NARHC 2026 Policy Summit

POLICY PRIORITY 3:
Rural Health Clinic Regulatory Reduction Legislation

Bipartisan Bills to Reduce Outdated Administrative Burdens in RHCs

POLICY ISSUES

The delivery of healthcare has evolved significantly since the Rural Health Clinic (RHC) statute was written in 1977. Certain outdated provisions, like those addressed below, result in unnecessary added costs and administrative burden for clinics already facing the challenges that come with providing care in rural communities.

- **Modernizing Physician Assistant (PA) and Nurse Practitioner (NP) Utilization Requirements**: 27 states have granted NPs full practice authority, and 7 states have granted PAs full practice authority, yet NPs and PAs practicing in RHCs in those states still have separate, federal supervision requirements. This additional supervision requirement creates an additional and unnecessary barrier for staffing RHCs, ultimately limiting access to care.

- **Fix Outdated Language Related to RHC Location Requirements**: To be certified as an RHC, the facility needs to be in a Health Professional Shortage Area, Medically Underserved Area, or Governors Shortage Designated Area, as well as an area outside of an urbanized area, defined by the Census Bureau. Prior to 2020 this meant an area of less than 50,000. However, the 2020 Census stopped defining "urbanized/non-urbanized areas", and now uses urban (greater than 50,000) or rural (less than 5,000) – leaving the space between 5,000 and 50,000 a gray area for CMS interpretation. This new Census Bureau definition threatens the location eligibility of many critical RHC locations.

- **Remove Restriction on Amount of Behavioral Health Services Allowable in RHCs**: Currently, RHCs are limited to providing no more than 49% of their services as behavioral health care. This outdated restriction unfairly limits RHCs compared to other provider types and reduces access to critical behavioral health services in rural communities. The cap prevents clinics from fully responding to patient needs and integrating behavioral health into primary care, particularly in areas experiencing high rates of substance use disorder and mental health challenges. In addition, the policy creates unnecessary administrative burdens, requiring staff to closely monitor scheduling and service mix to remain below the arbitrary threshold.

SOLUTIONS

The following bills will increase operational flexibility and decrease regulatory barriers for RHCs through cost-neutral, common-sense updates of the statute.

The National Association of Rural Health Clinics (NARHC) believes that this bipartisan legislation presents a realistic opportunity to further unlock the RHC program's full potential by modernizing and making technical changes to the statute.

Modernizing Rural Physician Assistant and Nurse Practitioner Utilization Act (H.R.5199)

Modernizes RHC physician supervision requirements by aligning them to state scope of practice laws governing PA and NP practice. All states have Practice Acts governing PA and NP scope of practice, making federal standards unnecessary. This would allow PAs and NPs to practice to the top of their license without unnecessary federal supervision requirements that apply only because the PA or NP is practicing in an RHC.

Rural Health Clinic Location Modernization Act (H.R.5198)

Codifies historical policy as to where an RHC can be located, ensures that RHCs can continue to be located in an area that is less than 50,000. Requires a statutory update due to the Census Bureau no longer defining terminology used in current eligibility definition.

Rural Behavioral Health Improvement Act (H.R.5217)

Removes statutory barrier that limits the amount of behavioral health services an RHC can provide, allowing clinics to fully treat their patients and better integrate services.

CONSIDERATIONS

If this policy priority speaks to you, we encourage you to have the following information prepared for your Hill Day meetings:

- Example stories regarding patients who faced delays in care due to staffing shortages or limit on behavioral health appointments
- Rate of substance abuse disorders or other behavioral health challenges within your district

THANK YOU FOR ADVOCATING—
your voice helps protect access to care in rural America.