United States Senate
WASHINGTON, DC 20510

October 20, 2021

The Honorable Xavier Becerra
Secretary
U.S. Department of Health & Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Secretary Becerra:

We write to you regarding the distribution of funds from the American Rescue Plan to support healthcare providers that serve rural patients. As you review applications for this funding, we strongly urge the Department of Health and Human Services (HHS) and the Health Resources and Services Administration (HRSA) to follow the law as written in Section 9911 of the American Rescue Plan Act (ARPA) (P.L. 117-2) by approving applications for rural funding only for those providers that meet the clear statutory definition of 'rural provider.'

Over the course of the pandemic, Congress appropriated $178 billion for the Provider Relief Fund (PRF) to ensure providers can continue to offer quality care during the COVID-19 pandemic. This included an additional $8.5 billion specifically to support rural healthcare providers who incurred healthcare related expenses or experienced revenue losses attributable to COVID-19. The COVID-19 pandemic has had disproportionate impacts on rural communities, who were already experiencing staffing shortages and financial difficulties even before COVID-19. In addition, rural communities are home to more vulnerable populations that are on average older, face higher rates of chronic health conditions and broadly lack access to the high-quality, affordable healthcare services that residents of urban areas enjoy. Recent analysis found that rates of COVID-19 cases and deaths in non-metropolitan or rural areas continue to vastly outpace that of urban, metropolitan cities.[1] The mortality rate is almost double in rural areas.

In 2020, at least 19 rural hospitals closed, exacerbating access to care issues in rural America that already threatened critical lifelines for almost 60 million Americans.[2] Despite this obvious need, rural providers are often excluded from accessing federal funds by flawed definitions of 'rural' that are used by the Federal Office of Rural Health Policy (FORHP) to determine whether entities are eligible to receive rural health grants from HRSA. To address this oversight and ensure critical funding reaches our nation's rural healthcare providers, especially as they continue to battle new challenges with COVID-19 on limited budgets, Section 9911 of the ARPA outlines funding for providers from the ARPA-Rural and defines a rural provider or supplier as:

''(A) a—

[1] https://rupri.public-health.uiowa.edu/publications/policybriefs/2020/COVID%20Longitudinal%20Data.pdf
[2] https://mtgis-portal.geo.census.gov/arcgis/apps/MapSeries/index.html?appid=49cd4bc9c8eb444ab51218c1d5001ef6

‘‘(i) provider or supplier located in a rural area (as defined in section 1886(d)(2)(D)); or

‘‘(ii) provider treated as located in a rural area pursuant to section 1886(d)(8)(E);

‘(B) a provider or supplier located in any other area that serves rural patients (as defined by the Secretary), which may include, but is not required to include, a metropolitan statistical area with a population of less than 500,000 (determined based on the most recently available data);

‘‘(C) a rural health clinic (as defined in section 1861(aa)(2));

‘‘(D) a provider or supplier that furnishes home health, hospice, or long-term services and supports in an individual’s home located in a rural area (as defined in section 1886(d)(2)(D)); or

‘‘(E) any other rural provider or supplier (as defined by the Secretary).’’

The addition of (B), along with (A), which states that a provider or supplier may be eligible for funding if they are located in a metropolitan statistical area with a population of less than 500,000 ensures funding is set aside explicitly for rural providers. This legislative text was carefully negotiated with the Administration and is aimed at ensuring funds are set aside for providers located in rural areas, but also for providers in small metropolitan areas, who predominately serve rural patients and neighboring rural areas. Large metropolitan areas with populations above 500,000 have had access to the majority of allocations of the PRF. Of the $178 billion in the PRF, just over 6% has been allocated directly for rural providers. Far below their need, and the 20% of Americans they serve.

The ARPA-Rural set aside funding is critical to serve rural providers, patients and communities that are frequently shut out of important funding opportunities. We urge HHS to follow the letter of the law with respect to the ARPA-Rural funding, not willfully ignore Congress’ express direction. Rural healthcare providers must remain at the forefront of our efforts to combat COVID-19 and need this assistance now.

Once again, we thank you for your commitment to ensuring our nation’s health care providers have the resources they need to remain in the fight against COVID-19. We urge you to consider Congressional intent for the ARPA-Rural fund when approving applications for this funding. We look forward to working with you to support our ongoing response to COVID-19 and appreciate your attention to this important matter.

Sincerely,

Joe Manchin III
U.S. Senator

Susan M. Collins
U.S. Senator

Jeanne Shaheen
U.S. Senator

Jon Tester
U.S. Senator

Margaret Wood Hassan
U.S. Senator

Angus S. King Jr.
U.S. Senator

Michael F. Bennet
U.S. Senator

CC:
Acting Administrator Diana Espinosa, Health Resources & Services Administration