Tracking the rocky path of the Trump Administration's $50 billion rural payout

AHCJ Rural Health 2026

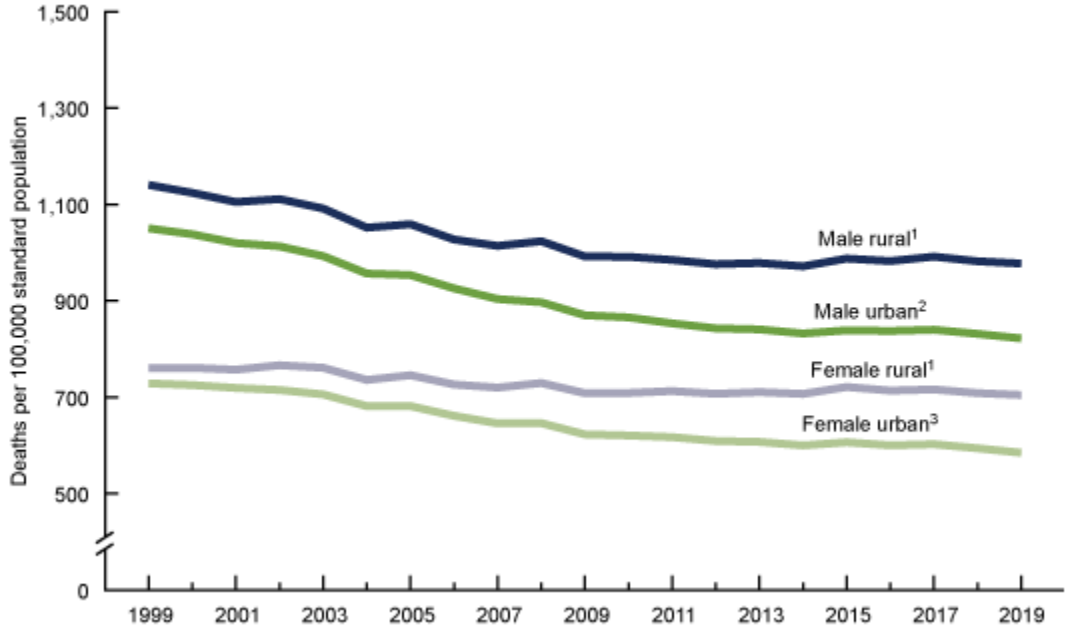
August 26, 2026

KFF

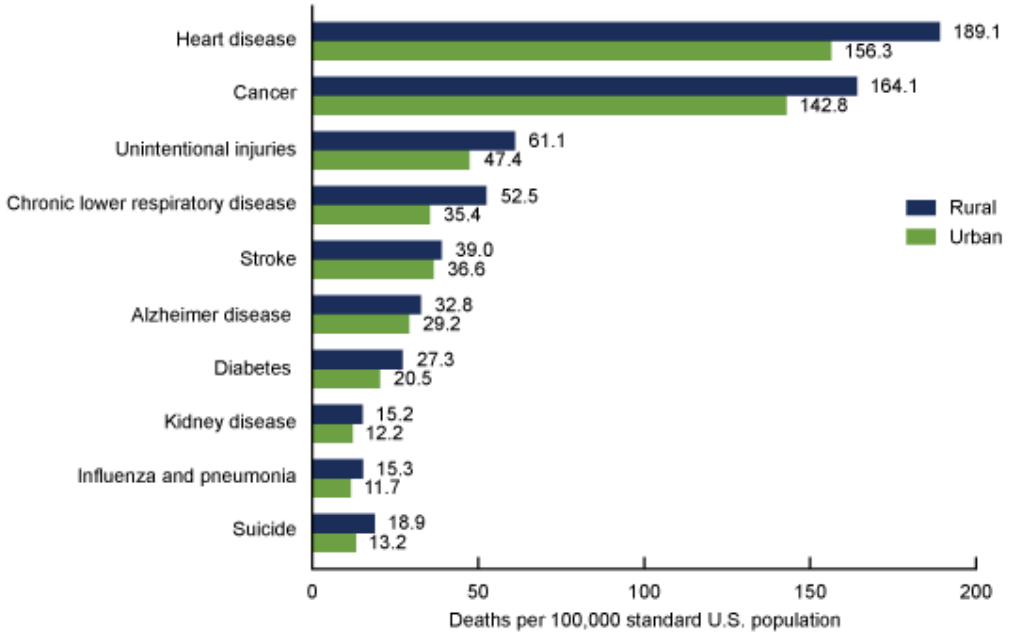
The independent source for health policy research, polling, and news.

Rural Mortality Penalty

Age-adjusted prime working-age natural-cause mortality rates, metro and nonmetro areas, 1999–2019

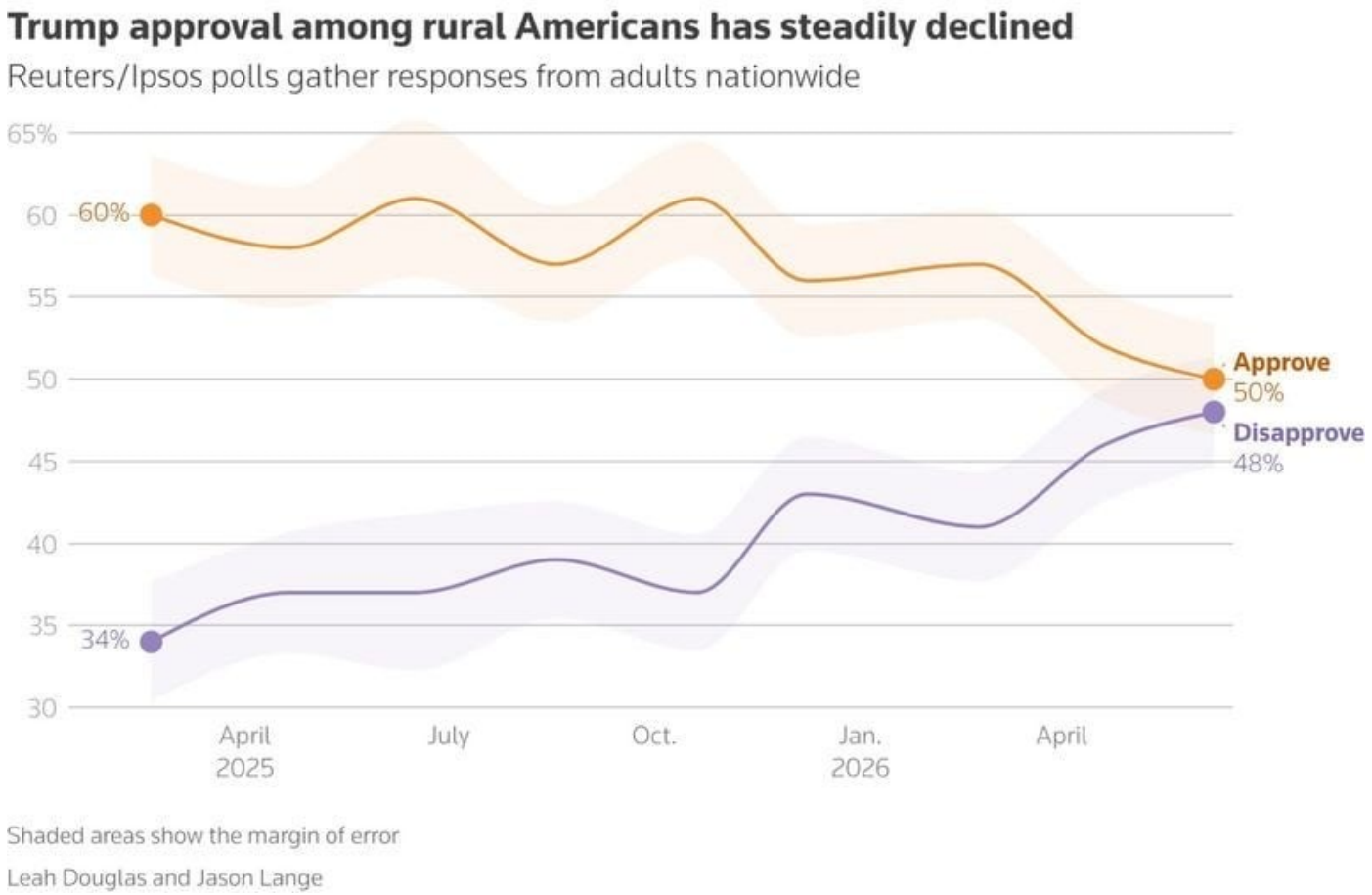


Age-adjusted death rates for the 10 leading causes of death, by urban-rural classification: United States, 2019



