

February 27, 2025

The Honorable John Thune
Majority Leader
U.S. Senate
Washington, D.C. 20515

The Honorable Chuck Schumer
Minority Leader
U.S. Senate
Washington, D.C. 20515

The Honorable Mike Johnson
Speaker of the House
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Hakeem Jeffries
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Mike Crapo
Chairman
Committee on Finance
U.S. Senate
Washington, D.C. 20515

The Honorable Ron Wyden
Ranking Member
Committee on Finance
U.S. Senate
Washington, D.C. 20515

The Honorable Brett Guthrie
Chairman
Committee on Energy and Commerce
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Frank Pallone
Ranking Member
Committee on Energy and Commerce
U.S. House of Representatives
Washington, D.C. 20515

Dear Majority Leader Thune, Minority Leader Schumer, Speaker Johnson, Minority Leader Jeffries, Chairman Crapo, Ranking Member Wyden, Chairman Guthrie, and Ranking Member Pallone,

The National Rural Health Association (NRHA) is writing with grave concerns over proposed cuts to the Medicaid program. Following the Senate's passage of a budget resolution last Friday, and the House's passage Tuesday night, **we urge Congress to not to reduce funding for the Medicaid program.**

NRHA is a non-profit membership organization with more than 21,000 members nationwide that provides leadership on rural health issues. Our membership includes nearly every component of rural America's health care, including rural community hospitals, critical access hospitals, long-term care providers, doctors, nurses, and patients. We work to improve rural America's health needs through government advocacy, communications, education, and research.

The Medicaid program is a lifeline for the rural hospitals, providers, and patients. **Medicaid cuts will close rural hospitals.** Since 2010, nearly 190 rural hospitals have shuttered their



doors or stopped inpatient care.¹ Public payers, including Medicare and Medicaid, comprise a larger share of hospital services in rural areas, making rural hospitals more vulnerable to cuts in these programs. Medicaid funding is critical for sustaining rural healthcare systems, including hospitals, clinics, community health centers, and long-term care facilities. Right now, almost half of all rural hospitals across the country are operating with negative margins, meaning that **any reductions to Medicaid funding would force many facilities to reduce or eliminate essential services, delay much-needed equipment upgrades, or close their doors entirely.** Data shows that Medicaid expansion is strongly associated with improved rural hospital financial viability and substantially lower likelihoods of closure in rural markets.² When a rural hospital closes, not only does the community lose access to vital health care, but a major employer and community lynchpin ends, affecting the economic health of the larger community.

Any cuts to the Medicaid program will disproportionately affect rural communities. Rural Americans rely on Medicaid coverage with about 20% of non-elderly adults and 40% of children living in rural areas enrolled in Medicaid and CHIP.³ In almost all states rural areas have higher rates of Medicaid enrollment than metropolitan areas.⁴ Cuts to Medicaid would shift health care costs onto rural families, many of whom already struggle with financial instability. Medicaid cuts would force families to face higher out-of-pocket expenses, leading many to delay or forgo necessary treatments. This burden would worsen health outcomes, especially for those managing chronic conditions like diabetes, heart disease, and cancer. When a hospital or clinic closes in a rural area residents must travel further to receive basic or emergency care. Right now, rural residents already travel on average two times further to access healthcare compared to their urban counterparts.⁵ Cutting the Medicaid program will cause greater access challenges for rural Americas.

Further, any cuts to one part of the healthcare system will shift costs elsewhere, which makes sweeping Medicaid cuts a serious concern for rural providers. Rural populations are older, tend to rely more on public coverage, and are more likely to be low-income, unemployed, and under- or uninsured.⁶ This means that on average, over 70% of rural hospital revenue comes from public payers – Medicare, Medicaid, and the Marketplace.⁷ Loss of coverage under any of these payers means an increase in uncompensated care that rural

¹ Rural Hospital Closures, N.C. Rural Health Research Center, Cecil G. Sheps Center for Health Services Research, University of North Carolina at Chapel Hill <https://www.shepscenter.unc.edu/programs-projects/rural-health/rural-hospital-closures/>.

² Zachary Levinson, Jamie Godwin, Scott Hulver, *Rural Hospitals Face Renewed Financial Challenges, Especially in States That Have Not Expanded Medicaid*, KFF, Feb. 23, 2023, <https://www.kff.org/health-costs/issue-brief/rural-hospitals-face-renewed-financial-challenges-especially-in-states-that-have-not-expanded-medicaid/>.

³ Joan Alker, Aubrianna Osorio, & Edwin Park, *Medicaid's Role in Small Towns and Rural Areas*, GEORGETOWN CENTER FOR CHILDREN AND FAMILIES, Jan. 15, 2025, <https://ccf.georgetown.edu/2025/01/15/medicaids-role-in-small-towns-and-rural-areas/>.

⁴ *Id.*

⁵ Marvellous Akinlotan, et al., *Rural-Urban Variations in Travel Burdens for Care: Findings from the 2017 National Household Travel Survey*, SOUTHWEST RURAL HEALTH RESEARCH CENTER, July 2021, at 5, <https://srhrc.tamu.edu/publications/travel-burdens-07.2021.pdf>.

⁶ Vann Newkirk & Anthony Damico, *The Affordable Care Act and Insurance Coverage in Rural Areas*, KFF, May 29, 2014, <https://www.kff.org/uninsured/issue-brief/the-affordable-care-act-and-insurance-coverage-in-rural->

⁷ Zachary Levinson, et al., *Key Facts About Hospitals: Rural Hospitals*, KFF, Feb. 19, 2025, <https://www.kff.org/key-facts-about-hospitals/?entry=rural-hospitals-rural-discharges-by-payer>.



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providers cannot sustain. NRHA further urges Congress against any cuts to the Medicare program, which aids in keeping rural providers afloat.

Maintaining public payers, like Medicaid, supports strong rural health infrastructure that is critical to the future of rural areas. Thank you for your work on behalf of rural Americans. If you or your staff members have questions or would like additional information, please feel free to contact NRHA's Government Affairs and Policy Director, Alexa McKinley Abel, at amckinley@ruralhealth.us.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan Morgan", written in a cursive style.

Alan Morgan
Chief Executive Officer
National Rural Health Association