



September 5, 2025

The Honorable Valerie A. Arkoosh, MD, MPH  
Secretary  
Pennsylvania Department of Human Services  
625 Forster Street  
Harrisburg, PA 17120

Dear Secretary Arkoosh:

On behalf of The Hospital and Healthsystem Association of Pennsylvania (HAP) and our more than 235 member organizations statewide, please accept this proposal submission supporting HAP's form submission on August 29.

As you know, HAP stands ready to support the development of the commonwealth's application to the Rural Health Transformation Program (RHTP) to address the needs of rural Pennsylvanians and our communities.

Many of Pennsylvania's rural hospitals and the services they provide are already at risk and this trajectory will only worsen as destabilizing Medicaid payment cuts take effect in the coming years. Understanding that the intent of the RHTP is to stabilize rural hospitals so they can sustainably serve their communities into the future, we are offering suggestions on investments that keep rural hospitals, and the services their communities depend on, open. We continue to caution against tying RHTP funds to new initiatives that cannot be sustainably maintained when the program ends and hospitals are left to absorb permanent payment cuts.

As the department continues developing Pennsylvania's transformation plan, we respectfully urge consideration of the following key factors:

- Rural hospitals cannot care for our communities without a robust and highly trained workforce. RHTP investments can supercharge initiatives to develop, attract, and keep providers in our rural communities.
- Targeted financial support will help rural hospitals take action now to improve their future stability. Infrastructure improvements to modernize facilities and implement technology that supports innovations like telehealth and virtual nursing will help hospitals transform care delivery and streamline operations.



Secretary Arkoosh  
September 5, 2025  
Page 2

- Investments through the RHTP will only be successful in transforming rural health care if they're combined with the necessary regulatory flexibility and updates that empower rural hospitals to innovate.

With these considerations in mind, please find attached HAP's proposal, organized in a three-prong framework: Workforce, technology and infrastructure, and regulatory relief. We believe this framework presents cross-cutting opportunities to address all of the department's priority areas (maternal health, behavioral health, aging, EMS, technology, and workforce).

We look forward to collaborating on this significant opportunity to provide a severely needed lifeline for the state's rural hospitals so that they can continue to ensure access to high-quality care in their communities. Thank you for your continued leadership in support of the health of rural Pennsylvanians.

Sincerely,

Nicole Stallings  
President and Chief Executive Officer



The Hospital + Healthsystem  
Association of Pennsylvania

## **Rural Hospital Funding - Proposal Outline**

### **Key Focus Areas**

- I. Workforce**
- II. Technology and Infrastructure**
- III. Regulatory Relief**

### **I. Workforce**

**A. Concept** - Direct funding for hospitals to sustain a strong, diverse rural health care workforce.

Maintaining access to vital health care services in rural communities depends on having a robust and diverse clinical workforce. Pennsylvania hospitals and health systems are already implementing proven strategies to develop, educate, train, recruit, and retain health care professionals needed to serve the current needs of their communities and meet a growing need for care. These efforts have reduced turnover for direct care professionals by 32 percent since 2022, based on results of HAP's annual [hospital workforce survey](#). Despite these efforts, rural hospitals continue to struggle with [double-digit vacancy rates](#) for direct care positions and the commonwealth will need thousands more health professionals each year to care for our aging population. Labor costs are the single largest category of hospitals' spending. Rural hospitals face financial constraints, including lower patient volumes and reliance on government payors, which exacerbate this challenge. Responding to ongoing labor shortages places significant pressure on rural hospital sustainability.

Investments through the RHTP can address this pain point and build on positive momentum by scaling already proven models to develop and recruit clinicians in rural communities. These include approaches such as:

- Creating and growing rural medicine residency programs that train future family physicians directly in rural communities, strengthening the local workforce while preparing doctors and other health professionals to meet rural health care needs.
- Expanding graduate medical education programs to include specific rural tracks in family medicine and psychiatry, adding specialized curricula, and strengthening recruitment.
- Developing and strengthening partnerships between hospitals, medical schools, nursing schools, community colleges, and high schools to enhance direct pipelines into health care careers.
- Launching and growing specialized initiatives to address the unique barriers that rural students face in accessing training and education for health care careers.

