

National Rural Health Association

*Testimony Submitted for the Record to the House Committee on Appropriations Subcommittee
on Rural Development, Agriculture, Food and Drug Administration, and Related Agencies –*

FY 2027

Department of Agriculture

On behalf of the National Rural Health Association (NRHA), we ask for continued investments for critically important programs that support rural healthcare in the Fiscal Year 2027 (FY 27) budget. NRHA recommends \$5 million for the Rural Hospital Technical Assistance Program in the Rural Development portfolio, \$1.9 billion for the Community Facilities Loans Program, \$350 million for the ReConnect Program, and \$10 million for the Farm and Ranch Stress Assistance Network.

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 that address the escalating healthcare crises in rural America. Rural hospital closures have intensified as of February 2026, with nearly half of all rural hospitals are operating with negative margins. Since 2010, almost 200 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.

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. Rural Development programs help to ensure that rural communities thrive and can continue to provide the food, fiber, and fuel that supports the rest of the country.

Rural Hospital Sustainability.

To assist rural hospitals, the United States Department of Agriculture (USDA) provides technical assistance to prevent closures and maintain essential healthcare services in rural communities through the Rural Hospital Technical Assistance Program. This unique program provides affordable, flexible, on-the-ground technical assistance as needed by rural hospitals with a specific focus on hospitals currently in financial distress. The goal of delivering technical assistance is to help rural hospitals better manage their financial and business strategies, address the issues causing strain on their systems, and educate hospital leadership on best practices and regulatory compliance to help them avoid future losses and prevent future closures. It also works to secure USDA's existing loan investments in the Community Facilities Loan (CFL) Program.

Examples of assistance include strategic, financial, and operational assessments; debt capacity analysis to evaluate the hospital's capacity to take on additional debt in relation to a capital project; service line analysis; revenue cycle analysis; and physician practice analysis.

Since the program's inception, 137 rural hospitals have received or are currently receiving technical assistance. An estimated \$1.7 million in financial opportunity is identified per project with an average project cost of \$52,000. Major areas of improvement and notable outcomes for rural hospitals include inpatient service growth, conversion to the new rural emergency hospital model, swing bed program growth, and new outpatient service lines.

In the Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026, Congress appropriated \$2 million for rural hospital technical assistance. This relatively small amount provides an outsized impact on the rural communities that receive technical assistance. To broaden its scope even further and help keep rural hospital doors open, NRHA urges Congress to fund this program **at \$5 million for FY 27**.

The Community Facilities Loan Program (CFL) is another key program for rural hospitals that provides financing for the construction and improvement of rural healthcare facilities and purchasing necessary equipment. NRHA requests that Congress **provide level funding for CFL at \$1.9 billion for FY 27**.

ReConnect Program.

The digital divide persists across the country in rural communities where broadband is still not accessible. Almost one quarter of Americans in rural areas and 27.7% of Americans in Tribal lands lack coverage from fixed terrestrial 25/3 Mbps broadband, as compared to only 1.5% of Americans in urban areas. Lack of broadband access may exacerbate rural access to care issues as internet is required for audio-video telehealth services and accessing and receiving health coverage and medical information.

The ReConnect Program enables high-speed broadband infrastructure expansion to underserved rural and Tribal lands. Historically, the program has been funded at around \$500 million to \$600 million, but Congress only set aside just over \$50 million in the recent FY 26 funding package. NRHA urges Congress to fund the **ReConnect Program at \$350 million in FY 27** to continue the important investments in broadband infrastructure that the program has supported since its inception in 2018.

Farm and Ranch Stress Assistance Network.

Issues such as social and geographical isolation, weather variability, limited access to health care, and fluctuating commodity prices are unique factors that affect agriculture workers' mental health. Estimates note that farmers and ranchers experience suicide rates at 1.5 to 2 times higher than the national average. The Farm and Ranch Stress Assistance Network (FRSAN) spreads awareness and understanding of mental health among farming and ranching communities, connects individuals to resources, and helps to decrease stigma around these issues. **NRHA urges Congress to fund FRSAN at \$10 million in FY 2027.**