health care system. These efforts have included briefings on Capitol Hill and for the media.
- **Combatting the Opioid Epidemic.** AHA urged House and Senate leaders to include the Overdose Prevention and Patient Safety Act (H.R. 6082) in the final agreement on opioid legislation. H.R. 6082 would improve information sharing by aligning 42 CFR Part 2 regulations governing the confidentiality of substance use disorder treatment records with HIPAA for purposes of treatment, payment and health care operations.
- **Reduce the Regulatory Burden:** Congress and the administration should pursue actions including addressing regulatory burden on providers. A 2017 AHA [report](#) showed non-clinical regulatory requirements cost providers nearly \$39 billion a year and divert clinicians from patient care. AHA welcomes CMS proposed changes to the Hospital and Critical Access Hospital Conditions of Participation and other providers' Conditions of Coverage.
- **Congressional Hearings, Testimonies and Statements:** At a Senate Finance Committee [hearing](#) on "Rural Health Care in America: Challenges and Opportunities," AHA recommended legislative and regulatory actions to maintain access to health care in rural communities. At a hearing of the House Ways and Means Health Subcommittee, AHA testified that reforming the Medicare conditions of participation and modernizing the Stark Law are key to regulatory relief and the transition to value.
- **Funding Broadband and the Rural Health Care Program:** The Federal Communications Commission will increase funding for the Rural Health Care Program by \$171 million, as urged by the AHA. The AHA supports an FCC proposal to create a \$100 million Connected Care Pilot Program to support telehealth for low-income Americans.

Engaging Rural Hospital Leaders

AHA fosters dialogue among rural hospital leaders and offers many opportunities to take an active role in shaping AHA policies and setting direction for the association and the field. Rural hospital leaders can participate on/in:

- **AHA Small or Rural Hospitals Council** that leads the [Section for Small or Rural Hospitals](#) and advises AHA on policy and advocacy activities of great importance to rural hospitals and the field as a whole.
- **Advocacy Alliances** including the [Advocacy Alliance for Rural Hospitals](#), [Advocacy Alliance for Coordinated Care](#) and the [Advocacy Alliance for the 340B Drug Pricing Program](#).

Providing Key Resources for Rural Hospitals

Based on member input, AHA develops and offers resources to support rural hospital leaders. Examples include:

- **The Value Initiative.** TVI provides members with the education, resources and tools that they need to advance affordable health care and promote value within their communities. Visit www.aha.org/valueinitiative.
- **Rural Advocacy Action Center.** This resource provides information on [current advocacy activity in rural health care](#) and materials tailored to help hospital executives communicate key messages to legislators and others.

For information about the value of membership at AHA, please visit <https://www.aha.org/advocacy/small-or-rural>.