

Impact of H.R. 1 on Rural Medicaid Hospital Expenditures (Total Computable), FFYs 2025-2034 (\$ Millions)

Note: The below analysis distributes the impact of select provisions H.R. 1 on total Medicaid hospital expenditures proportionately based on the proportion of rural residents in each state. We leverage Medicare Cost Report data crosswalked with Core-Based Statistical Areas (CBSA) to develop an allocation of Medicaid hospital expenditures by urban and rural geographies by state. See footnote 1 below for additional detail on our allocation approach. In this scenario, we assume all rural health funding goes to rural hospitals.

State	Share of Medicaid Hospital Expenditures ¹	Impact on Medicaid Hospital Spend of H.R. 1 (Prior to Application of Rural Hospital Fund Support)			Rural Health Fund Part #1	Rural Health Fund Part #2	Total Rural Health Fund ²	Impact on Medicaid Hospital Spend of H.R. 1 (After Application of Rural Health Fund)		Percentage of Rural Hospital Cut Addressed by Rural Health Fund
		Rural	Total	Total	Rural	Equally Distributed Grants to States ³	Grants Made Proportionally Based on Rural Population ⁴	Total Grant	Rural	
	% of Expenditures	\$ Millions	% from Baseline ²	\$ Millions	\$ Millions	\$ Millions	\$ Millions	\$ Millions	\$ Millions	%
Total	9%	(\$64,073)	-18.2%	(\$6,881)	25,000	25,000	50,000	(6,881)	87.9%	
Alabama	12%	(1,204)	-3.2%	(140)	500	801	1,301	1,160	926.8%	
Alaska	37%	-	0.0%	-	500	97	597	597	N/A	
Arizona	4%	(31,807)	-26.7%	(1,203)	500	289	789	(414)	65.6%	
Arkansas	24%	(3,586)	-13.7%	(867)	500	506	1,006	139	116.0%	
California	2%	(118,919)	-20.1%	(2,329)	500	859	1,359	(969)	58.4%	
Colorado	14%	(8,235)	-18.2%	(1,135)	500	304	804	(331)	70.9%	
Connecticut	2%	(5,744)	-16.4%	(138)	500	187	687	549	499.3%	
Delaware	16%	(1,032)	-12.1%	(166)	500	65	565	399	340.6%	
District of Columbia	0%	(1,058)	-10.0%	-	-	-	-	-	N/A	
Florida	2%	(12,025)	-8.7%	(182)	500	688	1,188	1,005	651.2%	
Georgia	12%	(6,086)	-9.4%	(731)	500	1,047	1,547	816	211.6%	
Hawaii	24%	(3,013)	-20.1%	(719)	500	76	576	(142)	80.2%	
Idaho	15%	(1,241)	-10.3%	(182)	500	213	713	531	392.3%	
Illinois	8%	(31,312)	-19.5%	(2,378)	500	632	1,132	(1,246)	47.6%	
Indiana	9%	(12,558)	-24.7%	(1,181)	500	737	1,237	57	104.8%	
Iowa	37%	(8,912)	-22.3%	(3,279)	500	443	943	(2,335)	28.8%	
Kansas	22%	(1,538)	-9.3%	(341)	500	307	807	466	236.8%	
Kentucky	20%	(26,652)	-25.9%	(5,376)	500	702	1,202	(4,175)	22.4%	
Louisiana	10%	(22,660)	-22.8%	(2,229)	500	500	1,000	(1,229)	44.9%	
Maine	35%	(1,452)	-11.5%	(507)	500	315	815	308	160.8%	
Maryland	4%	(5,549)	-11.5%	(230)	500	335	835	605	362.9%	
Massachusetts	1%	(15,569)	-18.0%	(117)	500	231	731	614	625.6%	
Michigan	8%	(28,431)	-22.5%	(2,250)	500	1,008	1,508	(742)	67.0%	
Minnesota	19%	(5,367)	-11.2%	(1,031)	500	605	1,105	74	107.2%	
Mississippi	38%	(4,777)	-13.7%	(1,822)	500	600	1,100	(723)	60.3%	
Missouri	13%	(10,894)	-21.0%	(1,383)	500	709	1,209	(174)	87.4%	
Montana	47%	(2,286)	-24.0%	(1,073)	500	190	690	(382)	64.4%	
Nebraska	33%	(1,078)	-10.3%	(352)	500	200	700	347	198.6%	
Nevada	4%	(6,881)	-21.2%	(243)	500	69	569	326	234.5%	
New Hampshire	56%	(1,809)	-29.3%	(1,012)	500	216	716	(296)	70.8%	
New Jersey	0%	(24,331)	-26.6%	-	500	219	719	719	N/A	
New Mexico	18%	(10,485)	-24.8%	(1,870)	500	203	703	(1,167)	37.6%	
New York	3%	(40,959)	-14.4%	(1,206)	500	956	1,456	250	120.7%	
North Carolina	10%	(35,384)	-18.9%	(3,707)	500	1,310	1,810	(1,897)	48.8%	
North Dakota	14%	(413)	-11.6%	(58)	500	115	615	557	1059.3%	
Ohio	13%	(22,402)	-18.9%	(2,892)	500	1,055	1,555	(1,337)	53.8%	
Oklahoma	23%	(10,719)	-18.1%	(2,472)	500	528	1,028	(1,444)	41.6%	
Oregon	14%	(17,201)	-25.6%	(2,436)	500	312	812	(1,625)	33.3%	
Pennsylvania	6%	(22,454)	-15.4%	(1,408)	500	1,154	1,654	247	117.5%	
Rhode Island	0%	(3,012)	-22.1%	-	500	37	537	537	N/A	
South Carolina	7%	(5,414)	-10.0%	(352)	500	619	1,119	766	317.3%	
South Dakota	25%	(369)	-10.7%	(91)	500	143	643	552	710.0%	
Tennessee	10%	-	0.0%	-	500	880	1,380	1,380	N/A	
Texas	6%	(20,645)	-9.3%	(1,209)	500	1,789	2,289	1,081	189.4%	
Utah	9%	(3,994)	-18.7%	(375)	500	126	626	251	166.9%	
Vermont	58%	(388)	-7.4%	(224)	500	157	657	433	293.5%	
Virginia	6%	(36,923)	-24.0%	(2,098)	500	793	1,293	(805)	61.6%	
Washington	12%	(21,788)	-25.4%	(2,661)	500	483	983	(1,678)	36.9%	
West Virginia	21%	(3,071)	-17.9%	(646)	500	374	874	228	135.3%	
Wisconsin	22%	(2,385)	-6.5%	(536)	500	732	1,232	696	229.8%	
Wyoming	74%	(61)	-2.7%	(45)	500	83	583	538	1292.7%	

