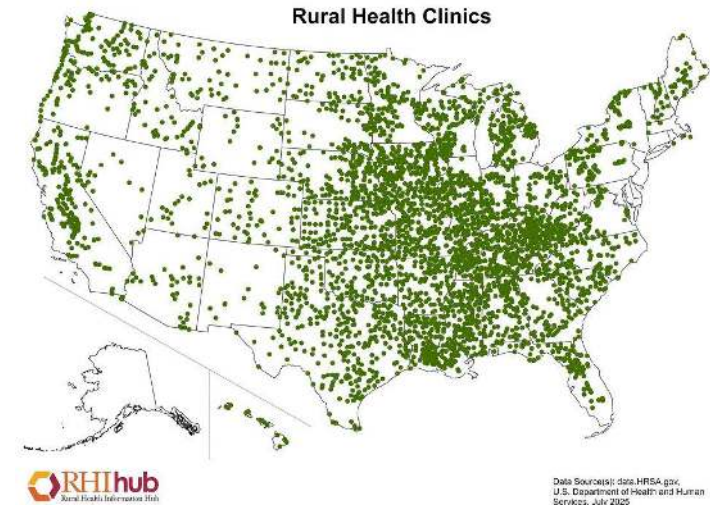
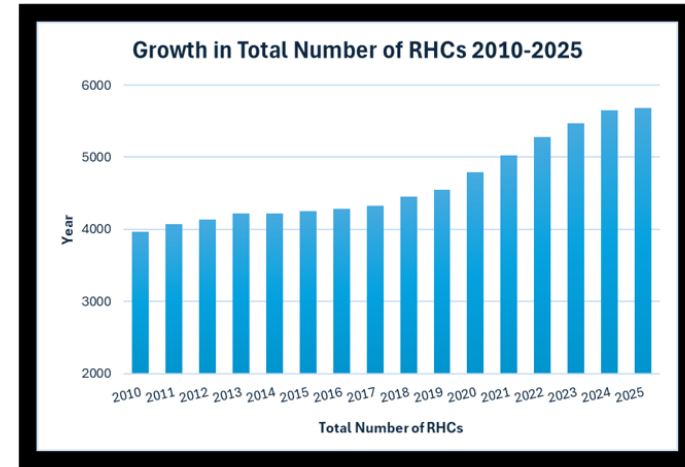


Rural Health Clinics Landscape

- There are over 5,700 RHCs providing care to over 39 million Americans annually
- High Medicare and Medicaid populations
- Outpatient providers, including RHCs, serve a particularly important role in the Trump Administration's focus on primary care, chronic disease management, and the *transformation* of rural health



H.R.1 / OBBBA Healthcare Provisions

- Medicaid Work / Community Engagement Requirements
 - Individuals 19-64 required to work or participate in community service at least 80 hours per month beginning in 2027
 - Exemptions available for caregivers for people with disabilities or children under 14, veterans, individuals with disabilities, inmates, pregnant women, and those enrolled at least part-time in school
- Medicaid Eligibility Checks
 - Increases eligibility checks to at least every 6 months beginning in 2027 (currently checked annually)
- Medicaid Provider Taxes
 - Lowers maximum provider tax rate for Medicaid-expansion states from 6% to 3.5%, incrementally each year from 2028-2031
 - Non expansion states frozen at current provider tax rate
- Affordable Care Act Reforms
 - Shortened annual open enrollment period by 1 month
 - Eliminated low-income special enrollment period and automatic enrollment
 - Other technical changes

Coverage Impacts (Per the Congressional Budget Office)

- These 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 due to expiration of enhanced ACA subsidies
- Estimated coverage losses are a result of stricter eligibility rules and paperwork requirements

State Responsibilities / Decisions

- How are individual processes / systems designed?
 - Do they support Medicaid recipients in maintaining coverage or administratively burdensome?
- Which states follow the 2027 implementation, submit a good faith waiver for an extension, or start work / community engagement requirements early?
- Do states consider additional exemptions to work requirements such as for short-term hardship, in areas with high unemployment rates?

Rural Health Transformation Program

- \$50 billion fund distributed at \$10 billion per year (2026-2030) by CMS to **states**
 - 50% of appropriated funds equally distributed amongst all states
 - 50% distributed at CMS discretion amongst at least 25% of states with approved application (data driven metrics, innovation, and state policy)
- States are at a variety of stages in the process now (issuing sub-awards, staffing offices, beginning transformational work)

Rural Health Transformation Program

- Make America Health Again
 - Prevention and chronic disease
- Access
 - “right sizing” rural health care delivery
 - Behavioral health access
- Workforce Development
 - Recruitment and retention
- Innovation in Care
 - Value-based care/payment
- Innovation in Technology
 - Cybersecurity, IT enhancements

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