

Rural Health Clinic Updates from Washington, DC.

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Deputy Director of Government Affairs
National Association of Rural Health Clinics

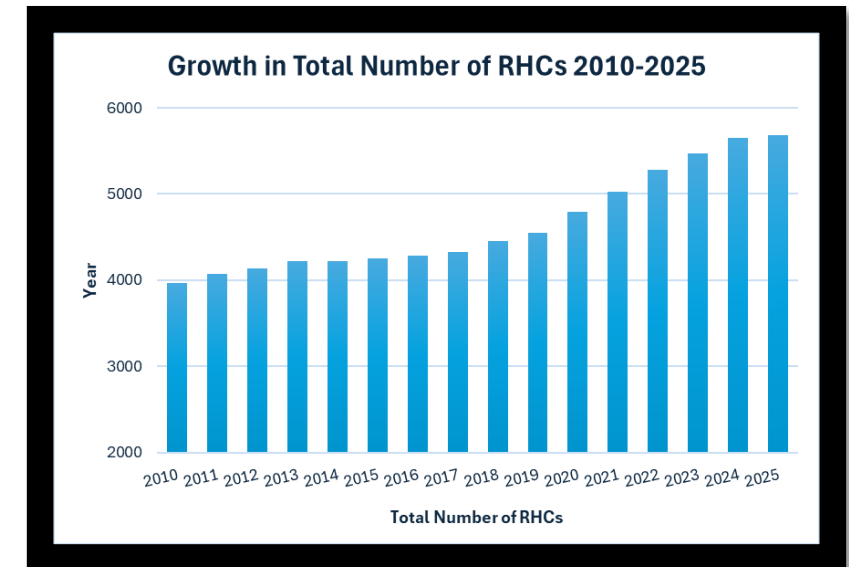
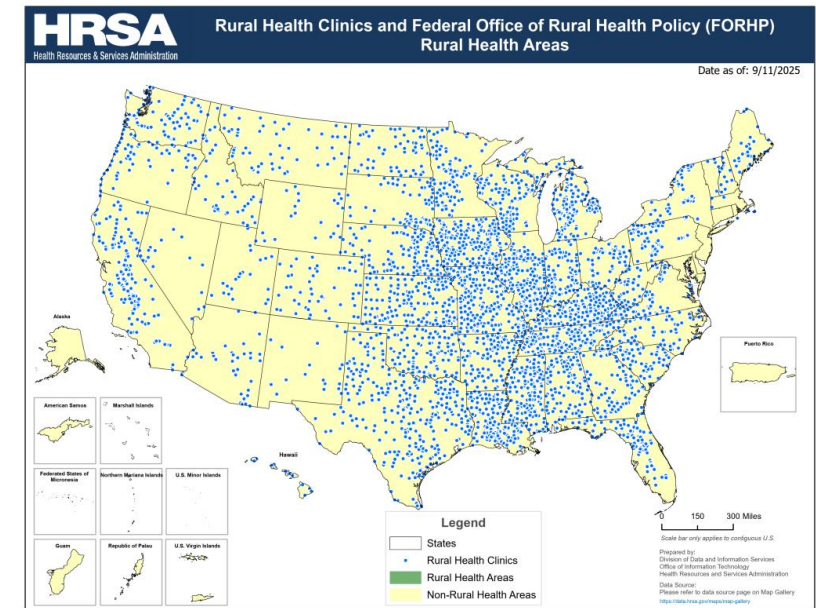


Agenda

- RHC Program Status
- H.R.1
 - Medicaid Reforms
 - Student Loan Caps
- Rural Health Transformation Program
- HHS Funding FY2027
- RHC Self Attestation
- RHC Policy Priorities
 - Medicare Advantage
 - Telehealth -- **Exciting update announced on Monday!**
 - Regulatory Reduction Efforts
- H-1B Visa Fee Policy
- Get Involved in Advocacy!

Status of the RHC Program

- There are over 5,700 RHCs across 45 states
 - **89 in Virginia!**
- RHCs provide care to over 40 million Americans annually
- Many RHCs have closed, many more have opened
- RHCs rank Medicare Advantage reimbursement and Medicare Advantage administrative burdens as top 2 most concerning issues



One Big Beautiful Bill (H.R.1)

- Massive reconciliation package signed into law July 4, 2025
 - What is a reconciliation package?
- Health provisions will roll out over the next several years:
 - 1. Medicaid Work / Community Engagement Requirements**
 - Individuals 19-64 required to work, participate in service, attend school, or meet a qualified exemption for 80 hours per month beginning January 1, 2027, at the latest
 - 2. Increased Medicaid Eligibility Checks**
 - This legislation increases annual eligibility checks to at least every six months, beginning in 2027.
 - Coverage losses resulting from this administrative requirement generates significant 'savings.' CMS will receive \$75 million to implement this provision.
 - Help your patients navigate new Medicaid verification processes!
- Several states have already begun implementing Medicaid reforms; **Virginia is expected to implement these Medicaid reforms on January 1st, 2027**



One Big Beautiful Bill (H.R.1) Cont.

