

April 4, 2022

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
Washington, DC 20515

The Honorable Chuck Schumer
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, DC 20510

RE: Supplemental COVID-19 funding negotiations

Dear Speaker Pelosi and Minority Leader McCarthy, Majority Leader Schumer, and Minority Leader McConnell:

On behalf of the National Rural Health Association (NRHA), we urge Congress provide supplemental COVID-19 funding. NRHA appreciates Congressional negotiations to provide needed resources for health care providers and their patients. We support additional funding for COVID-19 testing, vaccinations, and therapeutics, and request that further support be allocated to rural providers financial shortcomings due to circumstances related to COVID-19.

NRHA is a national nonprofit membership organization with more than 21,000 members whose mission is to improve the health and health care of rural Americans and to provide leadership on rural health issues through advocacy, communications, education, and research. NRHA's membership is a diverse collection of individuals and organizations that share a common interest in ensuring all rural communities have access to quality, affordable health care.

Use this opportunity to provide funding for the COVID-19 Uninsured Program (UIP).

At the onset of the COVID-19 pandemic, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act to provide support for the COVID-19 UIP at the Health Resources and Services Administration (HRSA). On March 16, 2022, HRSA announced that the UIP will stop accepting claims for testing and treatment on March 22, 2022, and stop accepting claims for vaccine administration on April 5, 2022. NRHA is concerned that this lapse in support will have a disproportionate impact on rural providers, as it has been a lifeline during the program for many.

We anticipate that the nation is nearing the end of the public health emergency (PHE), however we believe continuation of the UIP is necessary. Whether the COVID-19 PHE is continued or not, the reality is that uninsured patients will need continued treatment for COVID-19. Higher COVID-19 incidence and mortality rates in rural than in urban areas are well documented.¹ These disparities persisted during the Delta and Omicron variant surges during late 2021 and early 2022.^{1,2} Rural populations tend to be older

¹Dobis EA, McGranahan D. Rural residents appear to be more vulnerable to serious infection or death from coronavirus COVID-19. Washington, DC: U.S. Department of Agriculture; 2021. Accessed February 6, 2022. <https://www.ers.usda.gov/amber-waves/2021/february/rural-residents-appear-to-be-more-vulnerable-to-serious-infection-or-death-from-coronavirus-covid-19>

(aged ≥ 65 years) and uninsured and are more likely to have underlying medical conditions and live farther from facilities that provide tertiary medical care, placing them at higher risk for adverse COVID-19 outcomes.² NRHA is concerned that should the UIP end, rural providers will be disproportionately impacted by the lapse in reimbursement. Unfortunately, these are the same providers operating on negative margins. Currently, 453 rural hospitals are operating on margins similar to the 138 that have closed since 2010.³ To prevent further closures, it is imperative that Congress does not place unnecessary financial strain on rural hospitals. Providing additional funding to the UIP will ensure stability for uninsured individuals in rural communities, and sustainable reimbursement for the hospitals providing them care.

Use this opportunity to continue relief from Medicare sequestration for rural hospitals.

On April 1, 2022, Medicare sequestration went back into effect, albeit at a one percent reduction instead of two percent, which will resume in full on July 1, 2022. NRHA is deeply concerned about the impact this will have on rural hospitals operating on negative margins. As the nation comes out of the COVID-19 pandemic, NRHA believes Congress should be taking steps to provide stability, not cause further financial distress. Unfortunately, the Chartis Center for Rural Health projects that Medicare sequestration will decrease rural hospital Medicare reimbursement by \$228.5 million from July 1, 2022, through December 31, 2022. The decreased reimbursement caused by Medicare sequestration, coupled with a lapse in reimbursement for uninsured patients, will disproportionately impact rural hospitals. NRHA urges Congress to continue relief from Medicare sequestration through December 31, 2022.

NRHA appreciates the work Congress has done to ensure financial stability since the onset of the COVID-19 pandemic. However, the pandemic is not over in many of our communities. To ensure rural hospitals can continue operating and serving their patients, it is imperative that they are not further burdened with policies that cause financial strain. Continuation of HRSA's UIP and relief from Medicare sequestration for the remainder of 2022 will support rural hospitals to remain in operation and continue serving their constituents.

We appreciate your attention to this important matter. To discuss the needs of rural providers further, please contact Josh Jorgensen (jjorgensen@ruralhealth.us) at NRHA.

Sincerely,



Alan Morgan
Chief Executive Officer
National Rural Health Association

² Ullrich F, Mueller K. COVID-19 Cases and deaths, metropolitan and nonmetropolitan counties over time (update). Iowa City, IA: Rural Policy research Institute, Center for Rural Health Policy Analysis; 2022. Accessed February 6, 2022. <https://rupri.public-health.uiowa.edu/publications/policybriefs/2020/COVID%20Longitudinal%20Data.pdf> pdf icon

³ Crises collide: The covid-19 pandemic and the stability of the Rural Health Safety Net. Crises Collide: The COVID-19 Pandemic and the Stability of the Rural Health Safety Net | The Chartis Group. (n.d.). Retrieved April 1, 2022, from <https://www.chartis.com/insights/crises-collide-covid-19-pandemic-and-stability-rural-health-safety-net>