RHC Federal Regulatory and Legislative Update

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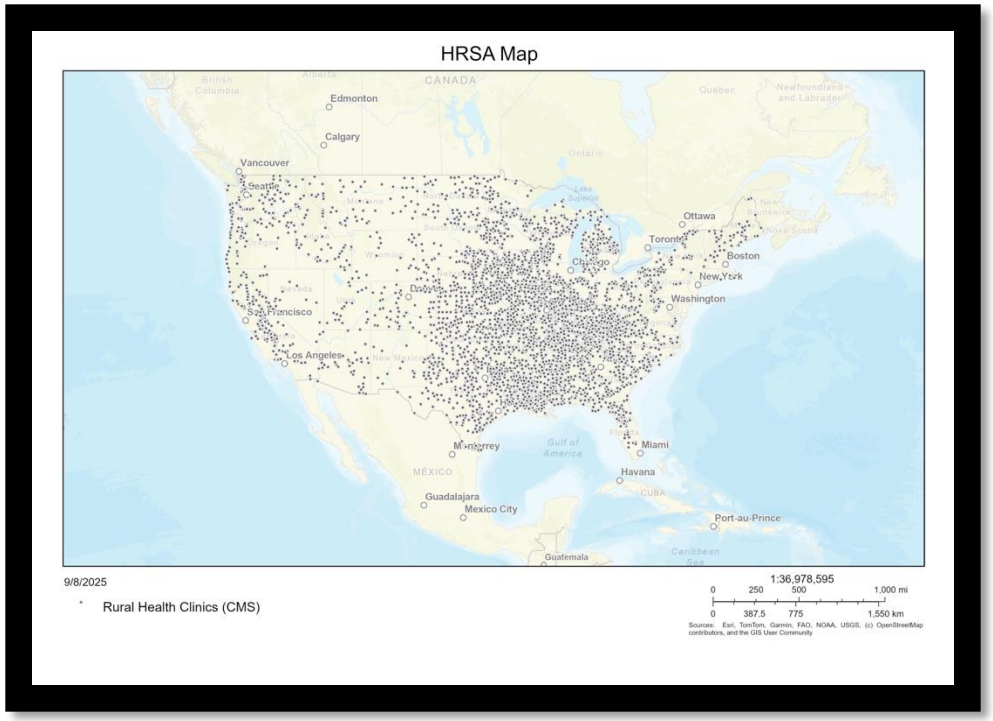
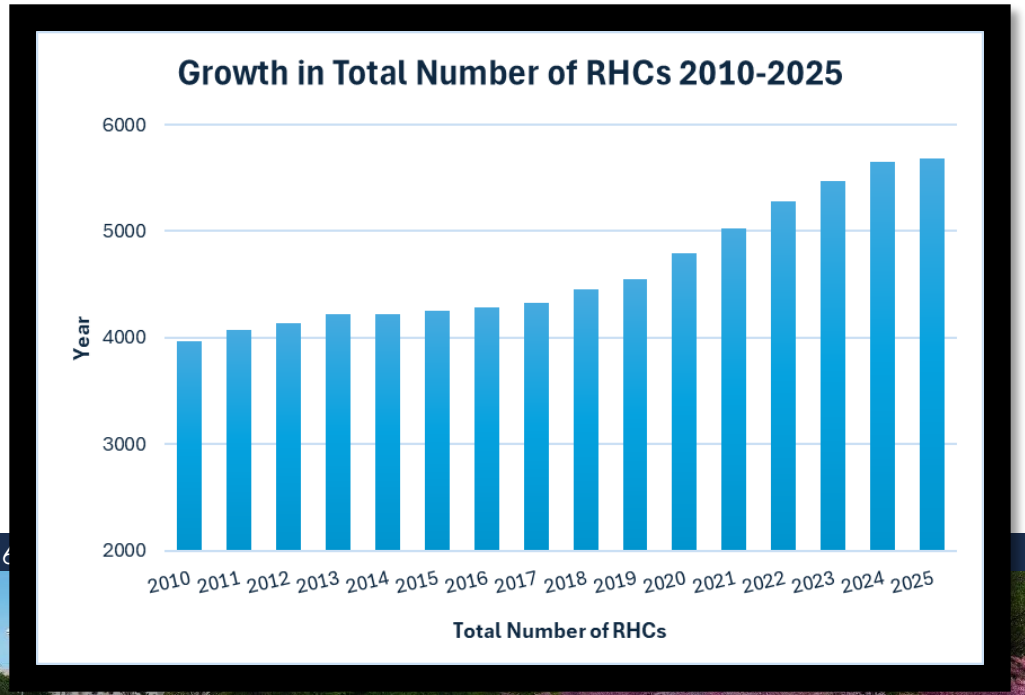
Status of the RHC Program

