

Please Support Modernizing Regulations and Funding for Rural Health Clinics

- Outdated regulations make it hard for RHCs to provide the most efficient and in-demand care for their communities.
- Likewise, Medicare reimbursements are not keeping up with the cost of care, limiting the types services RHCs can offer.

WHA Ask:

Please cosponsor the RHC Burden Reduction Act, H.R. 3730 & S. 198, legislation that would reduce the regulatory burden on RHCs, and support efforts to restore cost-based funding for RHCs that report quality data.

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Protect Rural Health Care: Supporting Rural Health Clinics

A Change in RHC Funding Has Unintended Impact for Rural Access to Care

Rural Health Clinics (RHCs) exist to preserve access to rural care. Created by Congress in 1977, RHCs are a lifeline to rural communities that would otherwise struggle to have adequate access to primary and preventive care. Much like the funding structure for rural critical access hospitals (CAHs), Congress created a payment structure aiming to help RHCs cover their costs for treating Medicare patients. Congress recognized that since rural areas have lower volumes, they cannot offset losses from Medicare and Medicaid (which pay on average 73% and 67% of what it costs hospitals to provide care) in the same way urban and suburban areas can.

Payment Cap & Regulations Impacting Access to Care

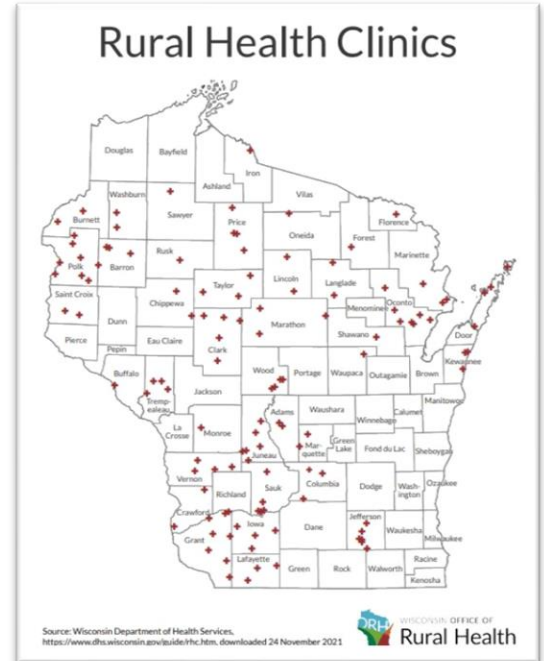
The 2021 Consolidated Appropriations Act created a new cap on payments for existing provider-based RHCs, which are typically an extension of a small rural hospital, and most often in Wisconsin, an extension of a CAH with less than 25 beds. **More notably, it created an even lower cap on payments for any newly established provider-based RHC.** These statutory caps are already not keeping up with rising expenses, creating unintended consequences that will limit the types of services they can offer.

RHCs are also limited by regulations that:

- Require 51% of their services to be for primary care, but do not include behavioral health care in the definition of primary care – limiting the amount of behavioral health care they can offer.
- Require RHCs to employ, rather than contract with advanced practice providers – raising costs and exacerbating workforce shortages.
- Define the lab services RHCs must offer.

Please Support Legislation to Bolster RHCs

WHA supports the [RHC Burden Reduction Act, H.R. 3730](#), introduced by Reps. Adrian Smith (R-NE) and Earl Blumenauer (D-OR), and [S. 198](#), introduced by Sens. Barrasso (R-WY) and Smith (D-MN), which would fix many of these outdated regulations. WHA is also working to get legislation similar to the 117th Congress's [The Rural Health Fairness in Competition Act \(H.R. 5883\)](#) reintroduced. The goal of such legislation is to restore cost-based funding for provider-based RHCs that submit quality data. Together, these bills would modernize regulations and Medicare reimbursement for RHCs to help preserve access to care in rural communities.



- Medicare regulations and reimbursements are not keeping up with the times for hospitals' RHCs
- Medicare underpayments to WI hospitals have grown from \$1.77B in 2016 to \$2.5 billion 2021
- RHCs are often located in areas with the densest Medicare populations