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United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

November 18, 2025

Rachel M. Werner, MD, PhD
Executive Director of the Leonard Davis Institute of Health Economics
University of Pennsylvania
Colonial Penn Center, 3641 Locust Walk
Philadelphia, PA 19104-6218

Dear Dr. Werner:

The recently enacted reconciliation bill (P.L. 119-21) includes a more than \$1 trillion cut to Medicaid and the Affordable Care Act (ACA). According to the nonpartisan Congressional Budget Office (CBO), these cuts are projected to terminate health coverage for 15 million Americans and shift significant health care costs to states.¹ The law also established a \$50 billion Rural Health Transformation Program. I am writing today to request your expert analysis of the \$50 billion program, including which states stand to benefit from it and whether it will truly invest in rural communities across the country.

This program makes \$50 billion available to states over fiscal years 2026 through 2030. Of the \$50 billion appropriated, 50 percent must be distributed equally among states with approved applications, while the remaining 50 percent is to be allocated at the discretion of the CMS Administrator, under broadly defined criteria that do not require funds to be explicitly directed toward rural health care.

The rural health care system is facing a crisis. One-third of all rural hospitals are at risk of closure, and the \$1 trillion cut to Medicaid and the ACA could force more than 330 rural hospitals to immediately scale back services or shut down entirely.² The cuts to Medicaid and the ACA are already hurting rural health systems. In Texas, rural emergency departments are closing their doors.³ In Maine, primary care clinics have shut down.⁴ In California, plans for a new clinic

¹ <https://www.cbo.gov/publication/61570>

² https://chqpr.org/downloads/Rural_Hospitals_at_Risk_of_Closing.pdf,
<https://www.markey.senate.gov/news/press-releases/markey-leader-schumer-wyden-merkley-release-data-detailing-hundreds-of-rural-hospitals-across-us-at-risk-due-to-republican-health-care-cuts>

³ <https://www.nbcdfw.com/news/politics/lone-star-politics/rural-texas-hospitals-cuts/3931505/>

⁴ <https://www.medpagetoday.com/primarycare/generalprimarycare/118256>

in rural Clearlake have been put on hold.⁵ Families in rural Georgia are losing access to maternity care.⁶ Three clinics that serve Virginians in the Blue Ridge Mountains have closed.⁷ Rural health care providers in Oregon, including four clinical staff at Blue Mountain Hospital serving rural communities in John Day, lost their jobs.⁸ While these layoffs are small in absolute terms, they have a drastic impact on the operations and sustainability of rural hospitals.

Closures of health care facilities in rural communities threaten the health and financial security of rural Americans. These impacts are happening now, not years in the future. Furthermore, Tribal leaders in rural communities warn that the Medicaid cuts would devastate Native American health programs that already face severe funding gaps. As Medicaid can account for up to 60 percent of tribal facilities' budgets, these cuts could force clinics to slash services, eliminate jobs, and leave Native communities—especially in rural areas—without access to essential care.⁹

The Notice of Funding Opportunity (NOFO) issued by CMS outlines a scoring matrix with three categories: (1) rural facility and population factors, (2) state policy actions, and (3) initiative-based factors. I am concerned that the criteria, specifically the "state policy actions" encouraging the expansion of short-term, limited-duration insurance and the elimination of vaccine mandates, are crafted to prioritize funding towards states aligned with the administration's political ideology. These factors do not appear to be related to the goals at hand.

To inform public understanding and promote accountability in the use of federal health care funds, we request that you conduct an independent analysis of the NOFO and the scoring framework for the Rural Health Transformation Program. Specifically, I request that your analysis address the following questions:

- What proportion of funding is likely to be directed to support:
 - Health care access of rural populations, including seniors and kids, in each state,
 - The operations of rural hospitals and other health care facilities in each state, and
 - The availability of health care workers delivering care in rural communities in each state.
- To what extent will the funding reduce:
 - The drivers of morbidity and mortality in rural areas,
 - The supply of rural health care facilities to meet the needs of rural populations; and
 - The health care workforce shortages in rural communities.
- How does this funding compare to the magnitude of Medicaid cuts enacted in the reconciliation bill?

⁵ <https://lakeconews.com/news/82866-adventist-pulls-out-of-clearlake-health-project-amid-looming-medicaid-cuts>

⁶ <https://www.cbsnews.com/atlanta/news/lavonia-hospital-closes-labor-and-delivery-unit-leaving-rural-families-in-crisis/>

⁷ <https://www.cnn.com/2025/09/22/politics/rural-healthcare-one-big-beautiful-bill>

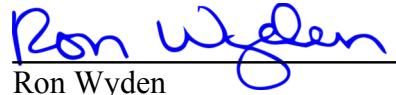
⁸ <https://bluemountaineagle.com/2025/09/23/hospital-in-john-day-lays-off-9-employees/>

⁹ <https://kffhealthnews.org/news/article/tribal-indian-health-service-ihs-medicaid-cuts-underfunding-fallout/>

- To what extent, if at all, does the program support health care access for Tribes and Tribal organizations and other underserved communities?

Thank you for your consideration of our request to improve our understanding of how the Rural Health Transformation Program compares to the health care cuts affecting rural communities. We appreciate your prompt response to our inquiry.

Sincerely,


Ron Wyden
Ron Wyden
United States Senator
Ranking Member, Committee
on Finance