

National Rural Health Association

***Testimony Submitted for the Record to the House Committee on Appropriations
Subcommittee on Labor, Health and Human Services, Education and Related Agencies –
FY 2027***

Department of Health and Human Services

The National Rural Health Association (NRHA) asks for continued support for critically important rural health programs in the Fiscal Year 2027 (FY 2027) budget. 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. **NRHA asks for continued funding for rural health programs at the Health Resources and Services Administration (HRSA) including Rural Health Research and Policy Development, the Medicare Rural Hospital Flexibility (Flex) Program, State Offices of Rural Health (SORH), the Rural Hospital Provider Assistance Program, and the Rural Hospital Stabilization Program, as well as the Centers for Disease Control and Prevention (CDC) Office of Rural Health.**

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 with nearly half of all rural hospitals operating with negative margins as of February 2026. In the last 15 years, over 200 rural hospitals have either closed or discontinued inpatient care. For these communities, the loss of a rural hospital can trigger a downward spiral of economic hardship and community health status.

Further, 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. Recognizing the critical role that rural communities play in providing essential resources, strong rural communities are indispensable to the national well-being. Although rural health programs represent a small portion of federal health spending, they play an outsized impact in the communities that receive funding.

Investing in proven rural health programs.

Several indispensable discretionary programs help ensure the efficient and equitable delivery of healthcare services in rural areas. The Federal Office of Rural Health Policy (FORHP) at HRSA works to increase rural healthcare access, strengthen health networks, and supports innovative research and programmatic efforts to address the unique needs of rural America. The Rural Health Research and Policy Development line funds several programs that provide research studies and information resources about the status of rural

health that help policymakers understand the unique challenges facing rural communities and the rural health care system. **NRHA requests \$14 million for Rural Health Research and Policy Development.**

The **State Offices of Rural Health (SORH) Program** funds each state's SORH, which provide numerous services to states through federal-state partnerships. Offices, led by a Project Officer, make providers aware of new health care resources, collect and share data, and offer technical assistance. In 2021, SORHs provides technical assistance to over 24,000 entities and led over 18,000 webinars. Federal funding for SORHs has remained nearly flat despite rapidly escalating rural health needs, workforce shortages, and hospital instability. **Increasing the SORH budget to \$15 million in FY 2027** is a modest, high-value investment that strengthens state capacity and improves federal program reach.

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 strengthens Critical Access Hospitals (CAHs), emergency medical services (EMS), and Rural Health Clinics (RHCs), improving access and quality of care in rural communities. **NRHA requests \$70.277 million, the FY 2026 enacted level, for the Flex program in FY 2027** to help sustain and enhance rural hospital performance through community-based initiatives for access and innovative models of care.

NRHA asks Congress to fund the **Rural Hospital Provider Assistance Program at \$125 million**. This program seeks to fill a gap created by *Bridgeport Hospital v. Beccera*, which struck down the low wage index policy administered by the Centers for Medicare and Medicaid Services, by providing funding to eligible rural prospective payment system hospitals. This program is a formula allocation which equally divides awards among eligible hospitals and additional funding is needed to make awards to rural hospitals more impactful. Additionally, the House originally proposed to fund the program at \$100 million in FY 2026. **NRHA supports increasing funding to \$125 million for FY 2027.**

To help rural hospitals improve their financial stability by enhancing or expanding health care services that meet community needs, NRHA urges Congress to fund the **Rural Hospital Stabilization Pilot Program at \$20 million for FY27**. This program improves healthcare in rural areas by providing free, in-depth technical assistance to vulnerable rural hospitals. Increasing program funding to \$20 million will allow more rural hospitals to participate.

Increasing access to care.

Workforce shortages remain a top concern for rural health systems and a main barrier to improving access to care. 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 62 new accredited rural residency programs or rural track programs, or 752 new slots, in family medicine, obstetrics, internal medicine, psychiatry, and general surgery. Currently, the program has enrolled over 660 residents to train in rural settings.

NRHA requests an increase to **\$120 million for the Rural Health Outreach Services** portfolio of programs, which 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 FY 2024, these programs directly served over 570,000 individuals across more than 345 rural counties, with over 98% of grantees reporting the ability to sustain their projects after grant funding ends. Additionally, in FY 2024, 100% of Outreach Program awardees reporting clinical measures demonstrated improvement in at least one clinical outcome, signaling that the program is meaningfully improving rural health outcomes. Recent data indicates a \$3 economic impact for every \$1 invested by this federal program. Recent funding increases have been Congressionally directed spending to specific regional authorities, and more is needed to meet national need.

Supporting rural public health.

NRHA worked with Congress to establish the **Office of Rural Health (ORH) at the Centers for Disease Control and Prevention**, the nation's only federal office solely focused on rural public health capacity, data, and equity. As a newly established office, it currently operates with a budget that is disproportionately small relative to the scale of rural health challenges, the geographic breadth of its mandate, and the expectations placed on CDC to deliver rural-specific guidance, surveillance, and technical assistance. **NRHA believes funding at \$10 million** in FY27 is a modest, high-impact investment that further CDC's ability to meet rural needs.

Rural overdose death rates remain 27% above 2018 levels, while urban overdose death rates have nearly returned to 2018 levels, remaining only 7.2% higher. NRHA urges robust funding for the **Rural Communities Opioid Response Program (RCORP) at \$145 million, the FY 2026 enacted level**, to expand access to rural behavioral health and substance use disorder (SUD) treatments. RCORP is a multi-year initiative that addresses barriers, focusing on SUD, 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.