Source: CDC at https://www.cdc.gov/nchs/products/databriefs/db417.htm

Rural Votes

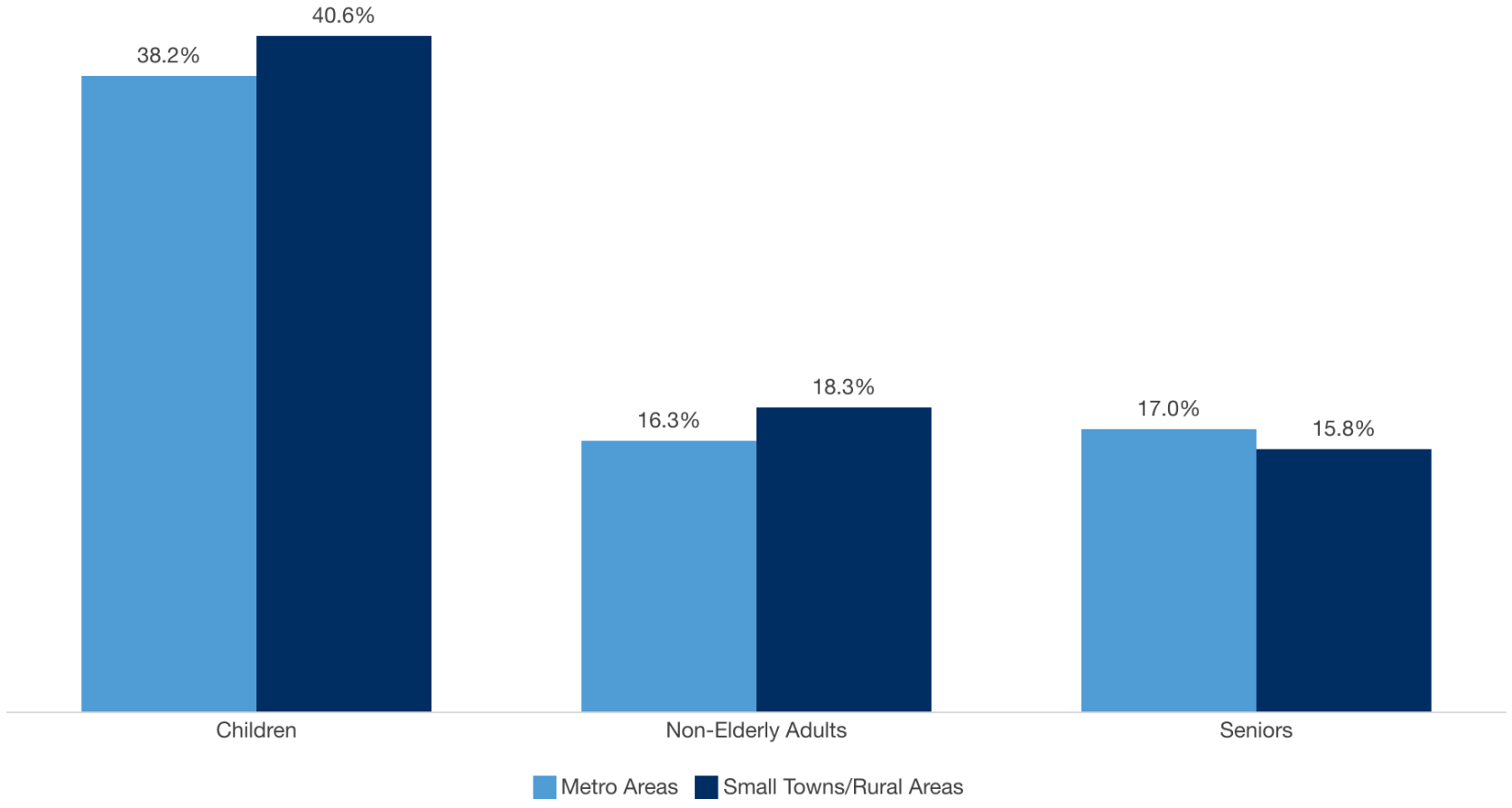


Source: Reuters Ipsos poll 2026: https://www.reuters.com/world/us/trumps-support-rural-america-slips-fuel-food-prices-climb-reutersipsos-poll-2026-06-14/

H.R. 1 Budget Reconciliation Bill Contained Both

- H.R. 1's **Medicaid Budget Cuts**: $900B over ten years, continue indefinitely (CBO)
- H.R. 1's **Rural Health Transformation Program funding** for States: $50B over five years, ends after year five.

Medicaid Coverage:
Comparing Metro Areas and Small Towns/Rural Areas, 2023



Georgetown University McCourt School of Public Policy
CENTER FOR CHILDREN AND FAMILIES

Note: "Small Towns/Rural Areas" include counties with no urban areas of at least 50,000 residents. The District of Columbia, New Jersey, and Rhode Island have no counties classified as Small Towns/Rural Areas.

Source: County-level Medicaid/CHIP coverage estimates are based on an analysis of 2022-2023 American Community Survey (ACS) Public Use Microdata Sample (PUMS).

Political Debate: In 2025 many H.R. 1 supporters characterized the Rural Health Transformation Program as help for rural hospitals

John Barrasso
United States Senator - Wyoming

NEWS RELEASES

HOME / NEWS RELEASES / THE ONE BIG BEAUTIFUL BILL INVESTS IN RURAL HOSPITALS

July 31, 2025

The One Big Beautiful Bill Invests in Rural Hospitals

"The $50 billion Rural Hospital Fund was created to address this crisis. Every single Democrat voted against it. Now, they want to eliminate it – regardless of the damage it will do to healthcare for rural America."

WASHINGTON, D.C. – U.S. Senator John Barrasso (R-Wyo.), Senate Majority Whip, spoke on the Senate Floor today about the $50 billion Rural Hospital Fund, which Republicans added to the One Big Beautiful Bill to strengthen rural hospitals.

The Highland County PRESS
Established 1999 • Hillsboro, Ohio

SOUTHERN STATE COMMUNITY COLLEGE

IN THE NEWS | SPORTS | OPINIONS | CALENDAR | OBITUARIES | CLASSIFIEDS

Hillsboro Lady Indians tennis begins '26 season with win over Waynesville; falls to Waverly
SPORTS HILLSBORO - 12 August 2026

America's political divide is a strategic vulnerability
OPINIONS - 11 August 2026

Home / Opinions / Opinions / The One Big Beautiful Bill will help hospitals

OPINIONS - 4 August 2025

The One Big Beautiful Bill will help hospi

Sen. Mike Crapo

By U.S. Sen. Mike Crapo
R-Idaho

Sen. Moran Statement on Passage of the Senate Budget Reconciliation

Jul 01 2025

WASHINGTON – U.S. Senator Jerry Moran (R-Kan.) today released the following statement after voting to support the Senate budget reconciliation legislation:

"The Senate budget reconciliation bill provides certainty for Kansans by preventing a tax hike on middle-class families and small businesses, while also investing in the long-term security of our southern border and bolstering our military's capabilities at a time when threats from our adversaries are increasing.

"As this legislation was being drafted, I worked to make certain hospitals in Kansas were at the forefront of these discussions. After numerous discussions with Kansas hospital leaders, my colleagues and Administrator Oz, I was able to make changes to the legislation to make certain Kansas hospitals will not face any immediate cuts upon enactment of this legislation.

"These provisions will protect Kansas' ability to continue pursuing its application for increased Medicaid payments for certain providers. This change ensures that as state directed payments wind down, Kansas providers will be starting at a higher percentage of enhanced payments buying them much-needed time to utilize federal dollars as payments are reduced.