- There are over 5,700 RHCs in 47 states (110 in Oregon!)
- RHCs provide care to over 39 million Americans annually
- Payor mix - predominantly Medicare and Medicaid
- RHCs rank Medicare Advantage reimbursement and Medicare Advantage administrative burdens as top 2 most concerning issues





Agenda

- **119th Congress**
  - H.R.1 Components and Implementation
    - Coverage Impacts
  - Rural Health Transformation Fund Opportunities for RHCs
  - The Latest on Government Funding
    - Medicare Telehealth Policy Lapse
  - RHC Regulatory Reduction Legislation

- **Regulatory Updates**
  - 2025 MPFS Final Rule

H.R. 1 / 'One Big Beautiful Bill' Act

- Signed into law July 4, 2025 after months of negotiations in both chambers
  - Reconciliation = partisan
  - Nearly $1 trillion in decreased health care spending

- Most significant health care reforms since the Affordable Care Act
  - Republicans' Perspective: Reducing waste, fraud, and abuse; tax cuts for working families
  - Democrats' Perspective: Tax cuts for wealthy Americans while cutting safety-net programs (Medicaid / SNAP)

H.R.1 Healthcare Provisions

- Medicaid Eligibility Checks
  - Requires **states** to increase eligibility checks on the Medicaid expansion population – currently checked annually, changing to every 6 months
  - Begins January 1, 2027
  - States must also establish processes to more regularly obtain beneficiary address information in between renewals
    - Intent to decrease number of individuals enrolled in multiple states, ensuring deceased patients and providers do not remain enrolled

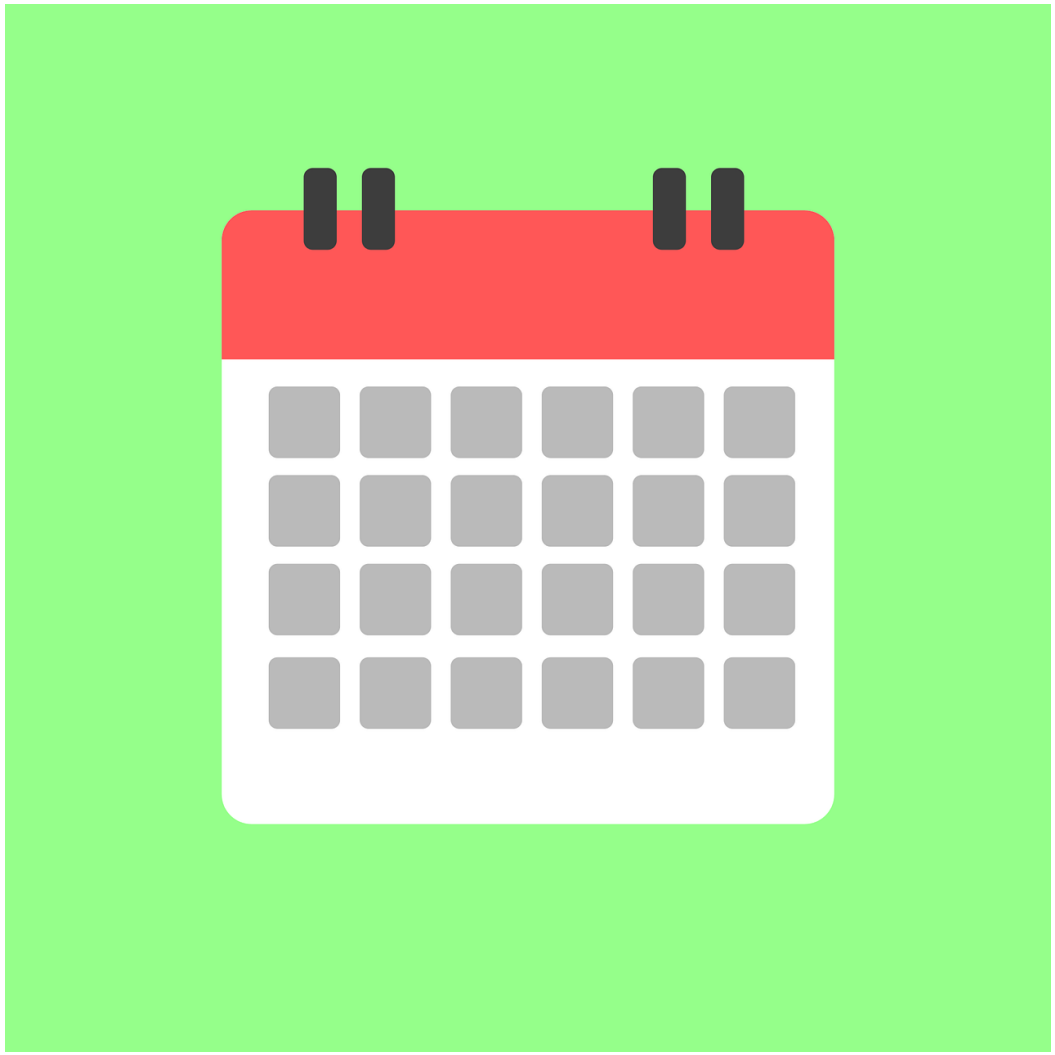
- Medicaid Work / Community Engagement Requirements
  - Requires **states** to implement work requirements for those 19-64 who don't meet an exemption
    - 80 hours per month
    - Exemptions include: serving as a caretaker for disabled individuals or those under 14, pregnant women, members of a tribe, 'medically frail' individuals, those enrolled in school
    - Begins January 1, 2027 (with lookback period 1-3 months prior)
    - Noncompliant individuals are not eligible for ACA marketplace advance premium tax credits