1. We calculate the share of Medicaid hospital expenditures in urban and rural geographies using hospital net Medicare revenues as reported on 2023 Medicare Cost Reports (made available through HCRIS). We allocate net Medicare revenues for each hospital to an urban or rural geography using the hospital's address crosswalked to Core-Based Statistical Areas (CBSAs) made available by AHA. For purposes of this analysis, we consider "micropolitan" geographies to be rural. For hospitals without an identified CBSA, we include those revenues in the "unknown" category. We then allocate our projected impacts of H.R. 1 on total Medicaid hospital expenditures proportionately based on the urban/rural distribution of Medicaid hospital revenues in each state.

2. We only include the percentage impact from baseline for total expenditures since the percentage impacts are the same across the urban, rural, and unknown categories.

3. 50% of the \$25 billion rural health transformation fund will be distributed equally to all states that submit an application. We assume that all states will submit an application and receive an award. Note that entities other than rural hospitals are eligible to receive a portion of this funding so this allocation overestimates the amount of funding that will be made available to rural hospitals.

4. 50% of the \$25 billion rural health transformation fund will be distributed to states at the discretion of the CMS administrator. For modeling purposes, we assume that these funds would be distributed based on the number of rural residents in a given state compared to the total number of rural residents nationally.

5. Grants from the Rural Health Transformation Fund will be distributed from FFY 2026 to FFY 2030, with states required to spend all funds by FFY 2031. We apply each state's estimated funding allocation against the total projected reduction in Medicaid rural hospital expenditures over a ten-year period.