Given the limited window for RHTP funding, it is imperative that the commonwealth focus on short-term investments that bolster the rural health care workforce now and ensure future sustainability when funding ends. The right investments will supercharge efforts to grow the rural health care workforce and empower



## Rural Hospital Funding - Proposal Outline

Page 2

hospitals to recruit the workforce now that will be needed to sustain services into the future. Strategies should include direct funding for hospitals to maintain and appropriately invest in workforce stability through recruitment, retention, and training strategies that ensure services are available long term.

### B. Geographic Area - Rural Pennsylvania

### C. Concept Overview

The RHTP should prioritize payments to rural hospitals for workforce recruitment and retention. Rural hospitals chronically struggle to attract and keep physicians, nurses, and allied health professionals due to geographic isolation. These shortages often lead to service reductions or closures, directly undermining access to care for rural residents.

- Recruitment and Retention—Attract diverse talent through early, targeted outreach, incentives, and career education. Improve workplace safety, pay, mentorship, and growth opportunities. Specifically, **support health care professionals** by empowering providers to practice at the top of their license, investing in wellness and safety, and enabling technology that supports clinicians.
- Workforce Expansion—Growing and supporting the workforce to meet demand. Support innovative and advanced staffing models. Specifically, **increase providers** by expanding career pathways that grow and diversify the workforce, incentivizing clinicians to practice in underserved communities including enhancing the loan repayment program, and increasing J1 visas.
- Education and Training Initiatives—Programs to create clear career pathways, expand service line providers, invest in apprenticeship programs. Specifically, **make health care education more accessible** by funding scholarships and loan forgiveness; investing in health care education programs; and increasing educators.

### D. Identified Needs

- Pennsylvania ranks fifth nationally for the number of designated medically underserved areas, with 3,487.
- Funding to create and scale pipeline and career pathway programs in partnership with local high schools and community colleges will enable hospitals to address immediate workforce pain points, while also infusing additional funding into Pennsylvania educational institutions. While HAP's hospital workforce survey found double-digit vacancy rates across clinical positions statewide, rural hospitals report even greater challenges than their peers. Rural hospitals reported [average vacancy rates](#) for 2024 of:
  - 23 percent for physician assistants
  - 23 percent for medical assistants
  - 21 percent for registered nurses
  - 20 percent for radiologic techs
  - 19 percent central sterile processors



## Rural Hospital Funding - Proposal Outline

Page 3

- 18 percent for certified registered nurse practitioners
- Filling today's vacancies is not enough. Through 2032, Pennsylvania will need to add almost 9,000 more RNs and more than 11,000 additional nursing assistants each year.
- Workforce shortages affect access to care. Hospitals report increased emergency department wait times (70%) and delays in scheduling appointments or procedures (69%) due to shortages. Some have had to eliminate or scale back a service line (28%) or close beds on a regular basis (20%).

**E. Key Collaborators** – HAP, hospitals, and health systems; EMS local and state partners; academic institutions; community partners; payors; technology vendors

## F. DHS focus Areas and Related Initiatives

### 1. Maternal Health

Access to maternal health care has been identified as a significant gap, especially in rural areas and highlights the need for support to fund and grow the maternal health workforce. OB unit closures, OB workforce shortages and long distances pose barriers for timely, safe, and appropriate maternal health care which pose higher risks of complications for mothers and babies. According to [data](#) from the Center for Healthcare Quality and Payment Reform (CHQPR), maternity care is far away for rural communities and many existing services are at risk of closing. In Pennsylvania, only 38 percent of rural hospitals still offer maternity services, and women often face drive times of nearly 40 minutes to reach care.

Concerning trends shared in [HAP's Maternal Health Report](#) also highlighted care access barriers, sharing that 18 rural Pennsylvania hospitals have closed labor and delivery services since 2005, and that loss of these services is increasing the incidence of care deserts. This report goes on to call attention to the higher workforce vacancy rates in rural areas while identifying OB-GYN as one of the greatest physician needs. "Developing staffing models to extend the reach of obstetric providers requires a multifaceted approach that incorporates technology, team-based care, and community engagement."

