

July 21, 2025

The Honorable Sam Graves
U.S. House of Representatives
1135 Longworth
Washington, D.C. 20515

The Honorable Nikki Budzinski
U.S. House of Representatives
1717 Longworth
Washington, D.C. 20515

Dear Representative Graves and Representative Budzinski,

The undersigned organizations write to express our support for the re-introduction of H.R. 3684, the *Save America's Rural Hospitals Act of 2025*. We commend your leadership as bill sponsors and appreciate your persistent efforts to invest in health care access for rural communities.

Since 2010, 193 rural hospitals have closed or ceased inpatient care.¹ Currently, 432 rural hospitals are vulnerable to closure, and 46% of rural hospitals have negative operating margins.² When rural hospitals close, it devastates many communities by eliminating a primary employer and sole source of accessible care. Policies such as Medicare sequestration, cuts to bad debt reimbursement, outdated reimbursement rates, and inflexible designation requirements have left rural hospitals financially vulnerable. These vulnerabilities compound ongoing challenges rural providers face, such as workforce shortages, high labor costs, dependence on public payers, low patient volume, and high fixed cost of care.

The *Save America's Rural Hospitals Act of 2025* addresses many reimbursement and operational challenges faced by rural hospitals. Provisions such as eliminating Medicare sequestration for rural hospitals and critical access hospitals (CAHs), extending disproportionate share payments to sole community hospitals (SCHs) and Medicare Dependent Hospitals (MDHs), and updating base years for MDHs and SCHs to add a more current year to improve payment accuracy to rural hospitals. We also strongly support the provision to reauthorize the critical Medicare Rural Hospital Flexibility (Flex) Program.

The *Save America's Rural Hospitals Act* also includes several provisions that would facilitate access to care by removing regulatory burdens and modernizing care delivery. We support the proposals to remove the 3-day hospitalization requirement before swing bed admission, 96-hour average length of stay for CAHs, and 96-hour physician certification for CAHs. This legislation would also make Medicare telehealth flexibilities for rural health

¹ Rural Hospital Closures, N.C. Rural Health Research Center, Cecil G. Sheps Center for Health Services Research, University of North Carolina at Chapel Hill <https://www.shepscenter.unc.edu/programs-projects/rural-health/rural-hospital-closures/>.

² Michael Topchik, et al., *2025 rural health state of the state: Instability continues to threaten rural health safety net*, Chartis Center for Rural Health (Feb. 2025) https://www.chartis.com/sites/default/files/documents/CCRH%20WP%20-%202025%20Rural%20health%20state%20of%20the%20state_021125.pdf.

clinics (RHCs) and federally qualified health centers (FQHCs) permanent and, importantly, create payment parity for such services.

Finally, this bill helps address rural workforce shortages associated with low provider retention by permanently increasing area wage index adjustments for hospitals below the 25th percentile in a neutral budget manner and establishing a floor on the area wage index for hospitals not located in frontier states for both inpatient and outpatient services.

Together, these provisions stabilize the rural healthcare safety net by investing in the health and economy of rural communities. These efforts are vital to supporting the rural healthcare infrastructure nationwide.

We thank you for your commitment to these critical issues and look forward to working with you to ensure the passage of this significant legislation. If you have questions, please feel free to contact NRHA's Government Affairs and Policy Director, Alexa McKinley Abel (amckinley@ruralhealth.us).

Sincerely,

National Rural Health Association
Alliance for Rural Hospital Access
American Association of Nurse Anesthesiology
American Association of Nurse Practitioners
Ashley Regional Medical Center
Astera Health
Aspire Rural Health System
Aspirus Health - Michigan Regional President
Avem Health Partners
Bluegrass Community Hospital
Bourbon Community Hospital
Box Butte General Hospital
Canyon Vista Medical Center
Castleview Hospital
Central Carolina Hospital
Citizens Memorial Hospital District, Bolivar, MO
Clark Regional Medical Center
Clinch Valley Health
Community Medical Center, Missoula, MT
Conemaugh Memorial Medical Center
Conemaugh Meyersdale Medical Center
Conemaugh Miners Medical Center
Cook Hospital & Care Center
Cordell Memorial Hospital, Cordell, OK
Eastern Plains Healthcare Consortium
Edwards County Medical Center
Gundersen St. Elizabeth's Hospital and Clinics

Guthrie County Hospital and Clinics
Hawaii State Rural Health Association
Health Partners Management Group
Health Partners Strategy Group
Hillsdale Hospital
Indiana Rural Health Association
Jefferson Community Health & Life
Kossuth Regional Health Center
LaSalle General Hospital
Lifepoint Health
Lincoln Health, Hugo Colorado
Maryland Rural Health Association
Mackinac Straits Health System
Minneola Healthcare
Minnesota Rural Health Association
Michigan Health & Hospital Association
Mt. Graham Regional Medical Center, Inc.
Munson Healthcare
Munising Memorial Hospital Association
National Association of Pediatric Nurse Practitioners
The National Association of Rural Health Clinics
National League for Nursing
National Organization of State Offices of Rural Health
New England Rural Health Association
New Mexico Hospital Association
Nevada Rural Hospital Partners
North Dakota Rural Health Association
North Shore Health - Grand Marais, MN
OhioHealth-Van Wert Hospital
OSF Healthcare St. Francis Hospital & Medical Group
Ozarks Community Hospital
Pennsylvania Rural Health Association
Pioneer Health Network
Plumas District Hospital
Riverside Shore Memorial Hospital
Rock County Hospital
Roger Mills Memorial Hospital
Salem Memorial District Hospital
Scheurer Health
Southwest Health System, Inc
Syracuse Area Health
Thayer County Health Services
UP Health System Bell
UP Health System Marquette & Bell
UPHS Bell
UP Health System – Portage

Virginia Rural Health Association
Winona Health Services
WV Rural Health Association