6. Alaska and Tennessee's Medicaid hospital spend estimates are excluded from Manatt's model due to data limitations.

Impact of H.R. 1 on Rural Medicaid Hospital Expenditures (Total Computable), FFYs 2025-2034 (\$ Millions)

Note: The below analysis distributes the impact of select provisions H.R. 1 on total Medicaid hospital expenditures proportionately based on the urban/rural distribution of Medicaid hospital revenues in each state. We leverage Medicare Cost Report data crosswalked with Core-Based Statistical Areas (CBSA) to develop an allocation of Medicaid hospital expenditures by urban and rural geographies by state. See footnote 1 below for additional detail on our allocation approach. We assume 80% of rural health funding goes to rural hospitals.

State	Share of Medicaid Hospital Expenditures ¹	Impact on Medicaid Hospital Spend of H.R. 1 (Prior to Application of Rural Hospital Fund Support)			Rural Health Fund Part #1	Rural Health Fund Part #2	Total Rural Health Fund for Rural Hospitals ⁵	Impact on Medicaid Hospital Spend of H.R. 1 (After Application of Rural Health Fund)	Percentage of Rural Hospital Cut Addressed by Rural Health Fund
		Rural	Total	Rural	Equally Distributed Grants to States ³	Grants Made Proportionally Based on Rural Population ⁶	Total Grant	Rural	
					\$ Millions	% from Baseline ²			
Total	9%	\$ (664,073)	-18.2%	\$ (56,881)	\$ 20,000	\$ 20,000	\$ 40,000	\$ (16,881)	70.3%
Alabama	12%	\$ (1,204)	-3.2%	\$ (140)	\$ 400	\$ 641	\$ 1,041	\$ 900	741.4%
Alaska	37%	\$ -	0.0%	\$ -	\$ 400	\$ 78	\$ 478	\$ 478	N/A
Arizona	4%	\$ (31,807)	-26.7%	\$ (1,203)	\$ 400	\$ 231	\$ 631	\$ (572)	52.5%
Arkansas	24%	\$ (3,586)	-13.7%	\$ (867)	\$ 400	\$ 404	\$ 804	\$ (62)	92.8%
California	2%	\$ (118,919)	-20.1%	\$ (2,329)	\$ 400	\$ 687	\$ 1,087	\$ (1,241)	46.7%
Colorado	14%	\$ (8,235)	-18.2%	\$ (1,135)	\$ 400	\$ 243	\$ 643	\$ (491)	56.7%
Connecticut	2%	\$ (5,744)	-16.4%	\$ (138)	\$ 400	\$ 150	\$ 550	\$ 412	399.5%
Delaware	16%	\$ (1,032)	-12.1%	\$ (166)	\$ 400	\$ 52	\$ 452	\$ 286	272.5%
District of Columbia	0%	\$ (1,058)	-10.0%	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Florida	2%	\$ (12,025)	-8.7%	\$ (182)	\$ 400	\$ 550	\$ 950	\$ 768	520.9%
Georgia	12%	\$ (6,086)	-9.4%	\$ (731)	\$ 400	\$ 838	\$ 1,238	\$ 507	169.3%
Hawaii	24%	\$ (3,013)	-20.1%	\$ (719)	\$ 400	\$ 61	\$ 461	\$ (257)	64.2%
Idaho	15%	\$ (1,241)	-10.3%	\$ (182)	\$ 400	\$ 171	\$ 571	\$ 389	313.8%
Illinois	8%	\$ (31,312)	-19.5%	\$ (2,378)	\$ 400	\$ 505	\$ 905	\$ (1,472)	38.1%
Indiana	9%	\$ (12,558)	-24.7%	\$ (1,181)	\$ 400	\$ 590	\$ 990	\$ (191)	83.8%
Iowa	37%	\$ (8,912)	-22.3%	\$ (3,279)	\$ 400	\$ 355	\$ 755	\$ (2,524)	23.0%