Funding is needed to enhance, develop, and/or support initiatives focused on maternal health workforce. Areas of focus may include

- Enhancing the training of non-birthing hospitals' emergency department teams, and EMS for emergency maternal health occurrences (cross reference EMS focus area)
  - Build capacity through OB simulation training to equip emergency department teams and promote standardized protocols.
  - For example, Titusville Area Hospital takes a proactive approach to ensuring its rural community has quick access to safe care for obstetric emergencies. The hospital does not have labor and delivery services and partners with its affiliated hospital, Meadville Medical Center, to offer other OB-GYN services on site, as well as partnering to train emergency department clinicians on both normal and complicated deliveries.



## Rural Hospital Funding - Proposal Outline

Page 4

- Developing initiatives and partnerships to expand the OB workforce
  - Train and integrate midwives/doulas/community health workers into OB teams while strategizing how to offer recruitment incentives and loan forgiveness.
  - For example, Geisinger Medical Center and Geisinger Lewistown Hospital are improving maternal care in their communities by strengthening connections with midwives and other community-based birth workers. The hospitals launched an initiative to improve outcomes from home births. Key steps have included providing training to home-birth workers about obstetric emergencies, creating a feedback loop, implementing education to bridge cultural divides, hosting monthly workgroup meetings, and establishing workflows to refer home-birth patients to Geisinger for prenatal imaging.
  - For example, Main Line Health leverages community health workers as agents to reduce disparities and improve outcomes. These workers can operate outside the hospital walls to build trusting relationships with patients and community members, help patients navigate care, and connect patients with resources.
- Focus on innovative, multi-stakeholder approaches to strengthen the OB workforce and maternal health outcomes
  - For example: HAP's OB Safety Program proposal strengthens multi-stakeholder collaboration towards maternal health improvement and rural communities by focusing on two key areas: facilitating access to training through a train-the-trainer approach and increasing connectivity between hospitals and community stakeholders.
    - Facilitating access to maternal safety training - Implementing the Association of Women's Health, Obstetric and Neonatal Nurses (AWHONN) Obstetric Patient Safety (OPS): OB Emergencies Workshop across rural Pennsylvania. This evidence-based, simulation-driven program will equip interdisciplinary teams with the skills and readiness needed to manage maternal health emergencies, improving outcomes and advancing health equity for birthing people across the state.
    - Increasing the connectivity between hospitals and community-based maternal health stakeholders to drive improvement in the workforce - HAP will partner with Do Tank, a design firm specialized in integrating human-centered design in the health care space, in order to facilitate community forums. Improving maternal health also requires elevating the voices of patients, families, and community partners.

## 2. Behavioral Health

- Train and build pipeline for behavioral health providers
  - Establish a sustainable pipeline of psychiatrists to serve rural populations.
  - Enhance the number of psychiatrists trained and retained in rural areas post-residency
  - Enhance and increase loan repayment programs for behavioral health professionals
- Train for rural-specific needs and areas
  - Increase timely placements
  - Reduce discharge delays
  - Improve the quality of patient care



## Rural Hospital Funding - Proposal Outline

Page 5

- Increase patient satisfaction
  - Reduce psych inpatient readmissions
  - Improve workforce morale
  - Increase throughput/increase access to limited inpatient psych beds
- For example, St. Luke's Hospital - Miners Campus established Pennsylvania's first Rural Psychiatry Residency Program to build a pipeline of psychiatrists trained to serve rural communities, welcoming its first residents in 2022.

### 3. Aging

- Advance chronic care management and advanced primary care management in rural facilities (cross reference Key Focus Area: Infrastructure and technology)

### 4. EMS (Cross reference DHS focus area: maternal health)

- Create sustainable payment system to incentivize EMS professions for training and equipment in rural communities
  - Improve emergency medical response
  - Deliver advanced hospital-level care in the field
  - Enhance EMS personnel training
- Develop and pilot a payment mechanism to enable EMS to transport to alternative locations, such as behavioral health crisis centers