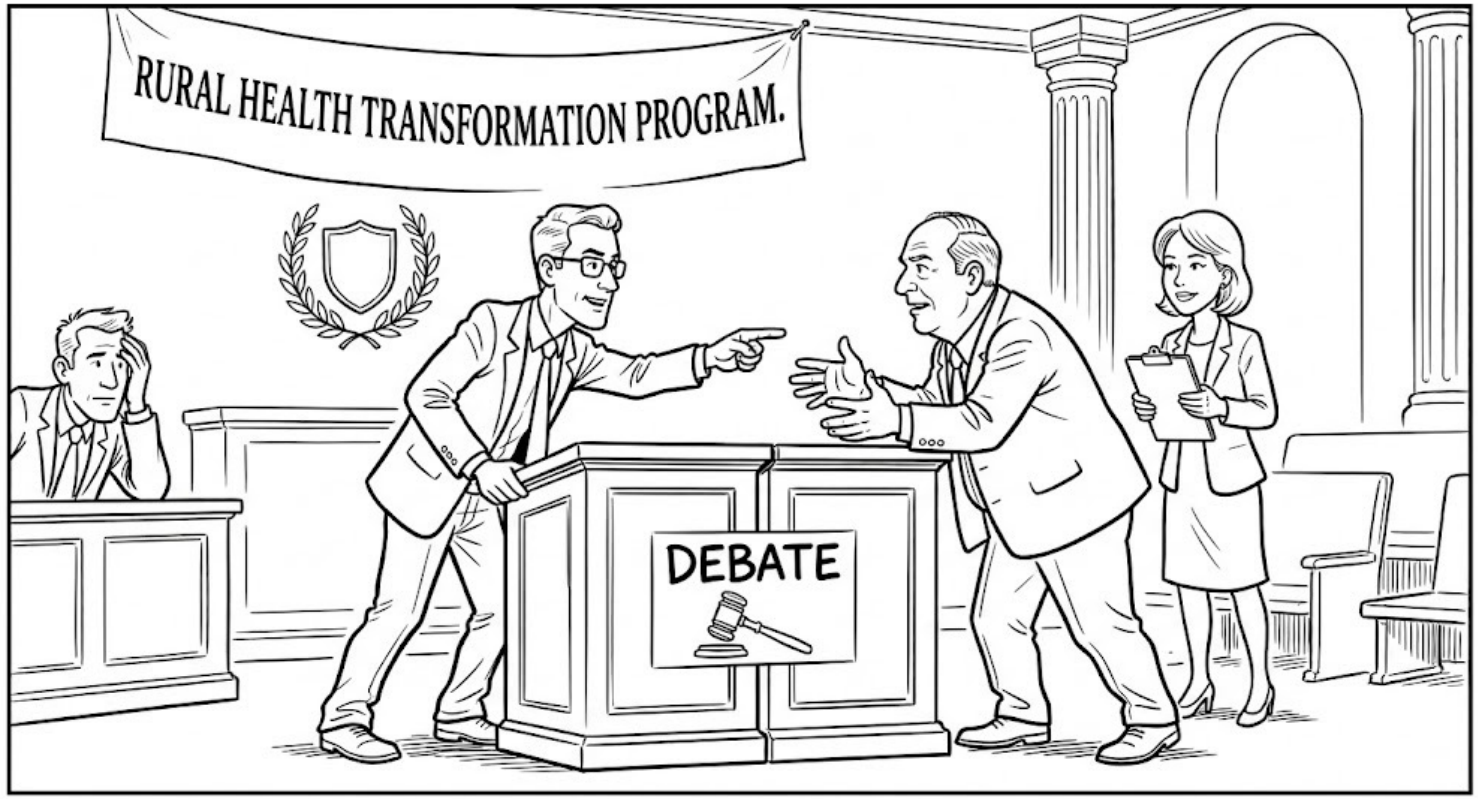
"I also secured a one-year delay in the implementation of reductions to state directed payments to give Kansas providers more time to access these resources. Finally, I pushed for the establishment of a rural provider fund to aid rural hospitals facing significant financial challenges. These changes and investments, along with tax cuts for Kansas families, will bolster our economy and strengthen the safety of our nation."

Sen. Moran's priorities:

- **Protecting Rural Hospitals –** Creates a $50 billion fund to provide emergency assistance for rural hospitals at risk of closure due to significant financial hardships.

Political Debate: Rural hospitals and health providers to provide patient care v. other rural health priorities:

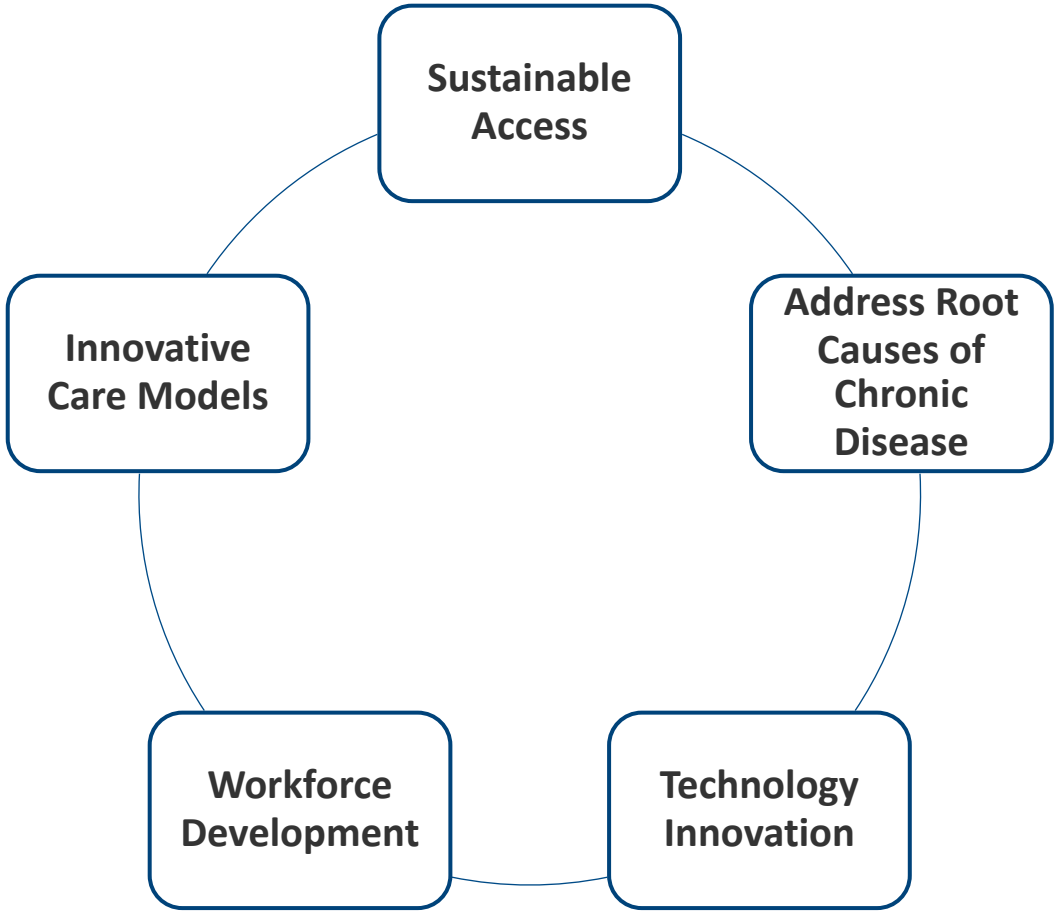
- CMS lists as a condition of funding that states cannot exceed use **of 15% of federal funding awarded to the state for health provider payments** – including payments to rural hospitals (**not in statute**)
- 15% limit on **community health workers too** – they are providing direct patient services
- **Very tight timelines** – States were awarded at the end of 2025, but the annual report on how states have spent first year funds is due Aug 30, 2026, and all first-year funds obligated by Oct 30, 2026.

