

NRHA received a <u>leaked draft</u> of the Administration's proposed fiscal year (FY) 2026 Department of Health and Human Services (HHS) budget, including an updated organization chart reflecting the previously announced restructuring of the Department. This proposal includes major cuts to rural health programs at the Federal Office of Rural Health Policy (FORHP). While Congress would need to pass this budget proposal, NRHA is nevertheless extremely concerned about the potential these changes have to upend rural health care broadly.

NRHA is extremely concerned about the potential that these changes have to upend rural health care. Longstanding, proven rural health programs would be eliminated including the State Offices of Rural Health, Flex program, and the Rural Residency Development Program. The budget states that these funding levels "reflect reforms necessary to enable agencies to fulfill their statutory responsibilities in the most cost-effective manner possible." On the ground, this means that rural health would be critically underfunded and access to care and rural hospital and provider stability would be seriously threatened.

Major changes include:

The bulk of the Health Resources and Services Administration would be moved under the Primary Care branch of the new Administration for a Healthy America (AHA), which includes FORHP. FORHP programming would include:

- \$100,975,000 for Rural Health Services Outreach programs
- \$11,076,000 for Rural Health Research and Policy Development
- \$145,000,000 for the Rural Communities Opioid Response Program

While these levels are consistent with FY 2025 levels, **FORHP would be funded at just over \$271 million**. For reference, FORHP is currently funded at \$364 million. Further, **the following programs would be eliminated:**

- Medicare Rural Hospital Flexibility Grants
- State Offices of Rural Health
- Rural Residency Planning and Development Program
- At-Risk Rural Hospitals Program

Outside of core rural health programs at HHS, other changes made under the AHA with implications for rural health include:

- Health workforce programs, formerly in HRSA, would be housed in the AHA Health Workforce branch, including the National Health Service Corps, with discretionary funding at \$128,600,000. Rural relevant program eliminations include:
 - Area Health Education Center
 - o Behavioral Health Workforce Education and Training
 - Oral health training
 - Nurse Education, Practice, and Retention; Nurse Faculty Loan program; and Nurse Practitioner Optional Fellowship Program.



- The Substance Abuse and Mental Health Services Administration would be eliminated with certain offices and programs moved to the Policy, Research, and Evaluation and Mental Health branches of AHA.
 - o Certified Community Behavioral Health Centers would be eliminated.
- Community health centers moved to the Primary Care branch of AHA with a discretionary budget of \$1,580,522,000.
- Maternal and Child Health housed in Primary Care branch of AHA with several programs eliminated entirely.

The budget proposal includes program eliminations and restructuring at the **Centers for Disease Control and Prevention (CDC)**. NRHA is not aware of changes to or the elimination of the CDC Office of Rural Health at this time. Proposed changes at include:

- Eliminating the Prevention and Public Health Fund.
- Eliminating National Center for Chronic Disease Prevention and Health Promotion.
- Eliminating the CDC Office of Readiness and Response and establishing the Center for Preparedness and Response. Certain programs from the Administration for Strategic Preparedness and Response (ASPR) would be moved to this Center.

Proposed changes at the Centers for Medicare and Medicaid Services (CMS) include:

- The Office of Pharmacy Affairs, which implements the 340B program, would be housed in CMS.
- The Administration for Community Living would be eliminated, with certain programs and offices moved to the Centers for Medicare and Medicaid Services (CMS) and the Administration for Children and Families (ACF).
- Discretionary funding for Aging and Disability Resource Centers, State Health Insurance Assistance Programs would be eliminated.
- Elimination of health equity activities.

It is critical that you contact your elected officials as soon as possible to inform them of the disastrous impacts that these proposed cuts would have on access to care your rural community. Please use our FY 2026 appropriations <u>advocacy campaign</u> to explain the importance of fully funding rural health programs at HHS.

Please reach out to Alexa Mckinley Abel (amckinley@ruralhealth.us) with any questions.