

April 29, 2026

The Honorable Shelley Moore Capito
Chair
Subcommittee on Labor, Health and Human Services,
Education, and Related Agencies
Committee on Appropriations
U.S. Senate
Washington, DC 20510

The Honorable Tammy Baldwin
Ranking Member
Subcommittee on Labor, Health and Human Services,
Education and Related Agencies
Committee on Appropriations
U.S. Senate
Washington, DC 20510

Dear Chair Capito and Ranking Member Baldwin:

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, our clinical partners — including more than 270,000 affiliated physicians, 2 million nurses and other caregivers — and the 43,000 health care leaders who belong to our professional membership groups, the American Hospital Association (AHA) writes regarding funding for health care programs for fiscal year (FY) 2027.

As you begin drafting the FY 2027 appropriations bill, we ask you to fund health care programs that have proven successful in improving access to quality health care for patients and communities across America.

Strengthening the Health Care Workforce

Recruitment and retention of health care professionals are ongoing challenges and expenses for many hospitals. Nearly 75% of the primary health professional shortage areas are in rural or partially rural areas.¹ Hospitals and health systems need robust and highly qualified staff to handle medical care in emergencies. To achieve this goal,

¹ data.hrsa.gov



targeted programs that help address workforce shortages in rural communities should be supported and expanded. Workforce policies and programs also should encourage nurses and other allied professionals to practice at the top of their licenses. We respectfully request your support of the following programs.

- **Health Professions and Workforce Development Programs.** The health care workforce crisis facing our nation necessitates continued investment in discretionary programs that address workforce challenges. Health professions programs support the recruitment of individuals into the allied health profession to help address the challenges rural and underserved communities face in accessing primary care providers. **The AHA supports level funding for the Health Resources and Services Administration (HRSA) Title VII health professions and Title VIII nursing workforce development programs.**
- **Primary Care Medicine, Pediatric Subspecialty Loan Repayment, Substance Use Disorder Treatment and Recovery Loan Repayment Program, and Oral Health Training programs.** These programs help improve health care access and quality in underserved areas by training general internists, family medicine practitioners, general pediatricians, pediatric subspecialists, oral health providers and physician assistants, and expanding behavioral health services. **The AHA supports level funding for these programs in FY 2027.**
- **National Health Service Corps (NHSC).** The NHSC awards scholarships to health professions students and assists graduates of health professions programs with loan repayment in return for an obligation to provide health care services in underserved rural and urban areas. **The AHA supports continued discretionary funding for the NHSC. The AHA believes substantial mandatory funding is a necessary investment in this critical program.**

Maternal and Child Health

Maternal and child health is essential for ensuring the well-being of families and communities, as early medical care can prevent complications and support lifelong health. Hospitals play a crucial role by providing specialized care, safe delivery environments and essential health services that promote healthy pregnancies and child development.

- **Children's Hospitals Graduate Medical Education (CHGME).** The CHGME program supports graduate medical education programs at children's hospitals that train resident physicians. The purpose of the program is to provide 59 independent children's hospitals with funds to train pediatricians and pediatric specialists. Freestanding children's hospitals typically treat very few Medicare patients and, therefore, do not receive Medicare funding to support medical

training of residents; the CHGME program helps fill this need. In addition to teaching the next generation of physicians, these hospitals provide lifesaving care to many children with complex medical needs. Currently, CHGME hospitals train 51% of all general pediatrics residents and over half (53%) of all pediatric subspecialty residents and fellows who care for children living in all 50 states. Unlike Medicare's GME program, CHGME is funded through annual appropriations. **The AHA supports robust funding over the FY 2026 enacted for the CHGME program in FY 2027.**

- **Maternal and Child Health Block Grant (MCHBG).** The Title V MCHBG is a funding source used to address the most critical, pressing and unique needs of maternal and child health populations in each U.S. state, territory and jurisdiction. The program helps states ensure access to quality maternal and child health care services, especially for those with low incomes or with limited access to care. The MCHBG program supports the State MCHBG program, Special Projects of Regional and National Significance, and Community Integrated Service Systems grants. According to data gathered by HRSA, the State MCHBG Program supports approximately 93% of pregnant women, 99% of infants and 61% of children. Improving maternal and child health is a major priority for the AHA. **The AHA supports level funding for the Title V MCHBG in FY 2027.**
- **Healthy Start Program.** The Healthy Start program provides support for high-risk pregnant women, infants and families in communities with exceptionally high rates of infant mortality, including health care services, such as those focused on reducing maternal mortality, as well as the socioeconomic factors of poverty, education and access to care. **The AHA supports level funding for FY 2027.**
- **Emergency Medical Services for Children.** This valuable program is designed to provide specialized emergency care for children through improved availability of child-appropriate equipment in ambulances and emergency departments. In addition, the program supports training to prevent injuries to children and to educate emergency medical technicians, paramedics and other emergency medical care providers. **The AHA supports level funding for FY 2027.**

Rural Health

Hospitals and health systems are the lifeblood of their communities and are committed to ensuring local access to health care. At the same time, many hospitals, including those in rural areas, continue to experience unprecedented challenges that jeopardize access and services. These include workforce shortages, high costs of prescription drugs and continued severe underpayment by Medicare and Medicaid.