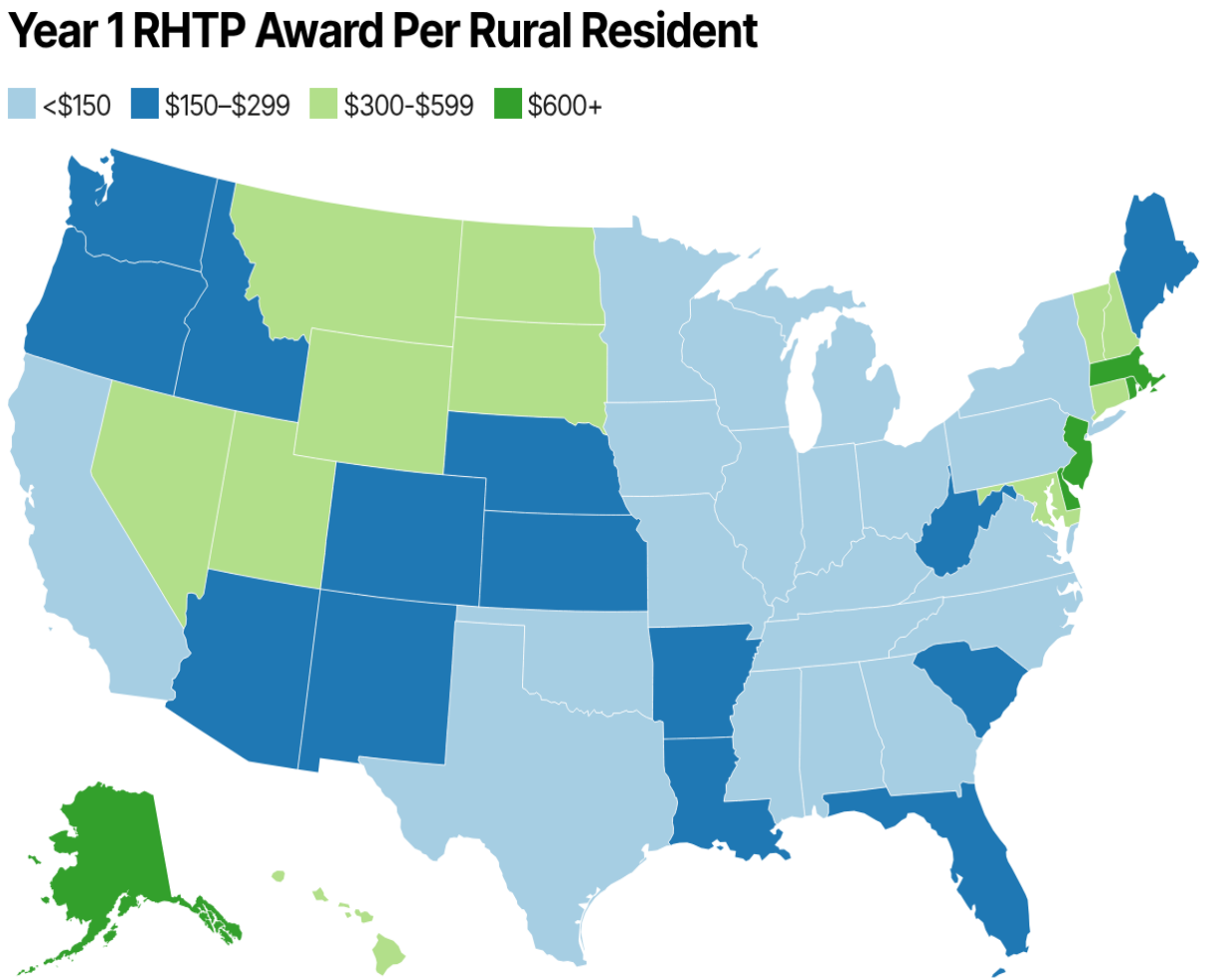


Rural Health Transformation Program

$50B

Over 5 years





Source: Tracking Accountability in Government Grants System (TAGGS) and the Sheps Center for Health Services Research

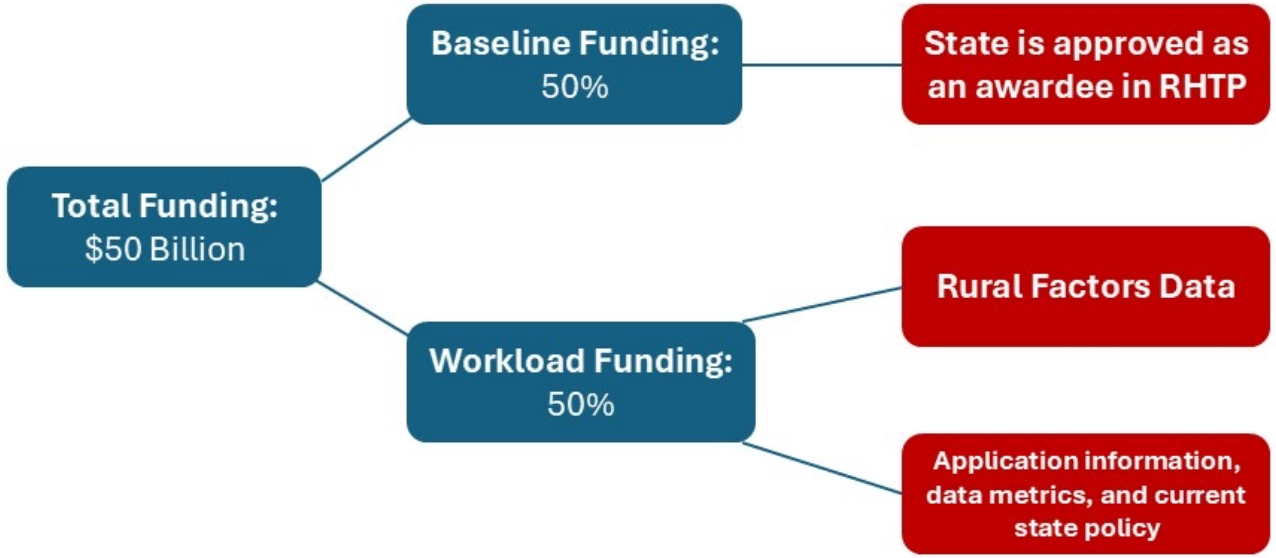
Funding Structure

Baseline Funding ($25 billion)

Distributed equally across all 50 states. $100m/ year.

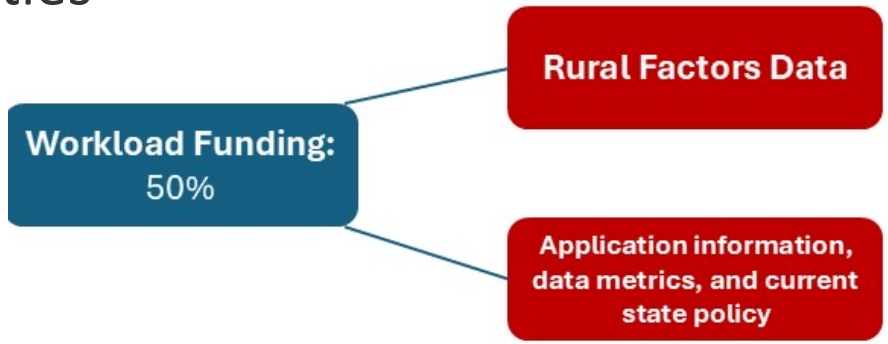
Workload Funding ($25 billion)

Distributed based on rural factors, programmatic initiatives and state policy actions.



Workload Funding

Rural score factors: Calculated once during initial application period. Based on a state's rural health facilities and population.



Technical score factors: Recalculated annually using information provided in state reporting.