State Responsibilities / Decisions

- How are individual processes / systems designed?
  - Do they support Medicaid recipients in maintaining coverage or administratively burdensome?
- Does your state follow the 2027 implementation, submit a good faith waiver for an extension until December 2028, or submit 1115 waivers to start work / community engagement requirements early?
- Does your state consider additional exemptions to work requirements such as for short-term hardship, in areas with high unemployment rates, etc.?
- Does your state use a 1, 2, or 3 consecutive month look back period for eligibility and work requirement compliance?
- How will your state engage stakeholders to reach all beneficiaries?

Upcoming Dates

- CMS eligibility interim final rule expected December 2025
  - CMS Advisor stated the goal is to increase “integrity, not bureaucracy”
- CMS work requirements interim final rule June 2026



Coverage Impacts (Per the Congressional Budget Office)

- The Medicaid and Affordable Care Act policy changes are estimated to result in a loss of health insurance coverage for approximately 10 million Americans by 2034

- Separately, an additional ~4 million Americans are expected to become uninsured if enhanced subsidies that currently help individuals purchase coverage through the ACA marketplace expire on December 31, 2025

- Estimated coverage losses are a result of stricter eligibility rules and paperwork requirements

H.R.1 Implications - Medicare Sequestration

- The deficit increase from the 2025 reconciliation package triggers the Pay-As-You-Go (PAYGO) Act
  - PAYGO automatically reduces certain federal spending when Congress passes legislation that adds to the deficit
- For Medicare, this would be up to a 4% cut to Medicare reimbursements for providers
- In other deficit increasing bills, Congress has waived PAYGO however they have not done so for this reconciliation bill so far

Risks to Rural from H.R.1

- RHCs do not receive grant or other funding to treat an uninsured population
- Patients will still seek care even if they lose coverage
  - Likely a more complex, sicker patient population
- **Can your RHCs remain financially viable with an increase in the uninsured population?**
- How can you be engaged at the state level and with your patients as they navigate these new requirements?

Monitoring the Impacts

- "Part of Augusta Health's ongoing response to the *One Big Beautiful Bill Act* and the resulting realities for healthcare delivery."

Rural Health Transformation Program (RHTP)

- $50 billion fund distributed at $10 billion per year (2026-2030) by CMS to states
- Notice of Funding Opportunity out now and due November 5, 2025
- 50% of appropriated funds equally distributed amongst all states with approved application, while remaining 50% distributed at CMS discretion amongst at least 25% of states with application
- **Each state will choose their priorities differently – make your voice heard to ensure that Rural Health Clinics are included in the plans in your state!**

RHTP and RHCs

- Opportunities for start-up investments in chronic care management programs, value-based care, IT advances, behavioral health integration, and more!
- Think sustainable and tangible!

