

Michael E. Chernew, Ph.D.
Chair
Medicare Payment Advisory Commission
425 I Street N.W., Suite 701
Washington, D.C. 20001

Dear Chairman Chernew,

The National Rural Health Association (NRHA) thanks MedPAC for its work on its June 2023 Report to Congress on Medicare and the Health Care Delivery System.

NRHA is a non-profit membership organization with more than 21,000 members nationwide that provides leadership on rural health issues. Our membership includes nearly every component of rural America's health care, including rural community hospitals, critical access hospitals, long-term care providers, doctors, nurses, and patients. We work to improve rural America's health needs through government advocacy, communications, education, and research.

The COVID-19 public health emergency (PHE) offered flexibilities to providers across the board to help the health care system adapt to the challenges of the pandemic. Many of these flexibilities ceased on May 11, 2023, while others, like many critical telehealth flexibilities, were extended through December 31, 2024. **NRHA members have benefitted greatly from the flexibility and increased access to care afforded by telehealth.**

NRHA is working with Congress to permanently add rural health clinics (RHCs) and federally qualified health centers (FQHCs) as distant site providers for telehealth. If this flexibility is made permanent, MedPAC recommends paying RHCs and FQHCs a rate similar to the rate for comparable telehealth services under the Physician Fee Schedule (PFS). This is lower than the amount that RHCs and FQHCs receive for in-person services due to their specific payment systems. **NRHA strongly disagrees with MedPAC's recommendation and urges policymakers to establish payment parity for telehealth and in-person services at RHCs and FQHCs.** According to MedPAC's analysis, telehealth spending totaled 3% and 2% of all RHC spending in 2020 and 2021 respectively. NRHA does not believe that payment parity would significantly inflate Medicare spending on telehealth services for providers, especially considering the low levels relative to other services.

In addition, **we disagree with MedPAC's sentiment that payment parity would discourage in-person services.** MedPAC states that providers should make care decisions based upon the patient's clinical needs and not what is most financially advantageous. NRHA believes that this assumption demeans our rural providers and their ability to make appropriate clinical judgments. Further, CMS currently pays RHCs and FQHCs the in-person rate for tele-behavioral health services and to date there has been no evidence to conclude that clinicians or patients are abusing this policy.

For all other providers, during the PHE and through the end of 2023, CMS pays the PFS rate for telehealth services as if the service were furnished in person; however, RHCs and FHCs were excluded from this payment increase. A recent US Department of Health and Human Services Office of Inspector General [data brief](#) recognized that beneficiaries in urban areas were more likely than those in rural areas to use telehealth. The report cites rural provider challenges related to the cost of equipment and internet connectivity as two barriers to providing telehealth to beneficiaries. As such, NRHA believes Medicare plays an important role in increasing access for rural beneficiaries through adequate payment rates for rural providers.



Again, NRHA appreciates MedPAC's efforts on the June Report to Congress. If you have any questions, please contact NRHA's Regulatory Affairs Manager, Alexa McKinley (amckinley@ruralhealth.us).

Sincerely,

A handwritten signature in black ink, appearing to read "Alan Morgan", is written over a light gray dotted grid background.

Alan Morgan
Chief Executive Officer
National Rural Health Association