

United States Senate

WASHINGTON, DC 20510

June 18, 2026

The Honorable Mehmet Oz, M.D.
Administrator
Centers for Medicare and Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244

Dear Administrator Oz:

We are writing to express our bipartisan support for successful implementation of the Rural Health Transformation Program (RHTP) and to respectfully request your consideration of targeted adjustments.

In rural communities across the country, hospitals and clinics serve as the backbone of local health care systems delivering emergency care, supporting maternal health, treating chronic illness, and standing ready to respond when lives are on the line. Its implementation is an important opportunity to strengthen care for the millions of Americans who rely on rural hospitals, clinics, and providers every day.

For rural communities throughout the country, local hospitals are far more than health care facilities. They are often the only emergency room within hundreds of miles, the only labor and delivery provider in a region, the primary source of behavioral health services, and the front line for primary and preventive care. Rural hospitals care for farmers injured during harvest season, seniors managing chronic illness, families seeking maternity care close to home, and patients facing medical emergencies where every minute matters.

These providers are also economic anchors and trusted institutions within their communities. When a rural hospital struggles financially, reduces services, or closes altogether, the effects are felt far beyond the health care system. Families lose access to lifesaving care, communities lose jobs and stability, and patients are forced to travel long distances for services that should be available close to home or move away from these health care deserts altogether.

At a time when many rural hospitals continue to face workforce shortages, rising operational costs, declining reimbursement, and persistent financial instability, it is essential that implementation of the RHTP reflects the realities facing rural providers on the ground. Congress created this program in recognition of the fact that rural providers require meaningful support to continue serving their communities and to build long-term sustainability for the future.

We are concerned, however, that the current structure and guidance for implementing the RHTP may unintentionally disadvantage many of the rural hospitals and clinics the program was intended to support. Larger systems and organizations often have substantially greater administrative capacity and resources to compete for and manage grant funding, while smaller rural providers – providers that need this funding the most - may lack the staffing, infrastructure,

or technical support necessary to fully participate. In many instances, rural providers gain institutional support from larger systems to which they belong but still face the challenging economic realities of serving a rural population. In other instances, rural providers are completely independent and must face these challenges on their own. It is crucial that the RHTP be implemented to support providers caring for rural populations regardless of setting. Without clear protection and targeted support, there is a real risk that funding may not reach the frontline rural providers that communities depend upon most.

CMS's recent clarification that states may use provider payment funding for workforce recruitment and retention, infrastructure investments, technical assistance, systems development for alternative payment model participation, and support for non-clinical roles is a step in the right direction. These flexibilities recognize many of the practical challenges rural providers face and are important steps toward helping hospitals and clinics remain viable.

We believe that implementation can be improved further by lifting the cap on infrastructure and capital improvements for rural facilities, as many need significant improvement and equipment upgrades. We also believe that clarifying the permissibility of direct payments to providers is crucial.

At the same time, we ask for action to further strengthen the program to ensure it fully supports the needs of rural communities and providers by:

- Prioritizing direct support for rural hospitals, rural health clinics, and other essential rural providers that serve as primary access points for care in medically underserved communities;
- Allowing greater flexibility for states to use RHTP funds to enhance reimbursement for already billable services and help offset uncompensated care costs, recognizing that low reimbursement rates and low patient volumes continue to threaten the stability of rural providers;
- Revisiting the current limitations on electronic health record and health information technology investments, so rural hospitals can maintain and modernize the systems necessary to coordinate care, improve quality, and participate in value-based care arrangements; and
- Ensuring smaller and independent rural providers can meaningfully access funding opportunities and are not placed at a disadvantage.

Rural Americans deserve reliable access to high-quality care close to home. Our recommendations aim to strengthen the hospitals and providers that communities rely upon in moments of crisis and every day in between. Low reimbursement rates from public payers paired with low volumes are a major contributor to rural hospital financial instability. RHTP provides a unique opportunity to address these long-standing challenges and set rural hospitals up for success on their road to transformation.

Thank you for your continued work to support rural health care providers and the patients they serve. We appreciate your consideration of the adjustments we have requested and look forward

to further engagement with you and your team to ensure RHTP fulfills its promise for rural communities across the country.

Sincerely,



Michael F. Bennet
United States Senator



Susan M. Collins
United States Senator



Alex Padilla
United States Senator



John Hickenlooper
United States Senator