Latest Legislative Updates 119th Congress

(Other than H.R.1!)

Government Shutdown Latest

- Congress failed to reach an agreement on FY26 funding by September 30, resulting in a government shutdown
- House Republicans passed a ‘clean’ continuing resolution (FY25 levels)
- Senate failed to reach 60 votes necessary to pass
  - Republicans not interested in negotiations at this time
  - Democrats unwilling to support a package that doesn’t include an extension of ACA subsidies

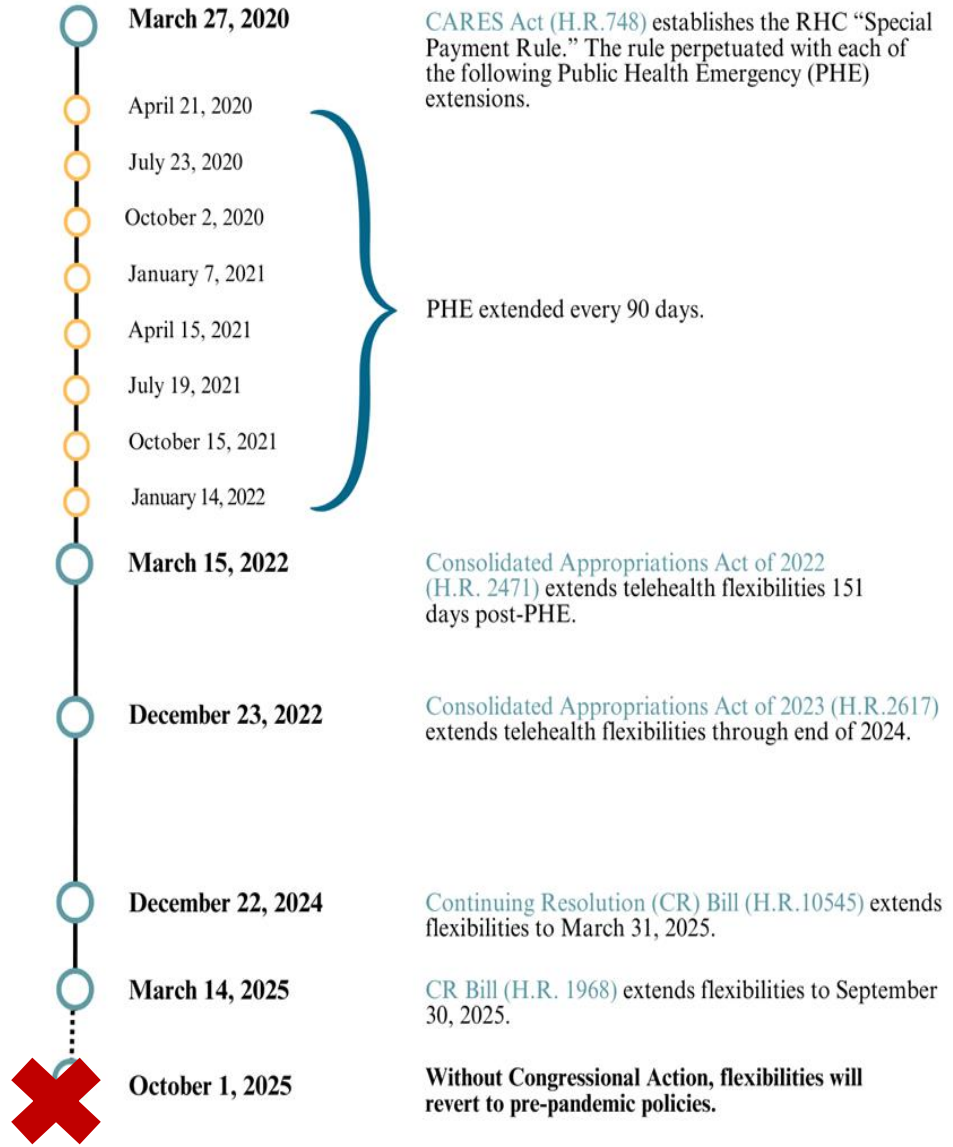
Medicare Telehealth Lapse

- As of October 1, RHCs can no longer bill for Medicare medical telehealth services when their patients are receiving these services from their homes