3. Federal Student Loan Caps

- Establishes lifetime federal borrowing caps for graduate students (\$100k total; 20.5k per year) and professional students (\$200k total; 50k per year) beginning **July 1, 2026**
- Department of Education proposed strict limits on graduate v professional degrees
- Likely to worsen rural workforce shortages; disadvantaged students need to borrow more, private loans become only alternative
 - NARHC and several other organizations submitted comments to the Department of Education
- **This rule was finalized on April 30, 2026**



March 2, 2026

The Honorable Nicholas Kent, Under Secretary of Education
U.S. Department of Education
Attention: Docket ID ED-2025-OPE-0944, Reimagining and Improving Student Education
400 Maryland Ave SW
Washington, D.C. 20202

Dear Under Secretary Kent:

On behalf of the National Association of Rural Health Clinics (NARHC) and the over 5,700 federally certified Rural Health Clinics (RHC), we are pleased to offer the following comments on the Department of Education's proposed rule, Reimagining and Improving Student Education.

Since 1977, the Rural Health Clinics program has provided quality, outpatient care to rural, underserved communities across the country. CMS-certified RHCs require the use of team-based care in their facilities, relying heavily on physicians, Nurse Practitioners (NPs), Physician Assistants/Associates (PAs), social workers and other behavioral health professionals with various post-baccalaureate degrees.

Pursuant to H.R. 1 (Public Law No. 119-21), beginning July 1, 2026, graduate students are limited to borrowing \$20,500 annually and \$100,000 in the aggregate while professional students are limited to \$50,000 annually and \$200,000 in the aggregate. While these limits are statutorily established, the Department of Education's strictly limiting proposed list of professional degrees risks the accessibility of adequate funding mechanisms for all post-baccalaureate degreed individuals.

Given the immense value of all of these health care professionals, the NARHC urges the Department of Education to revise its proposed "professional degree" definition to include post-baccalaureate healthcare degrees, including those mentioned above. These individuals serve as rural America's providers, as well as the faculty and educators training the next generation of the health care workforce.

Your consideration of these comments is appreciated. We look forward to working with the Department to ensure that federal student aid policies support, rather than constrain, the development of a strong and sustainable workforce for rural communities. Should you have any questions or need any additional information, please do not hesitate to contact Sarah Hohman, NARHC Director of Government Affairs at Sarah.Hohman@narhc.org.

Sincerely,


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Estimated Coverage Impacts of H.R. 1

- Per the Congressional Budget Office (CBO)
 - Federal agency that scores legislation
 - Nonpartisan
 - Typically scores legislation over a 10-year period
- Policy reforms from H.R.1 are estimated to result in a **loss of health insurance coverage for ~10 million** by 2034
 - Accuracy of estimates highly dependent on state decisions
 - Rural facilities will see an increase in uncompensated care



Rural Health Transformation Program (RHTP)

- \$50 billion fund distributed at \$10 billion per year (2026-2030) by CMS to states
- Awards announced in December 2025
 - **Virginia to receive \$189,544,888 million in 2026**
 - Initiative being referred to as the [VA Rural Vitality](#)
- 4 sub-initiatives:
 - CareIQ (\$282.6M): RPM, AI-tools, EHR systems
 - Homegrown Health Heroes (\$132.0M): Workforce & education
 - Connected Care, Closer to Home (\$412.0M): Mobile units, telehealth, paramedicine, maternal care
 - Live Well, Together (\$124.2M): Nutrition, active kids, outreach for dual-eligible seniors
- Every state prioritizing rural facilities differently, please engage with your state on funding opportunities



Government Funding Status

- President's Budget for FY27 (beginning October 1) contains a 12.5% decrease in HHS spending
 - Elimination of State Offices of Rural Health and various rural health TA and support programs
 - Additional \$19 million for CHC nutrition
- Get involved: <https://www.votervoicenet.com/NARHC/Hon>



CMS Announces Plans for RHC Self-Attestation Process

- CMS plans to implement a program through which RHCs would be required to complete a brief, self-attestation form every 6 years, in lieu of periodic on-site surveys
- NARHC staff have sent comments to CMS
 - We acknowledge the intent of CMS to reduce administrative burdens placed on RHCs
 - Recommend focusing on fixing the underlying regulations and policies causing the administrative burdens in the first place instead of changing the method in which RHCs demonstrate program compliance



