

Blog: Building blocks for rural payment and delivery models during COVID-19 and beyond

October 21, 2020 by Erika Rogan, Ph.D.



Rural hospitals are well accustomed to working through challenges. They typically operate under tight resource and staffing constraints, and they make hard choices in order to keep their doors open, even in the best of times. Despite this tall order, rural providers remain stalwarts of their communities, deeply tied to their mission and the people they serve.

The COVID-19 crisis has exacerbated the problems these hospitals face, including cash flow concerns and workforce shortages. While the virus was slower to arrive in some rural areas, [more than half of rural counties](#) are now experiencing infection rates of 100 or more new cases per 100,000 residents. The storm has not subsided, and rural hospitals need the right tools to weather it.

Before the pandemic, AHA called for [new payment and delivery models](#) that recognize the unique characteristics of rural America. The experience of fighting COVID-19 has now re-emphasized three critical building blocks for such models: stability, connectedness and flexibility.

Stability. To be financially stable, providers need to not only have some *reliability* of incoming funds, but also need to have *security* that those funds are adequate. COVID-19 has taught us that merely getting by cannot be enough. In fact, [15 rural hospitals have closed](#) in 2020 thus far, putting the country on track to surpass last year's closure count. Thus, new models should consider payments that are both steady and enhanced; this can provide a cushion for rural hospitals to be agile. Investing in these providers will allow them to maintain access to care during both expected and unexpected challenges.

Connectedness. Telehealth has been fundamental to safe, timely and efficient access to care during the pandemic. It has allowed patients to access services while reducing possible exposure to the novel coronavirus. Telehealth also creates opportunities, even beyond the pandemic, for practitioners to receive support from other professionals that are

not physically present, which is crucial for a rural workforce already stretched thin. For these reasons, the [AHA has advocated](#) for more services to be allowable via telehealth, plus more opportunities to connect providers with patients and practitioners using various modes of technology. Now is the time for providers to harness the potential of connected care. New models for rural providers should not only permit, but also financially support these services and the technologies/infrastructures that undergird them.

Flexibility. Early in the COVID-19 public health emergency, the Centers for Medicare & Medicaid Services recognized the importance of relaxing certain regulatory requirements that could have otherwise hampered surge capacity and other necessary activities. Many of these waivers were imperative for rural hospitals' efforts to fight COVID-19, including increasing bed size without penalties, allowing greater staffing flexibilities and relaxing some special designation criteria. This administrative leeway will remain invaluable for the virus' duration and beyond, as rural providers must navigate their unique situations to continue providing local access to care. New models should create opportunities for rural hospitals to tailor their activities to local needs while working toward model goals.

It is encouraging that we can see elements of these building blocks in recent efforts from the Trump administration, including CMS' [Community Health Access and Rural Transformation](#) model, the Department of Health and Human Services' [Rural Action Plan](#) and the cross-agency [Rural Telehealth Initiative](#). Yet, as we have described in our [recent letter to the White House](#), these building blocks are just the beginning; additional, targeted actions from Congress and the administration are needed to support rural hospitals and their communities.

Listening to rural hospitals' concerns and ideas is essential for shaping policies that are effective and meaningful. While rural providers around the country have long demonstrated resilience in difficult times, having the right models in place will enable them not only to survive, but to thrive, long after the COVID-19 pandemic is over.

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