- While CMS retained telehealth billing flexibilities for RHCs (G2025) through December 31, 2025, Congress failed to extend originating and geographic flexibilities, meaning that patients now have to be located in a qualifying location to receive such services (their homes do not qualify)

Telehealth Legislation

- 119th Congress introduced legislation (extension and RHC policy fix):
  - **CONNECT for Health Act of 2025 (S.1261) / (H.R.4206)**
  - **Save America's Rural Hospitals Act (H.R.3684)**
  - **Telehealth Modernization Act (H.R.5081) / (S.2709)**
  - **HEALTH Act**



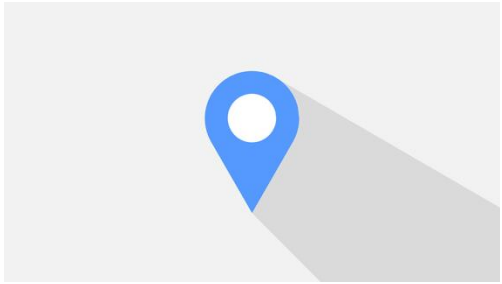
RHC Regulatory Reduction Bills

Modernizing Rural Physician Assistant (PA) and Nurse Practitioner Utilization Act (H.R.5199)

- Aligns RHC physician supervision requirements with state scope of practice laws governing NPs and PAs
- 27 states have granted full practice for NPs, and 8 for PAs, yet NPs and PAs in RHCs in those states still must have an MD/DO medical director, just because they're practicing in an RHC

RHC Location Modernization Act (H.R.5198)

- Maintains status quo RHC location policy, necessary as a result of the Census Bureau no longer defining "urbanized area"



Rural Behavioral Health Improvement Act (H.R.5217)

- Removes 49% statutory barrier that limits the amount of behavioral health services an RHC can provide
- Supports further integration of behavioral health and primary care

THANK YOU REPRESENTATIVES JILL TOKUDA & TRACEY MANN

- The Modernizing Rural Physician Assistant and Nurse Practitioner Utilization Act (H.R.5199)
- The Rural Health Clinic Location Modernization Act (H.R.5198)
- The Rural Behavioral Health Improvement Act (H.R.5217)

Representative Jill Tokuda (HI-02)

Representative Tracey Mann (KS-01)

One More RHC Regulatory Reduction Bill!

Registered Nurses (RNs) for Rural Health Act (H.R.3878)

- Allows RNs at RHCs to conduct Annual Wellness Visits (AWVs) and receive reimbursement from Medicare
- Introduced by Rep. Ashley Hinson (IA-02) and Rep. Hillary Scholten (MI-03)

How many pieces of legislation have been signed into law this Congress?

- 20
- How many pieces of legislation have been introduced this year?
- Over 8,400

Modern Legislative Pathways

Option 1

Unanimous Consent / Suspension of the rules

- Non-controversial bills; cost free
- Example: naming post offices

Option 2

Bipartisan Individual Bill of Substance

- Semi-targeted
- 60 votes in the Senate
- Examples: *Bipartisan Safer Communities Act (gun control & behavioral health)*

Option 3

Must Pass Legislation

- Debt Ceiling, Appropriations
  - Examples: *Consolidated Appropriations Act (insert year)*

Option 4

Budget Reconciliation Process

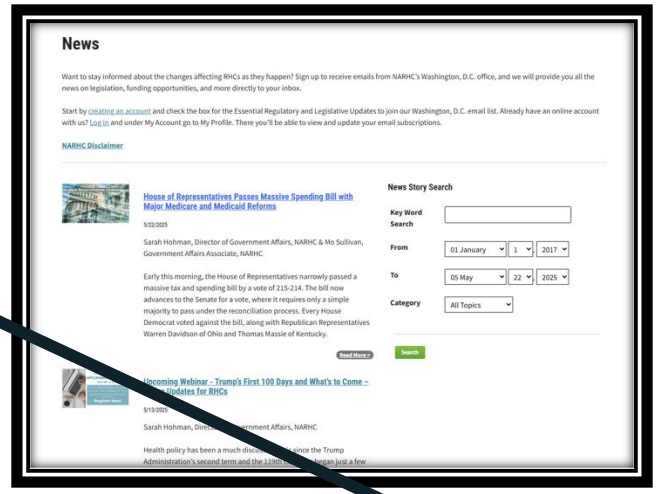
- Generally, only relevant when one party controls House/Senate/ President
  - Examples: *Inflation Reduction Act, American Rescue Plan, H.R.1*

