June 18, 2025

Michael E. Chernew, Ph.D.
Chair
Medicare Payment Advisory Commission
425 I Street N.W., Suite 701
Washington, D.C. 20001

Dear Chairman Chernew,

On behalf of the National Rural Health Association (NRHA), we are pleased to support the Medicare Payment Advisory Commission's (MedPAC) recommendation on beneficiary cost-sharing for outpatient services at Critical Access Hospitals (CAHs).

NRHA is a non-profit membership organization with more than 21,000 members nationwide that provides leadership on rural health issues. Our membership includes nearly every component of rural America's health care, including rural community hospitals, critical access hospitals, long-term care providers, doctors, nurses, and patients. We work to improve rural America's health needs through government advocacy, communications, education, and research.

NRHA strongly supports the recommendation to modify CAH cost-sharing policies to align more closely with those of other outpatient hospital services, ensuring that rural Medicare beneficiaries do not face disproportionate financial burdens when seeking care in their local communities. NRHA supports the proposal to limit cost sharing to 20% of cost rather than charges, as is currently the policy. Additionally, NRHA supports the cap on coinsurance equal to the inpatient deductible.

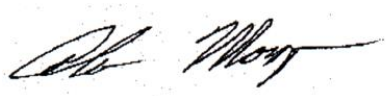
NRHA is encouraged to see that MedPAC is recommending options to ensure access to local Medicare services is affordable for rural beneficiaries. NRHA has historically supported legislation that would create equity between beneficiaries at CAHs and Prospective Payment Systems (PPS) hospitals by changing the copayment calculation from "actual charges" to "reasonable charges."[1] Medicare beneficiaries who use their local CAHs are charged 2 to 6 times more coinsurance for the same services as beneficiaries seeking care in other settings.[2] NRHA also supported the proposal presented during the Commission's discussion in January 2025 that reduces cost sharing to 20% of the payment amount, with the difference covered by the Medicare program, similar to how supplemental payments work for outpatient services in Sole Community Hospitals. We are pleased to see that the recommended MedPAC approach safeguards current payments to CAHs viability while equalizing cost sharing obligations on rural beneficiaries.

[1] H.R.3684 - Save America's Rural Hospital Act
[2] https://oig.hhs.gov/reports/all/2014/medicare-beneficiaries-paid-nearly-half-of-the-costs-for-outpatient-services-at- critical-access-hospitals/

Again, NRHA applauds MedPAC for addressing cost-sharing reforms that alleviate financial burdens on rural Medicare beneficiaries.

If you have any questions or would like to discuss our comments further, please contact NRHA's Government Affairs and Policy Director, Alexa McKinley Abel (amckinley@ruralhealth.us). We look forward to MedPAC's future work on rural Medicare issues.

Sincerely,



Alan Morgan
Chief Executive Officer
National Rural Health Association