

The Unique Challenges Facing Rural Providers in the COVID-19 Pandemic

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Introduction

RURAL HEALTH PROVIDERS face numerous well-documented challenges in their efforts to manage population health.¹ With unprecedented changes necessitated by the novel coronavirus (SARS-CoV-2) and resulting serious health complications from COVID-19, rural providers continue to face challenges that require carefully designed public policies. Although the Coronavirus Aid, Relief, and Economic Security (CARES) Act provided resources targeting rural health care providers, including an initial \$10 billion to rural hospitals to offset lost revenue, \$225 million to improve testing, and \$150 million to help treat COVID-19 cases,² we highlight unique challenges related to demographics, provider finances, and provider operations that require further attention to ensure that vulnerable rural populations continue to have access to high-quality, necessary care. Finally, we highlight 5 critical policy steps including: (1) ensuring timely flow of resources to rural health providers; (2) facilitating a network for rural providers to access necessary supplies; (3) streamlining federal and state guidance and providing additional resources for rural hospitals to manage the increased administrative burden caused by COVID-19; (4) establishing a database of stimulus funding and requirements for use; and (5) determining temporary policy changes that should be made permanent to improve rural health.

Demographic Challenges

Although COVID-19 infection rates were initially much lower in rural areas, a number of rural areas have seen stark increases in rates. This is particularly concerning as rural areas tend to be at higher risk for severe COVID-19 complications because of populations who are older and have more chronic conditions, which are considered to be risk factors.^{3,4} The median age in rural areas is 7 years older than

in urban areas, with 17.5% of the rural population ages 65 years or older compared to 13.8% in urban areas.³ Almost 30% of individuals living in nonmetropolitan areas have >1 chronic condition, compared to 23.1% in metropolitan areas.⁴ Furthermore, rural populations face challenges such as longer distances to hospitals, which limits access to testing and critical care; delays in small retailers and pharmacies receiving supplies that may be expedited to national chains and large stores; and the industrial jobs that dominate in rural areas, which may be challenged to move to remote or online employment and may require rural workers to work in closer quarters.

Suggested policies for demographic challenges

State and national policy makers and stakeholders must ensure that COVID-19 testing is available to accurately assess spread, particularly in higher-risk rural areas. Although rural health clinics (RHCs) received additional funding from the US Department of Health and Human Services to expand COVID-19 testing,⁵ many rural sites rely on sending samples to external labs, unlike larger academic hospitals that may have greater capacity for in-house testing. This highlights the need for point-of-service testing or quick-response testing ability in order to coordinate communication of testing results quickly so that patients and providers can respond appropriately.

Financial Challenges

As COVID-19 has spread, providers across the country cancelled elective procedures, closed primary care and outpatient clinics, and shifted resources from higher margin care to focus on acute COVID-19 cases.¹ The resulting lost revenue has been particularly harmful for rural hospitals, as they already operate on thin margins. The continuing

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loss of higher margin surgeries has the potential to be devastating in terms of financial impact.¹

In response, many hospitals were forced to furlough or reduce provider and staff hours because of the cancellation of care, adding to their financial and operational burden. Given the difficulties in recruiting physicians and specialists to rural hospitals,⁶ there is a concern that providers could leave the area, further depleting the pool of rural clinicians and exacerbating the existing access to care problems. Because chronically ill patients may worry about traveling to urban areas for care or defer local care because of ongoing concerns about contracting COVID-19, vulnerable rural patients may suffer adverse health outcomes related to ongoing challenges in accessing care. Even as hospitals have reestablished elective surgeries and other services, it has been noted that patients are avoiding hospital-based care, especially emergency care, because of concerns about COVID-19 exposure, further exacerbating hospital financial difficulties.

Recent changes to the Centers for Medicare & Medicaid Services (CMS) telehealth policy represent a potential, partial solution. These changes include expanded services offered to patients through telehealth, increased Medicare reimbursement rates for telehealth visits making them comparable to in-person rates; expanded definitions of telehealth to include telephone-only access; and establishing the patient's home as an originating site. Yet there are limitations to what telehealth can accomplish, especially as the temporary regulations may have a greater impact on the primary care setting or consultation services than on hospital services that contribute to hospitals' financial viability.¹ Further, many rural hospitals may lack the infrastructure needed to adequately provide telehealth services for primary or complex specialty care, including broadband services and access to high-speed internet to support telehealth visits.⁷

Suggested policies for financial challenges

Federal and state governments must ensure that resources continue to flow efficiently and quickly to rural hospitals. Although federal funding has been earmarked for rural providers, it has been uncertain and piecemeal. Lessons learned from the Pennsylvania Rural Health Model (PA RHM) suggest that global budgets may provide rural hospitals with a viable longer term solution. Rather than relying on volume-based reimbursement, global budgets provide a stable revenue stream, and allow rural hospitals to better maintain necessary services and develop new service lines to meet identified community need.⁸ A second important change would be to make the CMS telehealth policy changes permanent. This would resolve future uncertainty about the types of services that can be provided via telehealth and would allow hospitals to better plan for the post-pandemic future and for future public health emergencies.