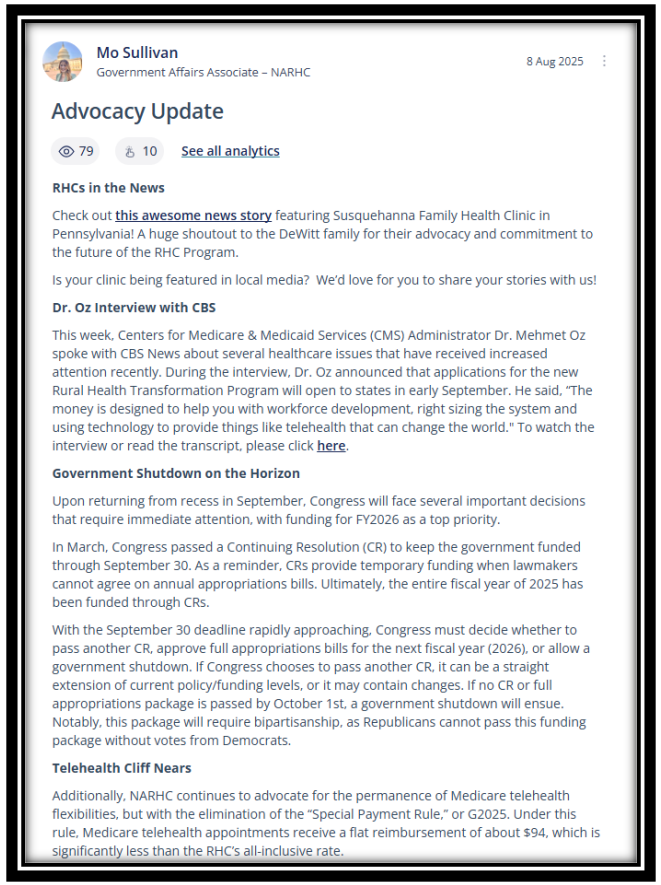
2025 MPFS Final Rule

- Hep B, Pneumo, COVID-19, Flu vaccines all billed on claims at time of service (still maintain logs for cost report reconciliation component), as of July 1
- RHCs no longer have to be 'primarily engaged in primary care' so long as they provide some primary care, as of January 1
- No longer require hemoglobin / hematocrit and examination of stool specimen labs, as of January 1
- Elimination of G0511 code for care management (now bill CPT codes), as of October 1

Stay “In the Know” on RHC Issues

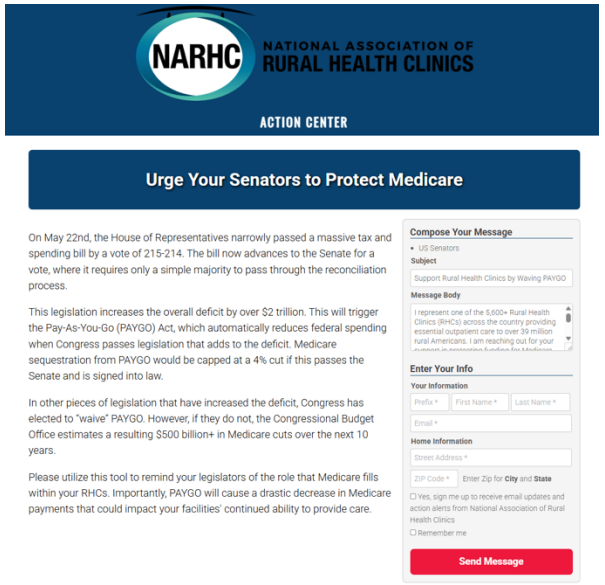
- NARHC.org
  - Email Listserv
  - Discussion Forum
    - Weekly policy updates!
  - NARHC News
  - Biweekly Office Hours
  - Resources
    - TA Webinars
    - Policy and Advocacy
- State rural health organizations & offices of rural health
- Federal Office of Rural Health Policy (FORHP) Weekly Updates
- RHIhub
- CMS RHC Center





Be Engaged in RHC Issues

- Voter Voice messaging platform
- Host Members of Congress at your RHC
- Attend NARHC's Policy Summit – June 10-11, 2026



Advocacy is not an end point on a map. Remain engaged and do not let up the fight for rural health!

Thank You!

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