

**Strengthening Rural Health Clinics Act of 2021**

*By Senators Mark R. Warner and Roy Blunt*

**Background:**

The Consolidated Appropriations Act, 2021 (Public Law No: 116-260) included a provision to reform payment rates for future rural health clinics, but intended to “grandfather” preexisting provider-based rural health clinics at their current payment rates. This grandfathered rate is intended to ensure the stability of rural health care delivery that these facilities provide to underserved communities. Unfortunately, a technical error in this legislation resulted in the “grandfather” applying only to rural health clinics in existence prior to December 2019 being protected.

As a result of this error, hundreds of rural health clinics nationwide and even more clinics that were in the “mid-build” phase were excluded from the grandfathered payment rate protections. The establishment of a new provider-based rural health clinic is a tremendous financial commitment and lengthy administrative process.

In order to be successfully established, a provider-based rural health clinic must ensure clinical integration and coordination with local physician practices, the state and the federal government, be Medicare-certified and remain available/viable to the community for the long term. Rural communities are already struggling with a record number of facility closures and rural providers are working to recover from the significant financial strain brought on by the COVID-19 pandemic. Without this technical correction, these unexpected payment changes will place additional financial strain on rural health care providers and jeopardize the sustainability of these clinics at a time we can least afford it.

**What this bill does:**

The Strengthening Rural Health Clinics Act of 2021 would:

- Amend existing law to ensure that any qualified rural health clinic in existence or in “mid-build” prior to passage of The Consolidated Appropriations Act of 2021 is grandfathered at their 2020 or first year payment rate.
- Amend existing law to ensure that any qualified rural health clinic that had submitted an application to become a RHC or had a binding written agreement with an outside unrelated party for the construction, purchase, lease, or other establishment of such a rural health clinic by 12/31/2020 be grandfathered-in under the previous payment policy.

**Supporting Organizations:**

National Association of Rural Health Clinics (NARHC), National Rural Health Association (NRHA), Virginia Rural Health Association (VRHA), Virginia Healthcare and Hospital Association, Missouri Hospital Association, Missouri Rural Health Association, Carilion Clinic, Valley Health System, Sentara Healthcare, Forrest General Hospital, Highland Community Hospital, Marion General Hospital, Walthall General Hospital, Jefferson Davis Community Hospital, Pearl River County Hospital