

June 16, 2025

The Honorable Susan Collins  
Chair  
Appropriations Committee  
United States Senate

The Honorable Patty Murray  
Ranking Member  
Appropriations Committee  
United States Senate

The Honorable Tom Cole  
Chair  
Appropriation Committee  
U.S. House of Representatives

The Honorable Rosa DeLauro  
Ranking Member  
Appropriations Committee  
U.S. House of Representatives

**RE: FY 2026 Rural Health Appropriations Requests**

Dear Chair Collins, Ranking Member Murray, Chair Cole, and Ranking Member DeLauro,

We, the undersigned organizations, urge Congress to fully fund the rural health safety net. More than 60 million Americans live in rural areas. In the last 15 years, over 190 rural hospitals have either closed or discontinued inpatient care, leaving rural populations vulnerable. Nearly half of all rural hospitals have negative operating margins. While current spending for all rural health discretionary programs is relatively small, it plays a critical role in solidifying the fragile health care infrastructure in rural communities.

Importantly, the President's fiscal year (FY) 2026 budget calls for the **elimination of long-standing, bipartisan-supported rural health programs located within HRSA**, including the State Offices of Rural Health (SORH) Program, the Medicare Rural Hospital Flexibility (Flex) Program, and the Small Rural Hospital Improvement Program (SHIP), that are vital to sustaining rural health infrastructure. Zeroing out these programs would destabilize rural health care delivery and devastate the comprehensive health and well-being of rural communities.

We strongly urge Congress to oppose any budget that threatens these essential rural health investments and support the following FY 2026 priority requests:

**Devote resources toward rural hospital viability by reinstating from the President's budget the Medicare Rural Hospital Flexibility (Flex) budget line at \$75 million in FY 2026.** The Flex Grant Program improves hospital-based healthcare access for rural communities through working with Critical Access Hospitals (CAHs), emergency medical service (EMS), rural health clinics, and health professionals. The Flex program supports education and training, activities that improve access to high quality care in rural areas, and investments in data infrastructure and reporting capabilities. The Flex program has a proven track record of improving the financial stability of small rural hospitals and participation in value-based efforts.

Established under the Flex budget line is **the Small Rural Hospital Improvement Program (SHIP)**, which funds small rural hospitals (with less than 49 beds) for operational improvements including improving data collection, quality, and payment bundling.

**Invest in community health by reinstating from the President's budget \$15 million to the State Offices of Rural Health.** Federally funded since 1991, the State Office of Rural Health

Program assists states in strengthening rural health care delivery systems by maintaining a focal point for rural health in each state across the country. SORHs are trusted partners of rural hospitals and providers across the state – ensuring programs like Flex and SHIP are not just administered, but truly impactful. The program provides funding for an institutional framework helps small rural communities leverage state and federal resources to develop long-term solutions to rural health programs. Further, SORHs provide foundational support for workforce development, primary care access, and continuing education statewide.

**Increase funding for rural health outreach services to \$109 million.** The Rural Health Outreach Services programs support rural, community-driven initiatives that promote improved access to care, enhance care coordination, and foster sustainable solutions for chronic disease prevention and management in rural areas. In FY 2022, over 475,000 individuals received direct services in over 400 rural counties through these programs, with over 85% of grant recipients demonstrating improvement in one or more clinical measures.

**Grow the rural physician workforce by increasing funding for the Rural Residency Planning and Development (RRPD) Program to \$14 million.** RRPD supports the development of new rural residency programs to address the ongoing workforce shortages faced by rural communities. Since 2019, this program has created 54 new accredited rural residency programs or rural track programs in family medicine, internal medicine, psychiatry, and general surgery and received approval for approximately 683 new residency positions in rural areas.

**Provide sufficient funding for rural behavioral health care and SUD treatment programs of \$155 million.** The opioid and mental health crisis has hit rural communities hard. Barriers to treatment and prevention services limit access to care in rural in unique ways. The Rural Communities Opioid Response Program (RCORP) is a multi-year initiative that addresses barriers through targeted interventions for treatment for substance use disorder (SUD), including opioid use disorder (OUD).

**Increase funding for the Centers for Disease Control and Prevention (CDC) Office of Rural Public Health to \$10 million.** The office enhances implementation of CDC's rural public health portfolio, coordinates efforts across CDC programs, and has developed a strategic plan for rural public health.

**Invest in the USDA Rural Hospital Technical Assistance Program with an allocation of \$5 million.** Housed within the Rural Development portfolio at USDA, this pilot technical assistance program improves rural hospitals' financial and operational performance, prevents closures, and strengthens the delivery of health care in rural communities. The program provides direct on-the-ground assistance and is flexible enough to meet the varied needs of rural hospitals under operational and financial stress.

We thank you for your leadership on rural health issues. If you have any questions or would like to discuss federal rural health programs further, please contact NRHA's Government Affairs and Policy Director Alexa McKinley Abel at [amckinley@ruralhealth.us](mailto:amckinley@ruralhealth.us).

Sincerely,

Florida Rural Health Association  
Hawaii State Rural Health Association  
Maryland Rural Health Association

Minnesota Rural Health Association  
Missouri Rural Health Association  
National Association of Rural Health Clinics  
National Organization of State Offices of Rural Health  
National Rural Health Association  
New England Rural Health Association  
Ohio Rural Health Association  
Pennsylvania Rural Health Association  
Virginia Rural Health Association  
West Virginia Rural Health Association