Kansas	22%	\$ (1,538)	-9.3%	\$ (341)	\$ 400	\$ 245	\$ 645	\$ 305	189.4%
Kentucky	20%	\$ (26,652)	-25.9%	\$ (5,376)	\$ 400	\$ 561	\$ 961	\$ (4,415)	17.9%
Louisiana	10%	\$ (22,660)	-22.8%	\$ (2,229)	\$ 400	\$ 400	\$ 800	\$ (1,429)	35.9%
Maine	35%	\$ (1,452)	-11.5%	\$ (507)	\$ 400	\$ 252	\$ 652	\$ 145	128.6%
Maryland	4%	\$ (5,549)	-11.5%	\$ (230)	\$ 400	\$ 268	\$ 668	\$ 438	290.3%
Massachusetts	1%	\$ (15,569)	-18.0%	\$ (117)	\$ 400	\$ 185	\$ 585	\$ 468	500.5%
Michigan	8%	\$ (28,431)	-22.5%	\$ (2,250)	\$ 400	\$ 806	\$ 1,206	\$ (1,043)	53.6%
Minnesota	19%	\$ (5,367)	-11.2%	\$ (1,031)	\$ 400	\$ 484	\$ 884	\$ (147)	85.8%
Mississippi	38%	\$ (4,777)	-13.7%	\$ (1,822)	\$ 400	\$ 480	\$ 880	\$ (943)	48.3%
Missouri	13%	\$ (10,894)	-21.0%	\$ (1,383)	\$ 400	\$ 567	\$ 967	\$ (416)	69.9%
Montana	47%	\$ (2,286)	-24.0%	\$ (1,073)	\$ 400	\$ 152	\$ 552	\$ (520)	51.5%
Nebraska	33%	\$ (1,078)	-10.3%	\$ (352)	\$ 400	\$ 160	\$ 560	\$ 207	158.8%
Nevada	4%	\$ (6,881)	-21.2%	\$ (243)	\$ 400	\$ 55	\$ 455	\$ 213	187.6%
New Hampshire	56%	\$ (1,809)	-29.3%	\$ (1,012)	\$ 400	\$ 173	\$ 573	\$ (439)	56.6%
New Jersey	0%	\$ (24,331)	-26.6%	\$ -	\$ 400	\$ 175	\$ 575	\$ 575	N/A
New Mexico	18%	\$ (10,485)	-24.8%	\$ (1,870)	\$ 400	\$ 163	\$ 563	\$ (1,307)	30.1%
New York	3%	\$ (40,959)	-14.4%	\$ (1,206)	\$ 400	\$ 765	\$ 1,165	\$ (41)	96.6%
North Carolina	10%	\$ (35,384)	-18.9%	\$ (3,707)	\$ 400	\$ 1,048	\$ 1,448	\$ (2,259)	39.1%
North Dakota	14%	\$ (413)	-11.6%	\$ (58)	\$ 400	\$ 92	\$ 492	\$ 434	847.5%
Ohio	13%	\$ (22,402)	-18.9%	\$ (2,892)	\$ 400	\$ 844	\$ 1,244	\$ (1,648)	43.0%
Oklahoma	23%	\$ (10,719)	-18.1%	\$ (2,472)	\$ 400	\$ 423	\$ 823	\$ (1,650)	33.3%
Oregon	14%	\$ (17,201)	-25.6%	\$ (2,436)	\$ 400	\$ 249	\$ 649	\$ (1,787)	26.6%
Pennsylvania	6%	\$ (22,454)	-15.4%	\$ (1,408)	\$ 400	\$ 924	\$ 1,324	\$ (84)	94.0%
Rhode Island	0%	\$ (3,012)	-22.1%	\$ -	\$ 400	\$ 30	\$ 430	\$ 430	N/A
South Carolina	7%	\$ (5,414)	-10.0%	\$ (352)	\$ 400	\$ 495	\$ 895	\$ 542	253.9%
South Dakota	25%	\$ (369)	-10.7%	\$ (91)	\$ 400	\$ 114	\$ 514	\$ 424	568.0%
Tennessee	10%	\$ -	0.0%	\$ -	\$ 400	\$ 704	\$ 1,104	\$ 1,104	N/A
Texas	6%	\$ (20,645)	-9.3%	\$ (1,209)	\$ 400	\$ 1,431	\$ 1,831	\$ 623	151.5%
Utah	9%	\$ (3,994)	-18.7%	\$ (375)	\$ 400	\$ 101	\$ 501	\$ 126	133.5%
Vermont	58%	\$ (388)	-7.4%	\$ (224)	\$ 400	\$ 126	\$ 526	\$ 302	234.8%
Virginia	6%	\$ (36,923)	-24.0%	\$ (2,098)	\$ 400	\$ 634	\$ 1,034	\$ (1,064)	49.3%
Washington	12%	\$ (21,788)	-25.4%	\$ (2,661)	\$ 400	\$ 386	\$ 786	\$ (1,875)	29.6%
West Virginia	21%	\$ (3,071)	-17.9%	\$ (646)	\$ 400	\$ 300	\$ 700	\$ 53	108.2%
Wisconsin	22%	\$ (2,385)	-6.5%	\$ (536)	\$ 400	\$ 585	\$ 985	\$ 449	183.9%
Wyoming	74%	\$ (61)	-2.7%	\$ (45)	\$ 400	\$ 66	\$ 466	\$ 421	1034.2%

