



February 13, 2024

**RE: Rural Health Care Facilities Revitalization Act**

Dear Members of the California Congressional Delegation:

Nearly 6 million people live in California's rural communities. These are the people that all Californians depend on for food, water, power, and the preservation of the state's natural beauty. The lifesaving and life-changing hospital care they rely on is at risk.

On behalf of our more than 400 member hospitals and health systems, the California Hospital Association (CHA) supports the Rural Health Care Facilities Revitalization Act (H.R. 5989), which would allow Community Facility Loans and loan guarantees under the U.S. Department of Agriculture (USDA) to be used by rural health care facilities. This funding will aid in keeping hospital doors open to serve rural communities across the country and in California.

The USDA has helped many rural hospitals stay open via their Rural Development Program. H.R. 5989 makes minor adjustments to this existing, proven, and cost-effective program that will make a major difference to rural hospitals.

Many small and rural hospitals have seen their operating margin drop by a frightening 8% from 2019 to 2023. Given these shrinking margins, rural hospitals struggle to stay afloat. Two California hospitals, Corcoran District Hospital and Madera Community Hospital, have been forced to close in the past 10 years. This trend is mirrored at the national level — more than 100 rural hospitals have closed nationally since 2013.

When a rural hospital closes, those in poor health, seniors, and people experiencing poverty suffer the most (the national median poverty rate for rural communities with a hospital closure is 13%). In addition, residents are forced to travel greater distances just to access the most common health care services.

This important legislation will support rural hospitals and the communities they serve with reliable funding to sustain access to vital health care services. CHA urges you to support the Rural Health Care Facilities Revitalization Act.

Sincerely,

A handwritten signature in black ink that reads "Anne O'Rourke".

Anne O'Rourke  
Senior Vice President, Federal Relations