

National Rural Health Association
Testimony Submitted for the Record to the Senate Committee on Appropriations
Subcommittee on Labor, Health and Human Services, Education and Related Agencies –
FY 2026

Department of Health and Human Services

On behalf of the National Rural Health Association (NRHA), we ask for continued support for critically important rural health programs in the Fiscal Year 2026 (FY26) budget. We appreciate the efforts of the Subcommittee on Labor, Health and Human Services, Education, and Related Agencies and applaud your leadership in supporting rural health programs. Our testimony outlines recommendations that will strengthen the rural health care safety net and ensure that rural Americans maintain access to critical health care services. **Of top priority, NRHA asks for continued funding for core rural health programs in the Federal Office of Rural Health Policy (FORHP) budget including the Medicare Rural Hospital Flexibility grants (\$75m), State Offices of Rural Health (\$15m), Rural Residency Planning and Development Program (\$14m), and the Rural Hospital Stabilization Program (\$15m).**

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, doctors, nurses, and patients. We work to improve rural America's health needs through government advocacy, communications, education, and research.

Now, more than ever, it is imperative that the Subcommittee funds programs to address the escalating healthcare crises in rural America. Rural hospital closures have intensified as of February 2025, nearly half of all rural hospitals are operating with negative margins. In the last 15 years, almost 190 rural hospitals have either closed or discontinued inpatient care, representing approximately 10% of the nation's rural hospitals. For these communities, the loss of a rural hospital can trigger a downward spiral of economic hardship and community health status. Increasingly, medical deserts are growing throughout rural America, leaving many without timely access to healthcare services. For example, two-thirds of maternity care deserts are in rural counties where over half of obstetric units have closed, highlighting the struggle to maintain essential obstetric services.

Rural Americans, who are generally older and more likely to suffer from chronic conditions, face higher mortality rates from the leading causes of death, such as heart disease and cancer than their urban counterparts. They also face higher risks of death from unintentional injuries, including motor vehicle accidents and opioid overdoses. Untreated

behavioral health needs, particularly substance and opioid use disorders, continue to devastate rural communities.

Strong rural communities play a critical role in the national well-being by providing essential resources to the remainder of the country. Although rural health programs represent a small portion of federal health spending, they are crucial for these communities. Several indispensable discretionary programs help ensure the efficient and equitable delivery of healthcare services in rural areas. The FORHP works to increase rural healthcare access, strengthen health networks, and supports innovative research and programmatic efforts to address the unique needs of rural America. We encourage the Subcommittee to recognize and support that value in the FY26 budget.

Stemming Rural Hospital Closures

To help keep rural hospital doors open, NRHA calls on Congress for continued support for crucial programs like the **Medicare Rural Hospital Flexibility (Flex) grants**, which strengthen Critical Access Hospitals (CAHs), emergency medical services (EMS), and rural health systems, improving access and quality of care in rural communities. **NRHA requests \$75 million for the Flex program in FY26** to for targeted funding, technical assistance, workforce development, and quality improvement initiatives, to ensure that rural hospitals continue providing high-quality care in their rural communities.

The **State Offices of Rural Health (SORHs)** are vitally important to the rural healthcare delivery system in each state. The SORH Program assists states in strengthening rural health care delivery systems by maintaining a focal point for rural health in each state. SORHs provide an institutional framework helps small rural communities leverage state and federal resources to develop long-term solutions to rural health programs. Lastly, the program provides foundational funding to support core staffing and operations that enables states expand workforce development, primary care access, and continuing education statewide. **NRHA requests \$15 million for the SORH program in FY 26.**

To help keep rural hospital doors open, NRHA urges Congress to fund the **Rural Hospital Stabilization Pilot Program at \$15 million for FY26**. The Rural Hospital Stabilization Pilot Program, under rural health policy development, helps rural hospitals across the country improve their financial stability by enhancing or expanding health care services that meet community needs and keep care close to home.

Sustaining the Rural Healthcare Workforce

Workforce shortages remain a top concern for rural health systems. We ask Congress to support the development of new rural residency programs to address the ongoing workforce shortages in rural communities through **sustained funding at \$14 million for the Rural Residency Planning and Development Program**. Since 2019, this program has

established 54 new accredited rural residency programs or rural track programs in family medicine, obstetrics, internal medicine, psychiatry, and general surgery, and has received approval for approximately 683 new residency positions in rural areas. Currently, the program has enrolled over 460 residents to train in rural settings.

Combating the Rural Opioid Epidemic

The opioid and mental health crisis continue to disproportionately impact rural America, where access to behavioral health services remains limited. NRHA urges robust funding for the **Rural Communities Opioid Response Program (RCORP) at \$155 million** in appropriations to expand rural behavioral health and substance use disorder (SUD) treatments. Barriers to treatment and prevention services restrict rural access to care. RCORP is a multi-year initiative that addresses these barriers, focusing on substance use disorders, including opioid use disorders (OUD). The RCORP program funds rural communities in planning and implementation efforts related to Medication Assisted Treatment, Neonatal Abstinence Syndrome, psychostimulant support, overdose response, and child, adolescent, and adult behavioral health support.

Investing in Rural Health Care Services

The **Rural Health Outreach Services** portfolio of programs provides vital funding for community-driven initiatives that improve care coordination, expand access to essential services, and support chronic disease prevention in rural areas. In FY22, these programs directly served over 475,000 individuals across more than 400 rural counties, with over 85% of grantees demonstrating clinical improvements. For FY26, **NRHA requests \$109 million**, including funding for a new **Rural Network Initiative** to help independent rural hospitals collaborate, expand service lines, and remain financially viable in an increasingly complex health care landscape.

Strengthening the Centers for Disease Control and Prevention's Office of Rural Health

NRHA worked with Congress to establish the **Center for Disease Control and Prevention's (CDC) Office of Rural Public Health (ORH)**, in the FY23 appropriations bill, ensuring rural health needs are addressed within the nation's public health strategy. The ORH coordinates efforts across CDC programs and has developed a strategic plan for improving rural health outcomes. To build upon this progress, NRHA is **recommending an increase in funding to \$10 million in FY26** for the CDC ORH to enhance rural public health initiatives.