Initiative-based factors: Initiative progress (narrative and metrics)

State policy actions: Not meant to use funding, but rather to enhance the impact of initiative-based investments

RHTP Implementation Timeline

December 2025: Award decisions made

January-May 2026: State budgets finalized

Summer 2026: States distribute funds

August 2026: Year 1 annual report due

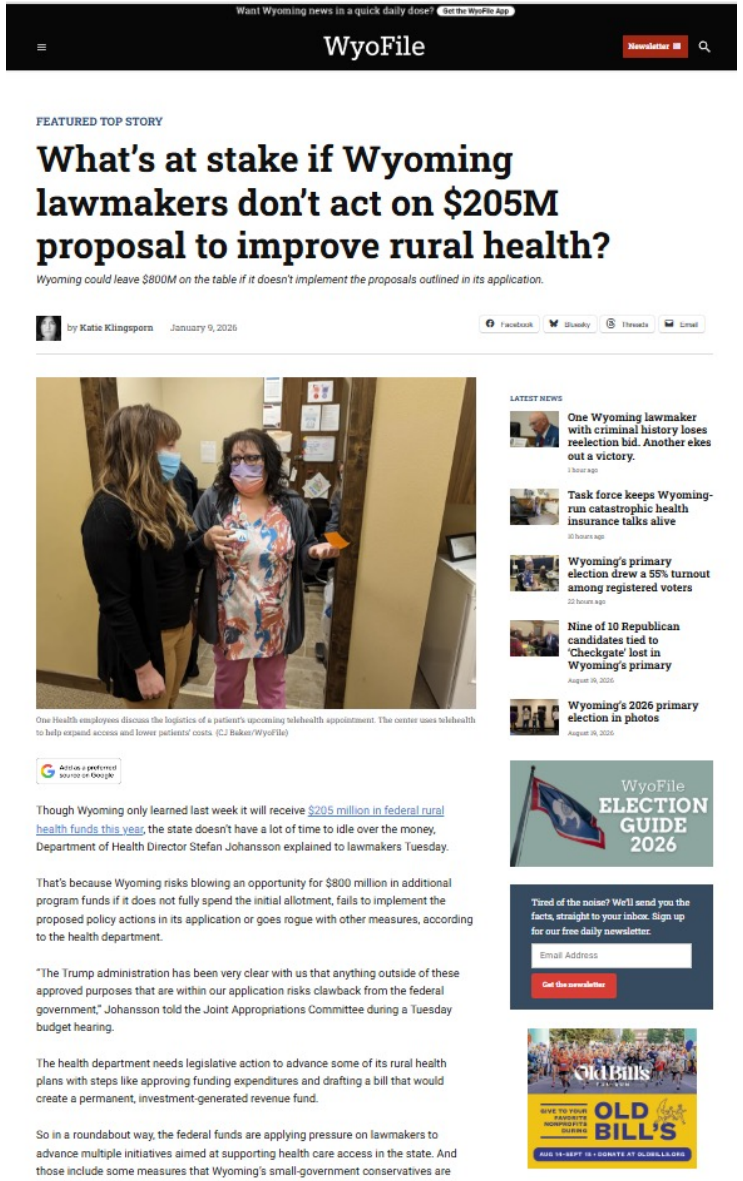
September 2026: CMS rescoring

October 2026: Year 1 budget ends; Year 2 spending begins

November 2026, March 2027, and May 2027: Quarterly reports due

September 2027: Year 2 annual report due; Year 1 spending ends

WyoFile and the RHT



Want Wyoming news in a quick daily dose? Get the WyoFile App

WyoFile

Newsletter

FEATURED TOP STORY

What's at stake if Wyoming lawmakers don't act on $205M proposal to improve rural health?

Wyoming could leave $800M on the table if it doesn't implement the proposals outlined in its application.

by Katie Klingsporn January 9, 2026

Facebook Bluesky Threads Email

One Health employees discuss the logistics of a patient's upcoming telehealth appointment. The center uses telehealth to help expand access and lower patients' costs. (CJ Baker/WyoFile)

Though Wyoming only learned last week it will receive $205 million in federal rural health funds this year, the state doesn't have a lot of time to idle over the money, Department of Health Director Stefan Johansson explained to lawmakers Tuesday.

That's because Wyoming risks blowing an opportunity for $800 million in additional program funds if it does not fully spend the initial allotment, fails to implement the proposed policy actions in its application or goes rogue with other measures, according to the health department.

"The Trump administration has been very clear with us that anything outside of these approved purposes that are within our application risks clawback from the federal government," Johansson told the Joint Appropriations Committee during a Tuesday budget hearing.

The health department needs legislative action to advance some of its rural health plans with steps like approving funding expenditures and drafting a bill that would create a permanent, investment-generated revenue fund.

So in a roundabout way, the federal funds are applying pressure on lawmakers to advance multiple initiatives aimed at supporting health care access in the state. And those include some measures that Wyoming's small-government conservatives are wary of — like a state-run health insurance plan.

LATEST NEWS

One Wyoming lawmaker with criminal history loses reelection bid. Another ekes out a victory.

Task force keeps Wyoming-run catastrophic health insurance talks alive

Wyoming's primary election drew a 55% turnout among registered voters

Nine of 10 Republican candidates tied to 'Checkgate' lost in Wyoming's primary

Wyoming's 2026 primary election in photos

WyoFile ELECTION GUIDE 2026

Tired of the noise? We'll send you the facts, straight to your inbox. Sign up for our free daily newsletter.

Email Address

Get the newsletter

OLD BILL'S

Wan

Get the WyoFile App

WyoFile

Newsletter

FEATURED TOP STORY

Rural health panel divvies $205M in federal funds for Wyoming healthcare

Panel assigned money to hospitals, EMS services and maternal care in attempt to shore up medical access.

by Katie Klingsporn August 12, 2026

Facebook Bluesky Threads Email

A paramedic loads a gurney into an ambulance at Cody Regional Health. (Madelyn Beck/WyoFile)

In its marathon meeting Tuesday, Wyoming's new rural health advisory panel earmarked roughly $200 million in President Trump's Rural Health Transformation funds to a range of applicants hoping to bolster the state's fragile healthcare system.

Recipients ranged from hospitals to EMS providers, as well as maternal healthcare and workforce development organizations.

It was a big push, but alacrity has been a theme running through the process since the federal government launched the program in September. A tight schedule of deadlines has necessitated haste.

"We know that this has been a rapid process," Wyoming Department of Health Deputy Director Franz Fuchs told the committee. But, he stressed, it's important. "We want to use this as an opportunity to make the best decisions with these funds for the state of Wyoming."

Entities seeking federal money had a month to submit applications to the state. They

LATEST NEWS

Wyoming's primary election drew a 55% turnout among registered voters

Nine of 10 Republican candidates tied to 'Checkgate' lost in Wyoming's primary

Wyoming's 2026 primary election in photos

In stunning upset, Wyoming Freedom Caucus loses most of its House seats, backslides in Senate

Eric Barlow wins GOP nomination for Wyoming

Use of Funds

Funding restrictions:

- Provider payments: cannot exceed 15% of a state's award, cannot be used for reimbursable services
- Construction: cannot exceed 20% of a state's award, no new construction, renovations allowed
- EHR replacements: 5% cap on replacing HITECH-certified systems
- Rural Tech Catalyst–Type Initiatives: limited to 10% of a state's award or $20 million, whichever is less
- Administrative expenses: limited to 10% of a state's award (including program management salaries)