Medicare Advantage Payment Policy Safety-Net Provider Comparison

RHCs

- No specific benefit
- RHCs are paid according to the terms of their contract

FQHCs

- Receive wrap payments to make up the difference between contracted rates and traditional Medicare reimbursement rates



Medicare Advantage Latest

- CMS finalized a base rate increase of 2.48% for Medicare Advantage plans in 2027, much higher than the proposed rate of 0.09%
 - Shows Administration's continued favorability of MA plans
- Administration also considering a Project 2025 policy that would make MA enrollment the default (over traditional Medicare)



Response from Capitol Hill

- Shifting tides due to overpayments, poor practices, and *patient* feedback
- H.R.5454 Medicare Advantage Prompt Pay Act
- H.R.4559 Prompt and Fair Pay Act
- S.1816/H.R.3514 Improving Seniors' Timely Access to Care Act of 2025



Medicare Telehealth Coverage RHCs

Medical Telehealth

- RHCs can serve as telehealth distant site providers through December 31, 2027
- Paid ~\$97 for all services on Medicare's allowable telehealth list (200+ codes)
- Bill as G2025, not encounters

Mental Health Telehealth

- Permanent coverage in RHCs, reimbursed at AIR, counts as an encounter
- Occasional in-person visit requirements waived until January 1, 2028

UPDATE: Effective October 1, 2026, RHCs shall bill the individual HCPCS codes describing the telehealth services furnished to Medicare beneficiaries, instead of G2025 for every service provided. Additionally, RHCs will be required to report modifier 93 for audio-only services, and modifier 95 for audio-visual telehealth.

Telehealth Advocacy

- NARHC continues to push for a **fix** for the "special payment rule" RHC telehealth policy
- Legislation introduced this Congress achieves this priority, however Congress consistently just extends current policy (as they did in the latest funding package)
 - CONNECT for Health Act of 2025 (H.R.4206 & S.1261)
 - Telehealth Modernization Act
 - HEALTH Act



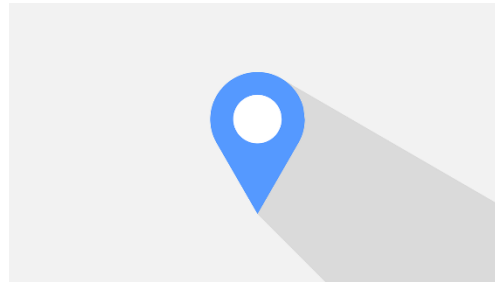
RHC Regulatory Reduction Bills

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 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



H-1B Visa Policy Change

- The Trump Administration created a \$100,000 fee for H-1B visa applications in September 2025
- Over 500 rural employers annually utilize H-1B visas to recruit and retain practitioners
- NARHC sent a [joint letter](#) with the National Rural Health Association urging the Department of Homeland Security to create a carveout to this new policy for healthcare workers
 - DHS expects exemptions to be very rare, limiting this as an option for rural recruitment moving forward
- Bipartisan group of lawmakers introduced H-1Bs for Physicians and the Healthcare Workforce Act in March – would exempt health care workers
 - Get involved: <https://www.votervoices.net/NARHC/Home>



How You Can Help



Complete Policy Survey

Help identify the most pressing issues facing Rural Health Clinics.



Send Voter Voice Messages

Use NARHC's advocacy platform to contact your Members of Congress.



Attend Policy Summit

Meet with policymakers and advocate directly for rural health priorities.



Host Member of Congress

Show lawmakers firsthand how policy impacts rural care.



Apply to Bill Finerfrock Fellowship

Join the next generation of rural health policy leaders.

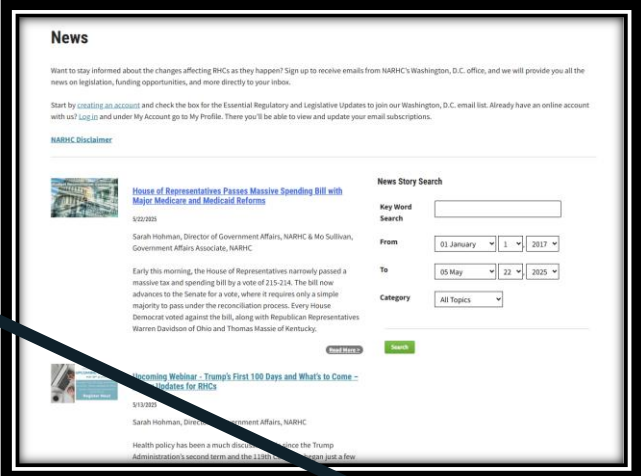
Easy Action

High Impact



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](#)
- [RHlhub](#)
- [CMS RHC Center](#)



Thank You and Questions!

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