1. We calculate the share of Medicaid hospital expenditures in urban and rural geographies using hospital net Medicaid revenues as reported on 2023 Medicare Cost Reports (made available through HCRIS). We allocate net Medicaid revenues for each hospital to an urban or rural geography using the hospital's address crosswalked to Core-Based Statistical Areas (CBSAs) made available by AHA. For purposes of this analysis, we consider "micropolitan" geographies to be rural. For hospitals without an identified CBSA, we include those revenues in the "unknown" category. We then allocate our projected impacts of H.R. 1 on total Medicaid hospital expenditures proportionately based on the urban/rural distribution of Medicaid hospital revenues in each state.

2. We only include the percentage impact from baseline for total expenditures since the percentage impacts are the same across the urban, rural, and unknown categories.

3. 50% of the \$25 billion rural health transformation fund will be distributed equally to all states that submit an application. We assume that all states will submit an application and receive an award. Note that entities other than rural hospitals are eligible to receive a portion of this funding so this allocation overestimates the amount of funding that will be made available to rural hospitals.

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State	Share of Medicaid Hospital Expenditures ¹	Impact on Medicaid Hospital Spend of H.R. 1 (Prior to Application of Rural Hospital Fund Support)			Rural Health Fund Part #1	Rural Health Fund Part #2	Total Rural Health Fund for Rural Hospitals ⁵	Percentage of Rural Health Fund Allocated to Rural Hospitals	Impact on Medicaid Hospital Spend of H.R. 1 (After Application of Rural Health Fund)	Percentage of Rural Hospital Cut Addressed by Rural Health Fund
		Rural	Total	Total	Equally Distributed Grants to States ²	Grants Made Proportionally Based on Rural Population ⁴	Total Grant	FFY 2025 Percentage of Total Medicaid Expenditures Attributable to Hospitals	Rural	%
		% of Expenditures	\$ Millions	% from Baseline ²	\$ Millions	\$ Millions	\$ Millions	Percentage	\$ Millions	%
Total	19%	\$ (664,073)	-18.2%	\$ (56,881)	\$ 8,408	\$ 9,118	\$ 17,527	36%	\$ (39,354)	30.8%
Alabama	12%	\$ (1,204)	-3.2%	\$ (140)	\$ 200	\$ 321	\$ 521	40%	\$ 381	371.2%
Alaska	37%	\$ -	0.0%	\$ -	\$ 115	\$ 22	\$ 137	23%	\$ 137	N/A
Arizona	4%	\$ (31,807)	-26.7%	\$ (1,203)	\$ 199	\$ 115	\$ 313	40%	\$ (889)	26.0%
Arkansas	24%	\$ (3,586)	-13.7%	\$ (867)	\$ 138	\$ 139	\$ 277	28%	\$ (590)	32.0%
California	2%	\$ (118,919)	-20.1%	\$ (2,329)	\$ 170	\$ 293	\$ 463	34%	\$ (1,865)	19.9%
Colorado	14%	\$ (8,235)	-18.2%	\$ (1,135)	\$ 163	\$ 99	\$ 262	33%	\$ (873)	23.1%
Connecticut	2%	\$ (5,744)	-16.4%	\$ (138)	\$ 136	\$ 51	\$ 187	27%	\$ 49	135.7%
Delaware	16%	\$ (1,032)	-12.1%	\$ (166)	\$ 114	\$ 15	\$ 129	23%	\$ (37)	78.0%
District of Columbia	0%	\$ (1,058)	-10.0%	\$ -	\$ -	\$ -	\$ -	0%	\$ -	N/A
Florida	2%	\$ (12,025)	-8.7%	\$ (182)	\$ 177	\$ 243	\$ 420	35%	\$ 238	230.4%
Georgia	12%	\$ (6,086)	-9.4%	\$ (731)	\$ 175	\$ 367	\$ 542	35%	\$ (190)	74.1%
Hawaii	24%	\$ (3,013)	-20.1%	\$ (719)	\$ 166	\$ 25	\$ 192	33%	\$ (527)	26.7%