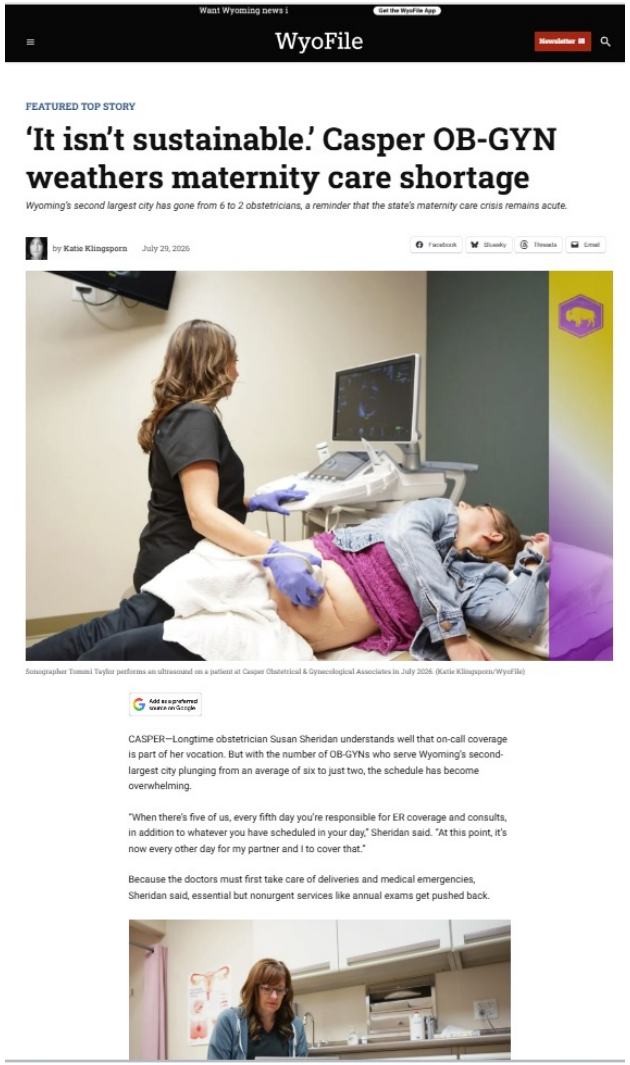
Opportunities for Federal Policy

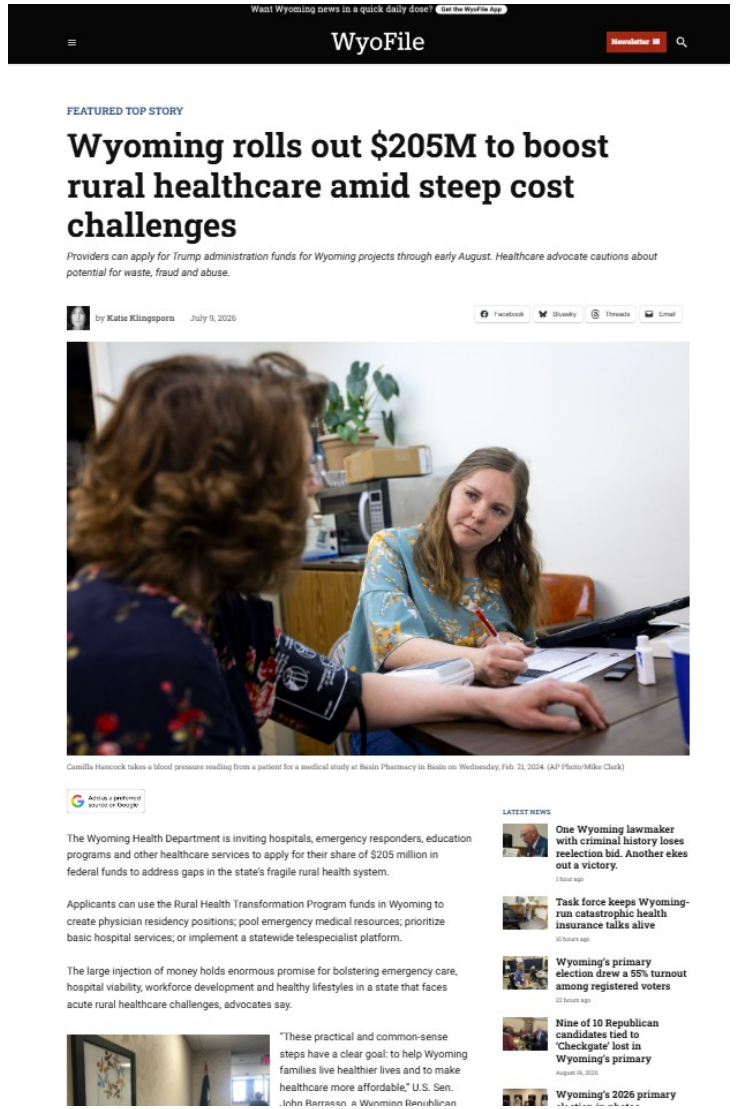
1. Ensure RHTP transparency; elevate best practices and lessons learned
2. Align federal policy to sustain health technology investments
3. Strengthen federal support for the rural health care workforce
4. Authorize Medicare rural hospital programs and explore pathways to direct that federal support to rural hospitals that need it most

For more information on RHTP:

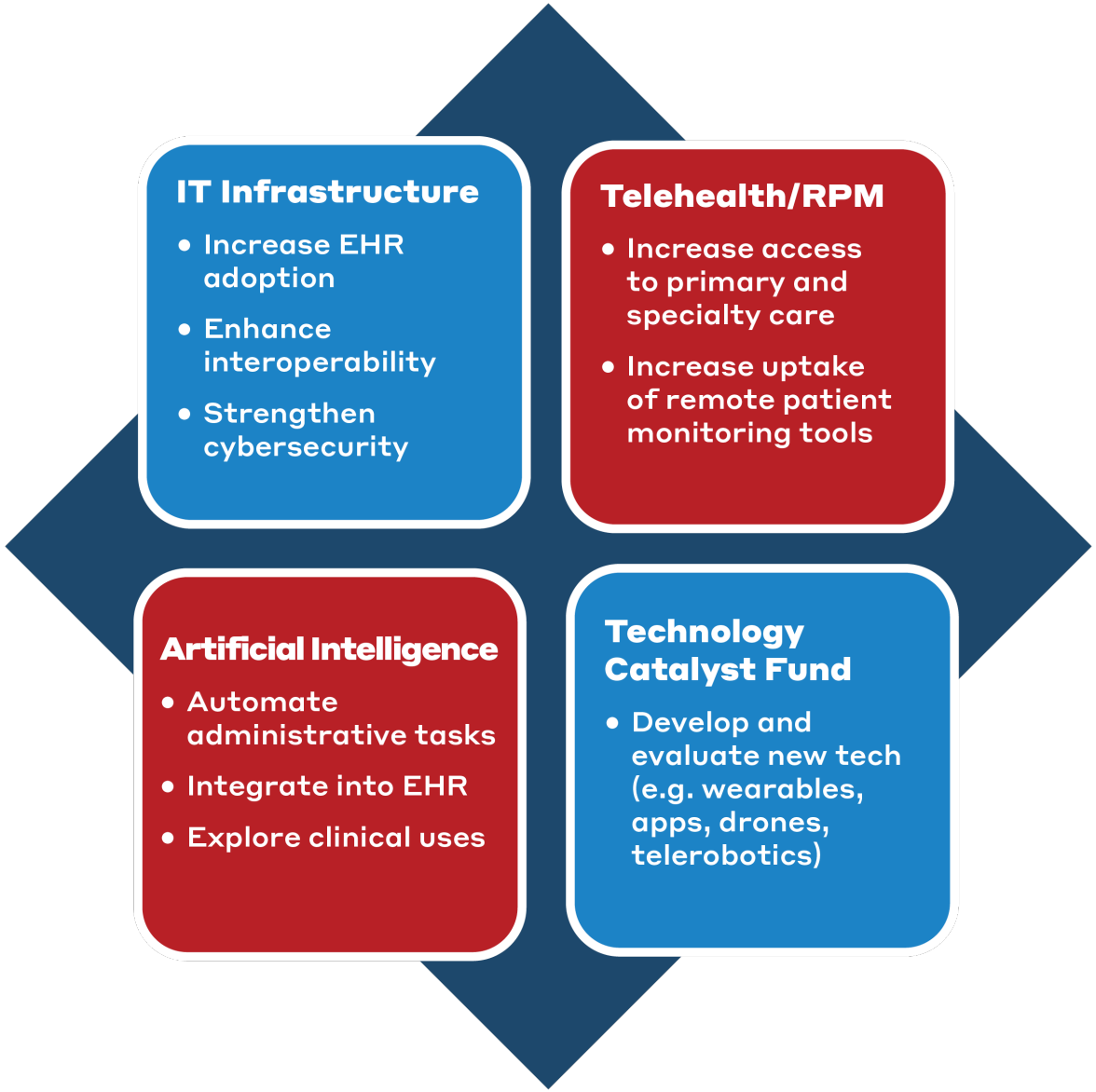
- Federal Policy Priorities To Strengthen Rural Health and Maximize Rural Health Transformation Program Investments
- Addressing Workforce Challenges through the Rural Health Transformation Program
- Advancing Technology Innovation through the Rural Health Transformation Program
- Rural Health Transformation Program: Notice of Funding Opportunity
- Rural Health Transformation Program: What Comes Next