### 5. Technology

- Invest in all-inclusive virtual nursing across rural hospitals (cross reference Key Focus Area: Infrastructure and Technology)
  - Provide funding to hospitals to develop virtual nursing and triage to support bedside care, improving retention and engagement while reducing infections, reliance on agency staff, and discharge times.
  - Provide funding to hospitals to deploy remote video monitoring with ceiling cameras and remote sitters, reducing patient falls and injuries, lowering reliance on in-person sitters, and improving safety through proactive patient selection and staff education.
- Enhance and expand the use of telemedicine through securing permanent waivers and sufficient reimbursement mechanisms
- For example, Guthrie Clinic has introduced The Pulse Center, a new virtual care center merging advanced technology with a team of talented caregivers to create an innovative, patient-centered health care system

### 6. Workforce

Rural hospitals across Pennsylvania have been launching new training programs in collaboration with local colleges to meet the health care workforce shortages in their communities. For example, Alleghany Health Network's [work-study initiative](#) focuses on recruiting locally for in-demand allied





## Rural Hospital Funding - Proposal Outline

Page 6

health positions and training at local community colleges to quickly advance these students as part of a career pathway. Investment by the RHTP in expanding these programs would allow hospitals to enhance the pipeline of individuals in their community interested in working at their local hospital.

- Rural Physician Workforce Development
  - Develop a multi-partner initiative to expand the rural physician workforce pipeline
  - Include rural residency tracks and undergraduate rural health training
  - Build or grow strategic academic-medical partnerships
  - Offer community-integrated clinical experience
- Rural Workforce Staff Retention and Safety
  - Develop multi-layer effort to retain and engage rural health care workers
  - Focus on workplace safety, professional development, and shared decision-making
  - Include ANCC Pathway to Excellence credentialing
  - Implement workplace violence prevention training

---

## **II. Technology and Infrastructure**

**A. Concept** – Direct funding to invest in infrastructure and technology for sustainable care in rural communities.

Rural hospitals—and the care they provide—are increasingly at risk. Inflation, rising drug prices, and surging staffing expenses have pushed the cost of delivering care well beyond payments from government and private insurers. Rural hospitals are especially at risk as current payment models are not sustainable given that they have much lower patient volumes than urban and suburban counterparts but the same fixed costs. These challenges will only worsen with the end of the Pennsylvania Rural Health Model, and as sweeping federal Medicaid cuts take effect in the coming years, increasing uncompensated care and reducing already insufficient hospital payments.

Without intervention, rural hospitals will not be able to absorb the significant cuts on the horizon and some may be forced to close or reduce services. The commonwealth must take action now to keep rural hospitals' doors open so that Pennsylvania can have healthy, economically competitive communities. Investing in the financial health, infrastructure, and technology of rural hospitals provides a pathway to sustainability ensuring rural Pennsylvanians continue to receive the care they deserve in the communities they live in.

The RHTP—through direct, financial support to rural hospitals—can provide an infusion of resources that will help rural hospitals make critical investments now to improve their future sustainability:





## Rural Hospital Funding - Proposal Outline

Page 7

- Many rural hospitals were constructed decades ago and need significant maintenance, renovations, or new construction to meet community needs. But they often face challenges accessing capital for these improvements due to negative or narrow operating margins. The RHTP could provide direct funding for rural hospitals to make necessary infrastructure improvements to improve their financial stability and sustainably to serve their communities into the future.
- Technology such as telehealth and remote patient monitoring are proven tools that enable rural hospitals to expand access to care across their geographic footprint, increase patient access to specialty services, extend the reach of clinical teams, and improve patient satisfaction—all while promoting financial stability. A rural [virtual nursing pilot](#) in northeast Pennsylvania, for example, showed remarkable outcomes after just 18 months, including the hospital's Leapfrog Safety Grade improving from C to B, expanded patient access, greater hands-on care resulting from a 20-minute-per-shift drop in nurses' time spent working on charts, improved staff and patient satisfaction, and an annual savings of \$7 million. The RHTP could provide funding needed for the upfront costs to implement these technologies, which are often out of reach for rural hospitals operating on narrow or negative margins.
- In some cases, adopting innovative models can help rural facilities right-size and continue to provide essential services to their communities when patient volumes are not there for a traditional acute care hospital to be sustainable. For example, the state's first hospital to adopt an Outpatient Emergency Department model by shifting away from inpatient care but preserving emergency, diagnostic, primary, specialty, and skilled nursing services was successful in preventing closure, retaining 90 percent of staff, and sustaining local access to care. Securing the Rural Emergency Hospital (REH) designation in Pennsylvania will be a significant step to secure innovative models such as standalone emergency care facilities that are financially sustainable. The RHTP could provide necessary funding to support these transitions.