Idaho	15%	\$ (1,241)	-10.3%	\$ (182)	\$ 138	\$ 59	\$ 197	28%	\$ 15	108.4%
Illinois	8%	\$ (31,312)	-19.5%	\$ (2,378)	\$ 199	\$ 251	\$ 450	40%	\$ (1,928)	18.9%
Indiana	9%	\$ (12,558)	-24.7%	\$ (1,181)	\$ 115	\$ 170	\$ 285	23%	\$ (895)	24.2%
Iowa	37%	\$ (8,912)	-22.3%	\$ (3,279)	\$ 258	\$ 229	\$ 487	52%	\$ (2,792)	14.9%
Kansas	22%	\$ (1,538)	-9.3%	\$ (341)	\$ 143	\$ 88	\$ 231	29%	\$ (110)	67.7%
Kentucky	20%	\$ (26,652)	-25.9%	\$ (5,376)	\$ 245	\$ 344	\$ 589	49%	\$ (4,787)	11.0%
Louisiana	10%	\$ (22,660)	-22.8%	\$ (2,229)	\$ 207	\$ 206	\$ 413	41%	\$ (1,816)	18.5%
Maine	35%	\$ (1,452)	-11.5%	\$ (507)	\$ 121	\$ 76	\$ 198	24%	\$ (309)	39.0%
Maryland	4%	\$ (5,549)	-11.5%	\$ (230)	\$ 111	\$ 74	\$ 185	22%	\$ (45)	80.3%
Massachusetts	1%	\$ (15,569)	-18.0%	\$ (117)	\$ 139	\$ 64	\$ 203	28%	\$ 86	173.9%
Michigan	8%	\$ (28,431)	-22.5%	\$ (2,250)	\$ 233	\$ 470	\$ 703	47%	\$ (1,547)	31.2%
Minnesota	19%	\$ (5,367)	-11.2%	\$ (1,031)	\$ 113	\$ 137	\$ 250	23%	\$ (781)	24.3%
Mississippi	38%	\$ (4,777)	-13.7%	\$ (1,822)	\$ 235	\$ 282	\$ 517	47%	\$ (1,306)	28.4%
Missouri	13%	\$ (10,894)	-21.0%	\$ (1,383)	\$ 146	\$ 207	\$ 353	29%	\$ (1,030)	25.5%
Montana	47%	\$ (2,286)	-24.0%	\$ (1,073)	\$ 195	\$ 74	\$ 269	39%	\$ (804)	25.1%
Nebraska	33%	\$ (1,078)	-10.3%	\$ (352)	\$ 102	\$ 41	\$ 143	20%	\$ (210)	40.5%
Nevada	4%	\$ (6,881)	-21.2%	\$ (243)	\$ 216	\$ 30	\$ 245	43%	\$ 3	101.1%
New Hampshire	56%	\$ (1,809)	-29.3%	\$ (1,012)	\$ 123	\$ 53	\$ 176	25%	\$ (837)	17.3%
New Jersey	0%	\$ (24,331)	-26.6%	\$ -	\$ 163	\$ 71	\$ 234	33%	\$ 234	N/A
New Mexico	18%	\$ (10,485)	-24.8%	\$ (1,870)	\$ 178	\$ 72	\$ 250	36%	\$ (1,620)	13.4%
New York	3%	\$ (40,959)	-14.4%	\$ (1,206)	\$ 115	\$ 221	\$ 336	23%	\$ (870)	27.9%
North Carolina	10%	\$ (35,384)	-18.9%	\$ (3,707)	\$ 262	\$ 685	\$ 947	52%	\$ (2,760)	25.5%
North Dakota	14%	\$ (413)	-11.6%	\$ (58)	\$ 99	\$ 23	\$ 122	20%	\$ 64	209.6%
Ohio	13%	\$ (22,402)	-18.9%	\$ (2,892)	\$ 136	\$ 286	\$ 422	27%	\$ (2,471)	14.6%
Oklahoma	23%	\$ (10,719)	-18.1%	\$ (2,472)	\$ 234	\$ 248	\$ 482	47%	\$ (1,990)	19.5%
Oregon	14%	\$ (17,201)	-25.6%	\$ (2,436)	\$ 159	\$ 99	\$ 258	32%	\$ (2,178)	10.6%
Pennsylvania	6%	\$ (22,454)	-15.4%	\$ (1,408)	\$ 130	\$ 300	\$ 430	26%	\$ (977)	30.6%
Rhode Island	0%	\$ (3,012)	-22.1%	\$ -	\$ 160	\$ 12	\$ 172	32%	\$ 172	N/A
South Carolina	7%	\$ (5,414)	-10.0%	\$ (352)	\$ 258	\$ 319	\$ 577	52%	\$ 224	163.6%
South Dakota	25%	\$ (369)	-10.7%	\$ (91)	\$ 107	\$ 31	\$ 137	21%	\$ 47	151.7%
Tennessee	10%	\$ -	0.0%	\$ -	\$ 256	\$ 451	\$ 707	51%	\$ 707	N/A
Texas	6%	\$ (20,645)	-9.3%	\$ (1,209)	\$ 216	\$ 775	\$ 991	43%	\$ (217)	82.0%
Utah	9%	\$ (3,994)	-18.7%	\$ (375)	\$ 195	\$ 49	\$ 245	39%	\$ (131)	65.2%
Vermont	58%	\$ (388)	-7.4%	\$ (224)	\$ 117	\$ 37	\$ 153	23%	\$ (71)	68.4%
Virginia	6%	\$ (36,923)	-24.0%	\$ (2,098)	\$ 264	\$ 419	\$ 682	53%	\$ (1,415)	32.5%
Washington	12%	\$ (21,788)	-25.4%	\$ (2,661)	\$ 171	\$ 165	\$ 336	34%	\$ (2,325)	12.6%
West Virginia	21%	\$ (3,071)	-17.9%	\$ (646)	\$ 136	\$ 102	\$ 237	27%	\$ (409)	36.7%
Wisconsin	22%	\$ (2,385)	-6.5%	\$ (536)	\$ 128	\$ 188	\$ 316	26%	\$ (220)	58.9%
Wyoming	74%	\$ (61)	-2.7%	\$ (45)	\$ 134	\$ 22	\$ 156	27%	\$ 111	346.5%