WyoFile and the RHT



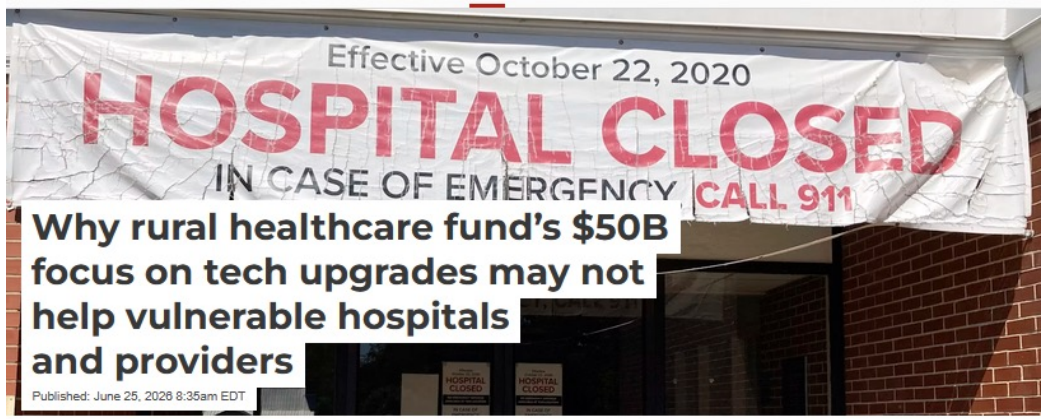


Technology Investments



Technology focus – boom or bust?

- **Ongoing digital divide:** Rural providers already behind, will this actually close the gap, or make it worse?
- **Who will actually get the money?** Will large, urban vendors received funds, and will they spend it in rural?
- **Supplement, not supplant.** Will new technology enabled care modalities replace care, and reduce rural viability? Or can it work to supplement its care, and improved care and revenues?



Southwest Georgia Regional Medical Center in Cuthbert is one of close to 200 rural hospitals that have closed in the past two decades. AP Photo/Jeff Amy

Healthcare across rural America is in crisis.

In the past two decades, close to 200 rural hospitals have closed – 44 since 2020 alone. Hundreds more have cut much-needed health services, such as maternity care and chemotherapy treatments. Nearly half are losing money on their day-to-day operations, putting them at risk of closure.

Most regions in rural America are designated as areas that lack sufficient healthcare providers.

Author

Kevin J. Bennett
Professor of Family and Preventive Medicine, University of South Carolina

Disclosure statement

Kevin J. Bennett does not work for, consult, own shares in or receive funding from any company or organization that would benefit from this article, and has disclosed no relevant affiliations beyond their academic appointment.

CR PH
CENTER FOR RURAL AND PRIMARY HEALTHCARE

https://theconversation.com/why-rural-healthcare-funds-50b-focus-on-tech-upgrades-may-not-help-vulnerable-hospitals-and-providers-279931

Digital divide and AI

- **Lower adoption:** Rural providers and hospitals, and those that serve Medicaid pts, less likely to adopt
- **Additional expense leaving providers behind:** Slower adoption, delayed adoption, or no adoption will further marginalize vulnerable groups and providers
- **Lack of support – now and later:** RHTP will help on the front end, but after five years, what happens next?
- **Cannot ignore the trust issues:** Patients and providers alike have differing levels of trust of such modalities, further widening the gap

CR PH
CENTER FOR RURAL AND PRIMARY HEALTHCARE

https://www.nejm.org/doi/full/10.1056/NEJMp2600816

Gaps, cliffs, and black holes

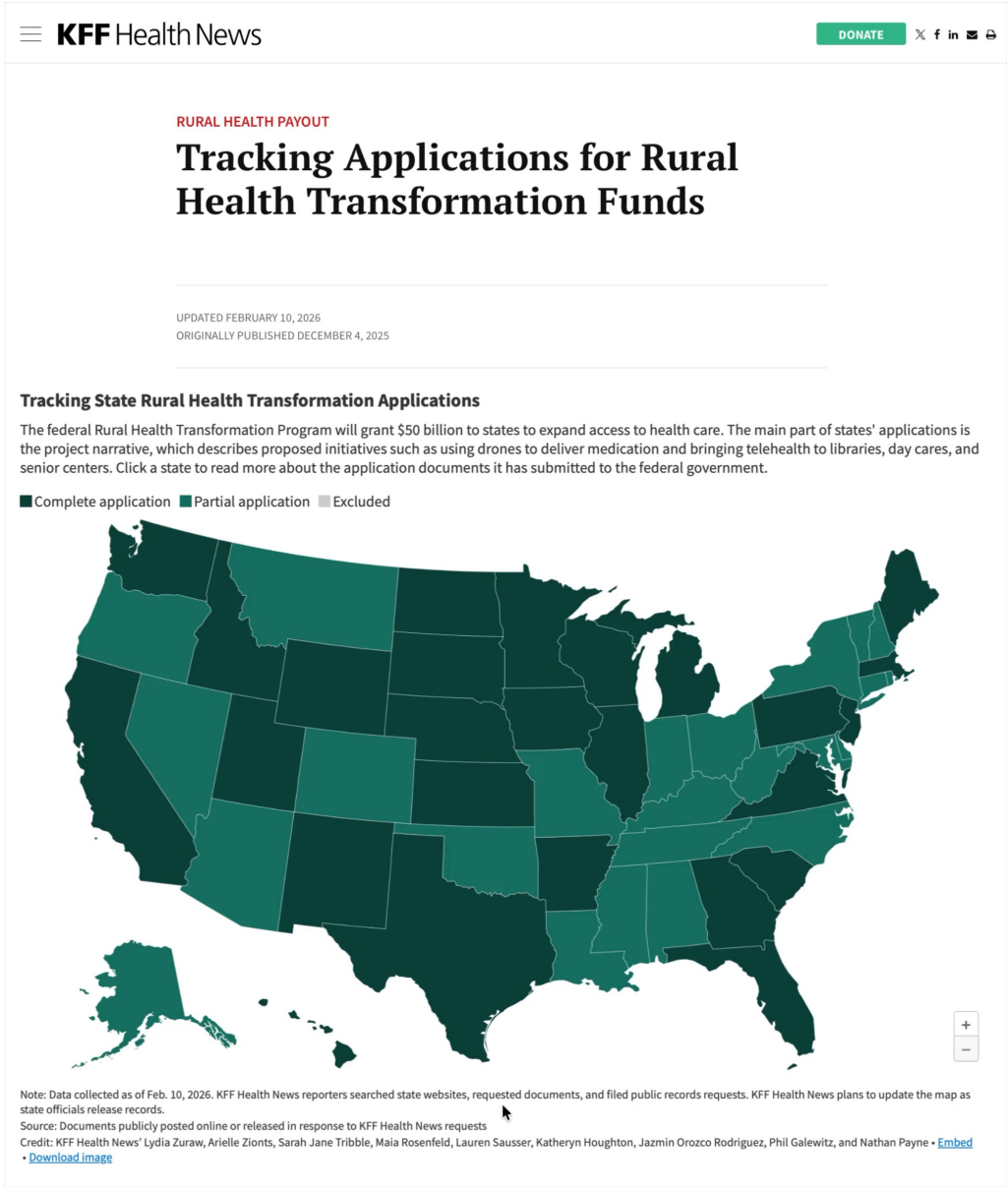
- **Silos and fiefdoms:** Funds going out to providers to maintain, expand, or add to what they already do
- **Bridge Orgs**: Will there be funding to bring groups together?
- **Coordination and cooperation**: Who is investing in this?
- **Investing in structures:** e.g. new governmental agencies or offices
- **Regionalization:** investing in regional collaboratives, investment
- **Payment Policy**: moving beyond FFS / VBP into capitation, population based payment

CR
PH
CENTER FOR RURAL AND PRIMARY HEALTHCARE

What is in the plans?

