



Medical group practices serving rural and underserved communities play a critical role in maintaining access to care in areas that face persistent challenges related to workforce shortages, resource constraints, broadband access, geographic barriers and a diverse payer mix of Medicare, Medicaid and uninsured patients. Many of these areas are designated Health Professional Shortage Areas (HPSAs), with limited access to primary care, and specialty care services, and face unique recruitment challenges. In certain instances, underserved areas may also include urban areas. As a result, rural and underserved practices frequently operate with leaner staffing models and must often refer patients over long distances for healthcare services.

Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs) are critical components of this landscape. While both aim to expand access to care in rural and underserved areas, they differ in their structure and regulatory requirements. FQHCs are designed to reach medically underserved populations in both rural and urban areas, and provide more comprehensive services, including dental and behavioral health care, while offering services on a sliding fee scale. RHCs focus specifically on providing basic primary care in rural communities, must have a mid-level practitioner on-site 50 percent of the time, and can operate independent, freestanding clinics or as provider-based clinics affiliated with a hospital. FQHCs and RHCs are reimbursed under distinct payment systems, with FQHCs paid under the Medicare and Medicaid prospective payment system (PPS), and RHCs reimbursed through a standardized all-inclusive rate (AIR). FQHCs also receive federal grant funding, while RHCs rely solely on reimbursement, including a capped per-visit Medicare rate and Medicaid payments that vary by state.

Telehealth services are critical for practices in rural and underserved areas, as their patients face unique transportation and geographic barriers to accessing care. The ability for practices to furnish an array of telehealth services hinges on telehealth flexibilities implemented under the COVID-19 public health emergency and extended intermittently by Congress. FQHCs and RHCs have historically not been automatically recognized as telehealth distant-site providers, and their ability to serve in this role has also depended on these COVID-19-era telehealth flexibilities.

CONGRESSIONAL ACTION

Given the recent expiration of Affordable Care Act (ACA) enhanced subsidies and the projected impact of changes to the Medicaid program as a result of the One Big Beautiful Bill Act (OBBBA), Congress has renewed its attention on issues of healthcare affordability and access. Medical practices in rural and underserved areas are on the frontlines of these changes as patients lose coverage, and the rate of the uninsured population grows, according to Congressional Budget Office projections. Congress continues to introduce numerous bills broadly impacting medical groups that remain important to rural practices, as well as specific legislation to address the unique needs of rural and underserved patient populations.



ADVOCACY PRIORITIES

- **Ensure federal grants, supplemental funding, and related federal programs support rural and underserved ambulatory care settings**, including FQHCs, RHCs, and medical group practices.
- **Maintain inflation-based annual payment updates** for clinics in rural and underserved communities.
- **Adequately reimburse medical groups in rural and underserved areas for telehealth services and ensure access to broadband services**
- **Strengthen the healthcare workforce** through graduate medical education slots in rural and underserved areas, federal loan repayment programs and visa pathways for international clinicians.

ADVOCACY PRIORITIES

With a membership of more than 60,000 medical practice administrators, executives, and leaders, MGMA represents more than 15,000 medical groups in which more than 350,000 physicians practice. These groups range from small private practices in rural areas to large regional and national health systems and cover the full spectrum of physician specialties and organizational forms.

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