These short-term, "shovel-ready" investments will better position rural hospitals to sustainably serve their communities when RHTP funding ends and they are left to absorb significant payment cuts and increased uncompensated care. The RHTP must safeguard care that communities depend on now and not create new initiatives that will not be sustainable when the funding ends. All rural hospitals will face significant funding reductions and should be eligible to access this support.

### B. Geographic Area – Rural Pennsylvania

### C. Concept Overview

- Invest in solutions that will strengthen financial performance for rural hospitals.
- Modernize Infrastructure - invest in updating facilities or supporting projects within facilities (or service lines) that will sustain rural hospital operations.
- Increase care access and equity; improve provider reach and reduce care delays through telehealth, mobile simulation training, and remote monitoring programs.



## Rural Hospital Funding - Proposal Outline

Page 8

- Expand technology by investing in digital health tools like remote monitoring, and virtual nursing to improve efficiency, reduce staff burnout, and enhance patient care delivery.

### D. Identified Needs

- Rural hospitals need support to fund infrastructure projects that help them evolve to meet community needs.
  - Close to a third of U.S. rural hospitals [in 2021 reported](#) an average age of plant of 15 years or older, a share that has likely increased as the average age of plant across all hospitals has [increased more than 10 percent](#) over the past two years.
  - Investments to transform care delivery in rural communities—such as micro hospitals, outpatient or telehealth emergency departments, and primary care networks—are capital intensive.
  - Narrow (or negative) margins and high interest rates make it extremely difficult for rural hospitals to access the capital needed to invest in infrastructure and capital improvements.
- Enhancing technology can help sustain rural hospitals and also improve access to primary and specialty care within rural communities. For example, telemedicine can provide for life-saving specialty emergency care in rural hospitals while also providing solutions for patients for whom transportation is a barrier to care. Investments through the RHTP can bring to scale already proven strategies, such as:
  - Implementing virtual nursing to support bedside care, improving retention and engagement while reducing infections, reliance on agency staff, and discharge times.
  - Using remote video monitoring to reduce patient falls and injuries, lower reliance on in-person sitters, and improve safety through proactive patient selection and staff education.
  - Expanding patient access to specialty care. For example, one rural Pennsylvania health system piloted a virtual triage program for neurology that captured headache cases, integrated patient and electronic health record data, and connected patients more quickly to evidence-based specialty care.
  - Mitigating the digital divide by enabling rural hospitals to deploy AI tools to support ambient listening as a means to enhance physician efficiency and quality of care.
- Rural hospitals already face severe financial strain:
  - [Pennsylvania Health Care Cost Containment Council's \(PHC4\) FY 2024 data](#) shows that fewer than half of Pennsylvania's rural hospitals are operating with margins necessary for long-term stability and about 40 percent have faced multi-year losses.
  - Statewide, the percent of uncompensated care to net patient revenue increased 10 percent from FY 2023–2024 reaching 1.52 percent. Total uncompensated care for FY 2024 was \$927 million statewide.