Big themes:

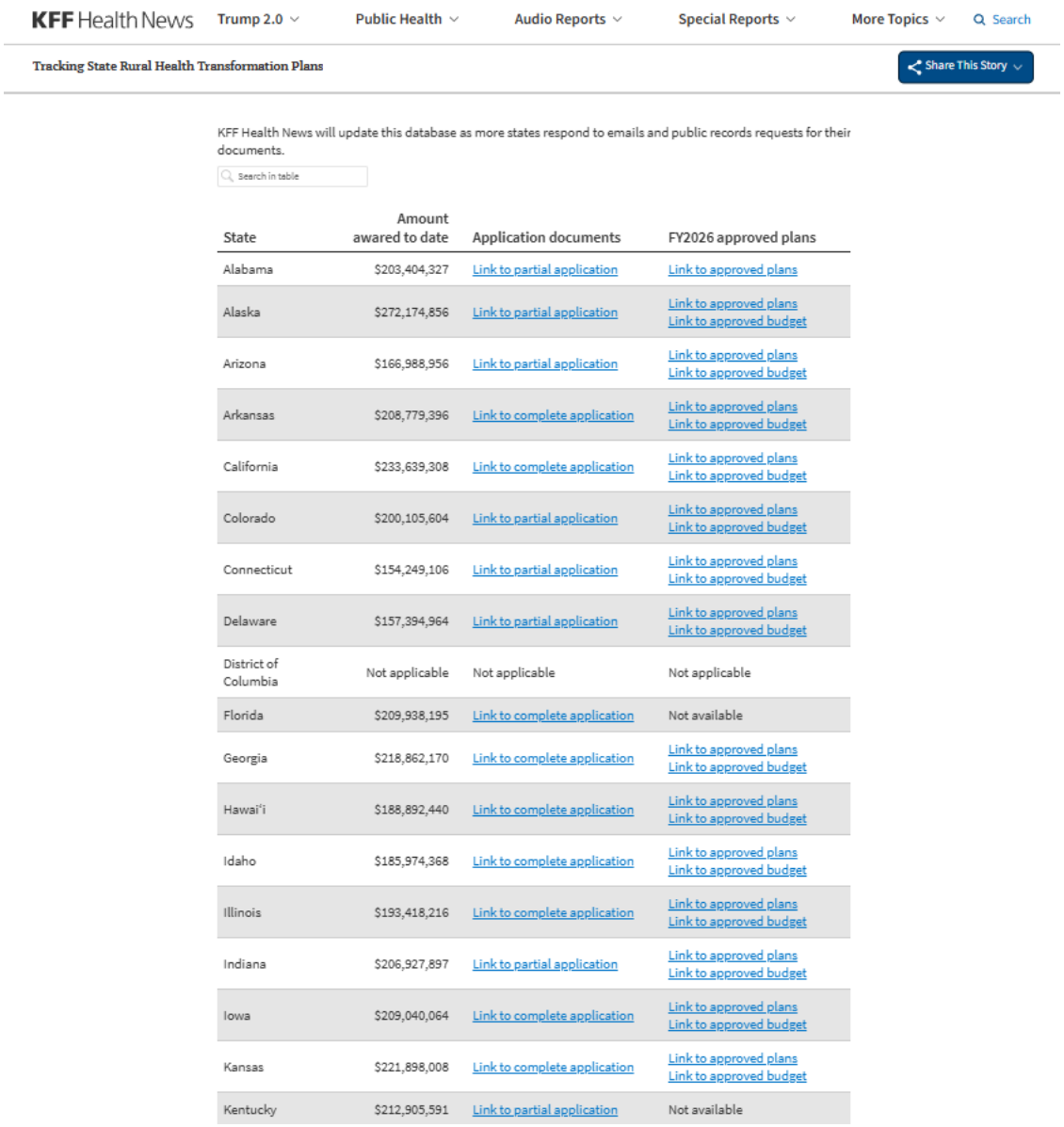
- Workforce: Recruitment + retention.
- Maternal health
- Tech: AI, telehealth, funding startups, wearables + other remote patient monitoring.
- Home + community-based care: Community health workers, community paramedics, mobile health, school/library/church-based care.
- Financial sustainability (keeping hospitals + clinics open, services available): Value-based care + other payment models, REH conversions, clinically-integrated networks, regionalization, hub-and-spoke models.
- MAHA/lifestyle changes: Chronic disease prevention + management, expanding recreation opportunities, food-as-medicine programs, etc.



Narratives & Budgets

Questions to explore:

- Who is guiding and approving funding choices? Is your state making funding decisions transparent?
- Is your legislature changing laws to conform with RHTP recommendations?
- Where is your state's funding going? How much is going to rural vs. urban areas? To nonprofits vs. for-profits? To consultants/assessments?
- Is your state funding evidence-based programs or more experimental ideas like AI, wearables?
- Is your state focusing on certain populations or conditions? Minority groups, dementia patients, cancer patients, people with developmental disabilities, maternal health, behavioral, health, etc.



State	Amount awared to date	Application documents	FY2026 approved plans
Alabama	$203,404,327	Link to partial application	Link to approved plans
Alaska	$272,174,856	Link to partial application	Link to approved plans Link to approved budget
Arizona	$166,988,956	Link to partial application	Link to approved plans Link to approved budget
Arkansas	$208,779,396	Link to complete application	Link to approved plans Link to approved budget
California	$233,639,308	Link to complete application	Link to approved plans Link to approved budget
Colorado	$200,105,604	Link to partial application	Link to approved plans Link to approved budget
Connecticut	$154,249,106	Link to partial application	Link to approved plans Link to approved budget
Delaware	$157,394,964	Link to partial application	Link to approved plans Link to approved budget
District of Columbia	Not applicable	Not applicable	Not applicable
Florida	$209,938,195	Link to complete application	Not available
Georgia	$218,862,170	Link to complete application	Link to approved plans Link to approved budget
Hawai'i	$188,892,440	Link to complete application	Link to approved plans Link to approved budget
Idaho	$185,974,368	Link to complete application	Link to approved plans Link to approved budget
Illinois	$193,418,216	Link to complete application	Link to approved plans Link to approved budget
Indiana	$206,927,897	Link to partial application	Link to approved plans Link to approved budget
Iowa	$209,040,064	Link to complete application	Link to approved plans Link to approved budget
Kansas	$221,898,008	Link to complete application	Link to approved plans Link to approved budget
Kentucky	$212,905,591	Link to partial application	Not available

Links to other resources

Federal links:

CMS Office of Rural Health Transformation Program: https://www.cms.gov/priorities/rural-health-transformation-rht-program/overview

CMS State Spotlights: https://www.cms.gov/files/document/rural-health-transformation-50-state-spotlights.pdf
CMS State Abstracts: https://www.cms.gov/files/document/rural-health-transformation-50-state-spotlights.pdf

Link to the law, Section 74101: https://www.cms.gov/files/document/chapter-4-protecting-rural-health-hospitals-providers.pdf

Others:

KFF Health News map Rural Health Payout page, with stories: https://kffhealthnews.org/series/rural-health-payout/

Link to KFF analysis of Medicaid cuts: https://www.kff.org/medicaid/how-might-federal-medicaid-cuts-in-the-enacted-reconciliation-package-affect-rural-areas/

Georgetown University McCourt School of Public Policy, Center for Children and Families: https://ccf.georgetown.edu/topic/medicaid/

RHT trackers:

National Rural Health Association RFP Tracker: https://www.ruralhealth.us/programs/center-for-rural-health-innovation-and-system-redesign/rural-health-transformation-program/rhtp-resources/state-by-state-funding-opportunities

Chartis: https://www.chartis.com/insights/rural-health-transformation-program-tracker

Questions?

Sarah Jane Tribble
Chief Rural Correspondent
KFF Health News
sjtribble@kff.org

August 26, 2026

KFF

The independent source for health policy research, polling, and news.