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September 19, 2008

The Honorable Gordon Smith
United States Senate
404 Russell Senate Office Building
Washington, DC 20510

Dear Senator Smith:

On behalf of our more than 5,000 member hospitals, health systems and other health care organizations, and our 38,000 individual members, the American Hospital Association (AHA) is pleased to support S. 3367, legislation that seeks to align timeframe designations crucial to the certification of rural health clinics (RHCs).

The RHC program plays a vital role in the delivery of health care services to residents of underserved rural areas. This program has certified more than 3,000 RHCs, which now provide quality health care to 7 million people in 47 states. Many rural hospitals have established RHCs as a means to expand outreach and access to health care professionals and primary care services in these communities.

The AHA is concerned that the rural health clinic rule proposed by the Center for Medicare & Medicaid Services (CMS) on June 26 could result in established clinics losing their RHC status. In the rule, CMS proposes that current U.S. Census Bureau and Health Resources and Services Administration (HRSA) data be used to determine whether a facility meets the non-urbanized and shortage area location requirements respectively. However, this provision highlights a disconnect between Medicare RHC and HRSA shortage area policy. By mandate, RHC designations must be updated every three years, while updates to Health Professional Shortage Area (HPSA) designations are required every four years. Therefore, under the CMS rule, clinics would be subjected to the additional burden of having to qualify for the HPSA designation more often than what is necessary in order to meet an essential condition for declaration as an RHC.

Your bill, S. 3367, would address this concern by aligning the timeframes for RHC and HPSA designations. This simple legislative fix would remove a needless barrier for clinics in the RHC certification process, helping these facilities maintain their RHC status and preserving a proven pathway to primary health care services in the most underserved rural communities.

Again, the AHA applauds you for introducing this important legislation and commends you for recognizing the important work of rural health clinics. We look forward to working with you to ensure its passage.

Sincerely,

Rick Pollack
Executive Vice President