## Rural Hospital Funding - Proposal Outline

Page 9

- [Payment inadequacy](#) is a primary driver of financial instability. Pennsylvania rural hospitals receive, on average, 74 cents reimbursement for each dollar they spend caring for patients covered by Medicaid.
- H.R.1 will accelerate rural hospital instability through direct Medicaid payment cuts and coverage losses that will drive up uncompensated care:
  - An [analysis](#) by Manatt Health estimates that Pennsylvania hospitals will see close to a \$22.5 billion total funding cut over the next decade.
  - HAP estimates Pennsylvania's rural hospitals will see a direct net loss of more than \$1 billion over the next decade just as a result of changes to provider taxes and state-directed payments.
  - Hospitals care for all patients regardless of ability to pay. Losses in health care coverage mean that hospitals will absorb more in uncompensated care and health care costs will increase. The commonwealth projects that more than 340,000 Pennsylvanians will lose Medicaid coverage and the end of premium tax credits will put private insurance at risk for an additional 195,000–245,000 Pennsylvanians.
- Rural hospitals serve a critical role in Pennsylvania communities.
  - Hospitals are the linchpins of Pennsylvania's rural health care continuum. They serve as critical access points for acute and preventative care. They are often the only locations in their regions offering comprehensive, vital services, such as emergency services, maternal care, and behavioral health. Without local hospitals, rural residents often must travel long distances for lifesaving emergency treatment, routine and preventative care, and visits to manage chronic conditions.
  - We also cannot have healthy, economically competitive communities without strong, financially stable hospitals. Hospitals are [top employers and economic anchors](#) throughout the commonwealth, and they provide the necessary services that enable the vibrant communities where people want to live and businesses can grow.

**E. Key Collaborators** - HAP, hospitals, and health systems; local and state partners; academic institutions; community partners; equipment vendors; technology vendors; EMS

## F. DHS focus Areas and Related Initiatives

### 1. Maternal Health

The [March of Dimes](#) took an in-depth look at maternity care deserts from a state level and found many of the same trends identified in the previous reports mentioned, including long distances to care, and limited availability of maternal care providers. Innovative solutions will be needed to establish and/or expand care access to maternal health-related hospitals, services, and clinicians. "To address the limited access to maternity care in the U.S., states must adopt and support telehealth and other innovative practices to expand access and provide more options for health care delivery."



## Rural Hospital Funding - Proposal Outline

Page 10

Funding is needed to enhance, develop, and/or support innovative, technology-driven initiatives to expand the reach of maternal health care. Areas of focus may include:

- Enhancing technology to support maternal health care access and outcomes
  - For example: WellSpan Health leverages its electronic health record to ensure more patients diagnosed with hypertension during pregnancy access follow-up care. Once the patients are flagged, they receive communication encouraging follow-up care, education, and prevention strategies. After implementing the program, WellSpan saw a more than 62 percent increase in the percentage of at-risk patients who had follow-up appointments with their primary care provider to discuss cardiovascular health.
  - For example: Penn Medicine has improved maternal health outcomes through its Heart Safe Motherhood program. The initiative addresses pregnancy-related hypertension by remotely monitoring blood pressure in high-risk, postpartum patients. Rather than relying on follow-up office visits—providers prompt patients with reminders to check their blood pressure at home with equipment supplied by the hospital. Patients receive automated feedback, and providers have access to real-time readings for intervention.
- Investing in technology, such as simulation equipment and resources to mobilize/expand training across communities, to improve maternal health and infant care
  - For example: A team of obstetric providers at Reading Hospital – Tower Health regularly undergoes specialized training and simulations to be prepared to safely deliver babies in breech position. The hospital partners with a nonprofit organization to conduct special training on a routine basis which includes working with a simulation model that gives providers realistic, hands-on experience.

## 2. Behavioral Health

- Expand access to Nursing Facility care for older adults who need behavioral health services (mental health and substance use disorder services)
  - Invest in expanding an encouraging [new model](#) from Philadelphia - Regional Nursing Facility "Hubs" designed to serve older adults with serious behavioral health problems. The Area Agencies on Aging and the hospitals have long struggled to find placements for older adults who need nursing facility services and have serious mental illnesses or substance use disorders. Nursing facilities lack the training and expertise to manage complex behavioral health needs. Regional hubs would expand access by providing specialized care and effectively managing patients' whole health needs. Patients experience egregiously long length of stays in inpatient psych beds awaiting clinically appropriate placement and are often forced to leave the state for nursing facility care. Discharge delays misuse hospital resources that could be used to meet rural communities' emerging, acute behavioral health needs.