1. We calculate the share of Medicaid hospital expenditures in urban and rural geographies using hospital net Medicaid revenues as reported on 2023 Medicare Cost Reports (made available through HCRIS). We allocate net Medicaid revenues for each hospital to an urban or rural geography using the hospital's address crosswalked to Core-Based Statistical Areas (CBSAs) made available by AHA. For purposes of this analysis, we consider "micropolitan" geographies to be rural. For hospitals without an identified CBSA, we include those revenues in the "unknown" category. We then allocate our projected impacts of H.R.1 on total Medicaid hospital expenditures proportionately based on the urban/rural distribution of Medicaid hospital revenues in each state.

2. We only include the percentage impact from total expenditures since the percentage impacts are the same across the urban, rural, and unknown categories.

3. 50% of the \$25 billion rural health transformation fund will be distributed equally to all states that submit an application. We assume that all states will submit an application and receive an award. Note that entities other than rural hospitals are eligible to receive a portion of this funding so this allocation overestimates the amount of funding that will be made available to rural hospitals.

4. 50% of the \$25 billion rural health transformation fund will be distributed to states at the discretion of the CMS administrator. For modeling purposes, we assume that these funds would be distributed based on the number of rural residents in a given state compared to the total number of rural residents nationally.

5. Grants from the Rural Health Transformation Fund will be distributed from FFY 2026 to FFY 2030, with states required to spend all funds by FFY 2031. We apply each state's estimated funding allocation against the total projected reduction in Medicaid rural hospital expenditures over a ten-year period.

6. Alaska and Tennessee's Medicaid hospital spend estimates are excluded from Manatt's model due to data limitations.