Operational Challenges

Rural providers face numerous unique operational challenges. News stories have highlighted issues with rural hospitals accessing personal protective equipment (PPE), ventilators, and medications for patients who require mechanical ventilation. There also is evidence of reduced testing capacity.⁹ It is administratively difficult for smaller rural

hospitals to adhere to federal and state reporting requirements, which create significant administrative burdens. A separate operational challenge for RHCs is the annual minimum productivity standards that must be met, which impacts reimbursement rates.¹⁰ Because of reduced patient volume, clinics must adjust provider hours or request a waiver from their Medicare Administrative Contractor, adding to administrative burden.

Suggested policies for operational challenges

Rural providers need expanded resources to supplement administrative capacity to ensure hospitals and providers meet state and federal reporting requirements and navigate the constantly changing health, policy, and supply procurement landscape. In response to COVID-19, State Offices of Rural Health (SORHs) pivoted their efforts to provide information and technical assistance to rural hospitals, RHCs, community-based providers, and federal and state agencies and associations. As experts on rural health, the 50 SORHs are uniquely positioned to address COVID-19 in rural communities given their comprehensive understanding of the issues and challenges faced by rural providers in each state.

SORHs access, compile, and disseminate changes in federal and state regulations, funding opportunities, and more; advocate for federal and state resources; provide direct technical assistance to hospitals, clinics, dental providers, and other providers; participate in nationwide and state-based learning sessions; and coordinate training programs for health care providers on COVID-19 billing, coding, and other supports. SORHs have learned critical lessons about the specific needs of rural providers during a public health emergency. This has illuminated the future of rural providers once the current pandemic ends and the country prepares for additional waves of the pandemic or other future emergencies.

Policy Recommendations

It is crucial for policy makers to continue to recognize that rural hospitals are critical in the struggle against COVID-19, but may have unique challenges. This requires ongoing efforts to ensure that rural hospitals can meet the specific needs of their patient populations. We highlight 5 policies that will assist rural providers in addressing the needs of COVID-19 patients and remaining financially viable:

- (1) Policy makers must ensure that resources are distributed efficiently and expeditiously. Rural hospitals tend to be smaller and to have fewer financial reserves to offset reduced revenue. This may require additional Health Resources and Services Administration funding targeting rural providers and the expansion of the rural global budget model to streamline rural hospitals' finances.⁸ Although the PA RHM provides one example, global budget models could be tailored to the needs of specific communities.
- (2) Because of limited size and staffing, rural hospitals face significant obstacles to sourcing critical supplies and equipment such as PPE, ventilators, and essential medications. Policies that facilitate a network to en-

sure supplies can be sourced for rural hospitals are critical. While the CARES Act and other stimulus packages provided funding, SORHs play important roles in this network. It is critical that they have the necessary resources and funding to continue this essential function.

- (3) Although all hospitals continue to face increasing administrative burden related to the pandemic, rural hospitals may be less equipped to carry this burden. It is essential that federal and state policies coordinate to streamline guidance and provide additional resources to ensure rural administrative capacity can accommodate reporting requirements.
- (4) A comprehensive database summarizing stimulus funds will assist rural providers and SORHs to remain informed of the requirements to obtain and use funding. Multiple funding streams make it difficult for rural providers to independently track which funds are considered to be loans, require repayment, or are forgiven. It also is difficult for rural providers to be confident that they are adhering to reporting requirements associated with each stimulus fund.
- (5) Robust data and payment analysis should assess the efficacy of temporary policy adjustments made in response to COVID-19 and provide recommendations on those that are determined to be efficacious and should become permanent to improve access and services in rural areas.

As the nature of the pandemic and its impact on the health care landscape continue to evolve across the United States, rural hospitals persistently face a number of unique challenges. It is therefore critical that policy makers consider the aforementioned recommendations as possible approaches to alleviate the burden on rural hospitals and allow them to better focus on treating patients and improving population health.

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