## 3. Aging



## Rural Hospital Funding - Proposal Outline

Page 11

- Utilize an identified IT partner to support enhanced billing accuracy and care management support through Advance Chronic Care Management (CCM) and Advanced Primary Care Management (APCM) programs
  - CCM was first introduced by CMS in 2015 as part of the Medicare Physician Fee Schedule to support proactive management of patients with multiple chronic conditions. Since then, independent evaluations have shown that CCM can reduce hospitalizations and emergency department visits and generate nearly \$900 in annual savings per beneficiary ([Mathematica Policy Research, 2017](#); [Avalere Health, 2018](#)). Early adoption studies also point to improved continuity of care, patient satisfaction, and clinician efficiency—benefits that are especially meaningful for older adults with complex health needs.
  - The Advanced Primary Care Management (APCM) program has been recently launched and builds on the successes and lessons of CCM. Rural health providers have long engaged elements of chronic and primary care management, but scaling these programs in the rural environment has proven challenging due to workforce challenges, access to technology, and difficulty in engaging economies of scale.
  - To overcome the technical and operational hurdles often seen with these programs, this initiative would focus on accelerating adoption and sharing best practices across rural communities. Convening rural health providers in an effort to communicate the value of these programs and facilitating best practice sharing could accelerate program adoption.
  - Implementation of a HAP-partnered, technology solution, Chartspan, may be a mechanism to quickly gain access to technology and expertise, which would support enhanced care management of older adults in rural communities while also supporting a generally untapped revenue source for rural hospitals, enabling sustainability of the program.

### 4. EMS

- Implement a sustainable reimbursement system for EMS in rural communities
- Leverage the infrastructure of rural hospitals to improve training and financial viability of rural EMS agencies
  - According to the Center for Rural Pennsylvania's [2022 EMS Survey](#), only 18 percent of rural EMS agencies reported leveraging training programs as a recruitment mechanism to address workforce needs. That same report indicated that 43 percent of staffing for rural agencies are staffed by volunteers only and 81 percent of those agencies have annual budgets of less than \$1 million.
  - Rural hospitals have procurement, logistics, accounting, and training infrastructure that, while not specific to EMS, may be highly transferable to the needs of rural EMS agencies.
  - Under this program, grants could be awarded to evaluate and incent greater business collaboration between rural hospitals and rural EMS agencies. This could lead to improved financial performance of the EMS, as well as improved access to training and procurement support.



## Rural Hospital Funding - Proposal Outline

Page 12

### **5. Technology** (cross reference Key Focus Area: Workforce and DHS focus area above: aging)

- Invest in all-inclusive virtual nursing and remote video monitoring across rural hospitals
  - For example, Guthrie Robert Packer Hospital introduced virtual nursing to support bedside care, improving retention and engagement while reducing infections, reliance on agency staff, and discharge times. The team also implemented remote video monitoring with ceiling cameras and remote sitters, reducing patient falls and injuries, lowering reliance on in-person sitters, and improving safety through proactive patient selection and staff education.
- Enhance and expand the use of telemedicine through securing permanent waivers and sufficient reimbursement mechanisms
  - For example, Geisinger expanded neurology access for rural patients by using a virtual triage system that captured headache cases, integrated patient and electronic health record data, and connected patients more quickly to evidence-based specialty care.

### **6. Workforce** (cross reference: Key Focus Area: Workforce and DHS focus area above: aging and technology)

---

## **III. Regulatory Relief**

### **A. Concept** - Facilitate state regulatory relief for rural hospitals of certain, outdated, unnecessary requirements without burdensome exceptions process.

For the RHTP to successfully transform rural health care, investments must be accompanied by a flexible regulatory environment that removes unnecessary burdens to innovative models of care. Pennsylvania's outdated hospital regulations hinder modern care delivery and are out of sync with rural needs. Rural hospitals should be relieved from certain requirements without having to maneuver a burdensome exceptions process.

The right investments through the RHTP can empower rural hospitals to innovate so they can sustainably serve their communities in the future. But this can only happen if the commonwealth's regulatory environment enables them to do so.

### **B. Geographic Area** - Rural Pennsylvania

### **C. Concept Overview**

- Provide flexibility to support small hospital staffing for inpatient units.
- Exempt rural hospitals from maintaining 24/7/365 access to post-surgical care.
- Expand duties that can be safely performed by well-qualified advanced practice providers.
- Eliminate administrative mandates that have no bearing on patient care or safety.





