



October 28, 2025

Centers for Medicare & Medicaid Services
U.S. Department of Health and Human Services

RE: California RHTP Application – Letter of Support

California's rural hospitals are lifelines for more than 2 million people, providing 24/7 critical health care services and serving as anchor institutions in their communities. But these hospitals are facing severe financial challenges, with more than half operating at a loss. For critical access hospitals — the smallest, most remote rural hospitals — nearly two-thirds lose money every day caring for patients.

Supporting the transformation of these rural hospitals in a new environment must be a top priority for a healthy California and a healthy America.

A broad coalition of organizations representing California's hospitals, along with key hospital systems in the state, are grateful for the work of the Department of Health Care Access and Information (HCAI) under the California Health and Human Services Agency (CalHHS) in developing a successful response to the Rural Health Transformation Program (RHTP) application request. The organizations that have signed this letter represent hospitals in every one of California's 58 counties, including some of the state's most remote and underserved communities. We collectively share HCAI's commitment to ensuring that every Californian has access to high-quality, affordable care.

The focus of California's application, in line with the intent of Congress, demonstrates critical recognition for the need to support and grow vulnerable, rural hospitals, as well as nearby hospitals that partner with them to create a far-reaching health care safety net for millions. Support and growth demand new technologies, a stronger workforce pipeline, and sustainable, predictable resources for patient care if these hospitals are to remain viable pillars of their communities.

California's RHTP application addresses these needs by including requests to support:

- A Transformative Care Model
- Workforce Development
- Technology and Tools

The strategies outlined in each initiative will be a transformational investment in sustaining rural health care and critical to the success of the Rural Health Transformation Program's goals to Make America Healthy Again.

We respectfully request that the Centers for Medicare & Medicaid Services approve and fund California's proposal to sustain and transform rural hospitals and rural health care.

Sincerely,



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United Hospital Association



Lori Cappello Dangberg
Executive Vice President
Alliance of Catholic Health Care



Carmela Coyle
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