## Rural Hospital Funding - Proposal Outline

Page 13

### D. Identified Needs

- Data suggests that an average-size hospital dedicates 59 employees to regulatory compliance and that more than a quarter of these are doctors and nurses. This estimate reflects only time spent on compliance-related administrative activities and does not include clinical components of regulations or accreditation requirements.
- An American Hospital Association (AHA) report estimates that hospitals and post-acute providers collectively spend nearly \$39 billion a year on the administrative activities related to regulatory compliance, which translates to \$7.6 million annually for average-sized community hospitals (roughly 150 beds); \$9 million for average-sized hospitals with post-acute care beds; and almost \$19 million for hospitals with more than 400 beds. Based on these estimates, the federal regulatory burden equates to an average cost of \$1,200 per patient admitted, or \$47,000 per hospital bed, per year.
- Research estimates that between 25–30 percent of all health care spending goes toward administrative tasks, not patient care. These tasks include verifying patients' insurance and coverage status, conducting prior authorizations, and acquiring and managing the personnel and technology to comply with different payment models and payor requirements.
- Pennsylvania has yet to create the Rural Emergency Hospital (REH) designation which would create an option for hospitals to continue to provide emergency care in communities that cannot sustain inpatient beds.

### E. Key Collaborators – HAP, hospitals, and health systems; state partners

### F. DHS focus Areas and Related Initiatives

#### 1. Maternal Health

- Increase flexibility in regulatory language or sub-regulatory guidance to allow hospitals to use emerging technologies to monitor patients remotely or provide follow-up care (crossover with technology).
- Consider regulations that defer to national best practices or specialty groups' (i.e. ACOG) most recent recommendations rather than codifying a current standard. De-duplicate regulations that overlap with those already in place at the CMS level.
- Limit (or eliminate) requirements that hospitals submit attestations for new equipment and instead confirm training and certification requirements during routine surveys. The reduced administrative burden allows clinicians to focus more on patient safety.

#### 2. Behavioral Health





## Rural Hospital Funding - Proposal Outline

Page 14

- Streamline licensing requirements to allow facilities to provide services under DOH, DDAP, and OMHSAS with fewer administrative burdens.
- Add flexibility to staffing requirements to allow hospitals to use remote patient monitoring or other telehealth technologies to augment patient care.

### 3. Aging

- Create flexibilities as needed in regulations for administration of drugs to allow for more care to be provided in alternate care settings.
- Clarify or increase flexibility in regulatory language or sub-regulatory guidance to allow hospitals to provide/bill for care when both the provider and the patient are outside of the clinical space.

### 4. EMS

- Add flexibility to emergency paramedic services (at 117.30(3) and 117.30(4)) to expand scope for certain experienced or specially trained providers to provide a limited set of services in the home. (Crossover with aging)
- Make necessary changes or clarifications to regulations limiting where EMS providers can drop patients off. Clarify the regulatory landscape for EMS transport to non-hospital facilities in a way that would allow for structured payment mechanisms.

### 5. Technology

- Increase flexibility in regulatory language or sub-regulatory guidance to allow hospitals to use emerging technologies to monitor patients remotely or provide follow-up care (crossover with maternal health). The current regulatory framework defines hospital settings in a very structured way that limits their ability to provide care outside of the hospital setting. It requires hospitals to ask for multiple exceptions to implement innovative programs. (Crossover with maternal health and aging).
- Limit the application of notification requirements for telemedicine services to “virtual only” services or services being outsourced to a third-party provider rather than any service provided via telemedicine.
- Limit the scope of what is considered “telemedicine equipment” for the purposes of meeting attestation requirements as many have multiple uses (computers, mobile devices, mounted cameras).

### 6. Workforce

- Allow small hospitals in rural areas to use a combination of on-site advanced practice providers and tele-hospitalists to meet medical staff requirements during off hours.
- Allow hospitals in rural areas to use transfer agreements to provide 24/7 post-surgical care rather than paying a surgical team for on-call services that rarely get used.
- Expand providers eligible for medical staff membership to include advanced practice providers (APP).
- Allow APPs to sign medical records, discharge patients, and order rehabilitation services.