- **The Medicare Rural Hospital Flexibility (Flex) Grant Program.** The Flex program improves hospital-based health care access for rural communities

through working with Critical Access Hospitals, emergency medical services, clinics and health professionals. **AHA requests level funding in FY 2027.**

- **State Offices of Rural Health (SORH).** SORHs help solve rural health challenges by providing technical assistance to organizations in rural communities, including rural hospitals and clinics, rural providers, emergency medical service providers and local governments, among others. **AHA requests level funding in FY 2027.**
- **Rural Health Outreach Grants.** These grants improve rural community health by focusing on quality improvement, increased health care access, care coordination, and service integration. This program was created in recognition of the unique challenges rural communities face in accessing quality health care services. **AHA requests level funding in FY 2027.**
- **Rural Hospital Stabilization Program.** This program is designed to support rural hospitals facing financial challenges by helping them expand or enhance health care services to meet community needs. **AHA requests level funding for FY 2027.**
- **Rural Health Policy Development.** This funding supports several programs offering information and technical assistance for health care improvement in rural communities, including the Rural Health Clinic (RHC) Technical Assistance Program to analyze key regulatory, programmatic and clinical issues facing RHCs. **AHA requests level funding for FY 2027.**
- **Rural Communities Opioid Response Program.** This program aims to reduce the morbidity and mortality of substance use disorder, including opioid use disorder, in high-risk rural communities. **AHA requests level funding for FY 2027.**
- **Rural Residency Program.** The Rural Residency Planning and Development program seeks to expand the number of rural residency training programs, increase the number of physicians training in rural settings and subsequently increase the number of physicians choosing to practice in rural areas. **AHA requests level funding for FY 2027.**
- **Rural Hospital Provider Assistance Program.** Established in the Consolidated Appropriations Act of 2026 (H.R. 7148), this program will create a formula grant program to support hospitals at the low end of the wage index. **The AHA requests level funding for FY 2027.**

Disaster Preparedness

When disaster strikes, people turn to hospitals for help. We urge Congress to invest in programs that ensure hospitals and health systems can respond effectively in emergencies and maintain critical operations that provide lifesaving care.

- **Hospital Preparedness Program (HPP).** Since 2002, the HPP has provided critical funding and other resources to states and other jurisdictions to aid hospitals' response to a wide range of emergencies. The HPP provides for enhanced planning and response; improved integration of the public and private sectors' emergency planning to increase the preparedness, response and surge capacity of hospitals; and improved state and local infrastructures to help health systems and hospitals prepare for public health emergencies.

Funding for the HPP has not kept pace with the ever-changing and growing threats faced by hospitals, health systems and their communities. Furthermore, in recent years, hospitals have received only a fraction of the HPP funds. In particular, the vast majority of HPP funds support the sub-state Health Care Coalitions, regional collaborations between health care organizations, emergency management, public health agencies and other private partners.

The AHA urges Congress to increase funding for FY 2027 to ensure that the health care infrastructure is ready to respond to future crises.

Medical Research

- **National Institutes of Health (NIH).** The NIH plays a crucial role in supporting academic medical centers by funding groundbreaking research, driving medical innovation and training the next generation of health care professionals. Its grants and resources enable institutions to advance scientific discoveries, improve patient care and tackle complex health challenges. **AHA supports robust funding for the NIH.**
- **National Institute of Nursing Research.** **The AHA supports level funding for the National Institute of Nursing Research.**
- **Centers for Disease Control and Prevention (CDC).** The CDC is a vital partner to hospitals, patients and other health care providers in disease prevention and monitoring and emergency preparedness. Much of the CDC research demonstrates the value of prevention activities in averting health care crises, resulting in savings to Medicare, Medicaid and other health care programs. **The AHA supports level funding for FY 2027.**

Behavioral Health

The AHA believes physical and mental health care are inextricably linked, and everyone deserves access to high-quality behavioral health care. We encourage the committee to support the following priorities within the Substance Use and Mental Health Services Administration.

- **Certified Community Behavioral Health Clinics Expansion Grants.** These grants help provide expanded access to mental health and substance use disorder services in communities and reduce emergency department usage by 60%. **AHA supports level funding for FY 2027.**
- **Substance Use Disorder Treatment and Recovery Loan Repayment (STAR) Program.** The STAR Program provides for the repayment of education loans for individuals working in a full-time substance use disorder treatment job that involves direct patient care in either a Mental Health Professional Shortage Area or a county where the overdose death rate exceeds the national average. **AHA requests level funding for FY 2027.**
- **Preventing Burnout in the Health Workforce Program.** For decades, health care professionals have faced greater rates of mental and behavioral health conditions, suicide and burnout than other professions while fearing the stigma and potential career repercussions of seeking care. The AHA is pleased Congress included a five-year reauthorization of this program in the Consolidated Appropriations Act of 2026 (H.R. 7148). **The AHA requests full funding for the Preventing Burnout in the Health Workforce Program.**

Bill Language Requests

- **340B Program Rebate Model.** **The AHA supports the inclusion of bill language to bar the use of funds for the implementation of a 340B Rebate Model Program at the Department of Health and Human Services.** For over 30 years, the 340B Drug Pricing Program has provided financial help to hospitals serving vulnerable communities to manage rising prescription drug costs. The AHA opposes any effort that seeks to transform the 340B program from an upfront discount program to a back-end rebate program. These efforts would require hospitals to float significant sums of money to drug companies, provide unprecedented and onerous amounts of data, while waiting for a rebate from drug companies for a discount that the hospital is statutorily owed. A model with these characteristics would disrupt a hospital's cash flow, reduce access to prescription drugs, and could threaten the programs and services that communities rely on and are supported by 340B savings.

None of the funds made available in this or any other Act, including prior Acts and laws other than appropriations Acts, may be used to implement a

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340B rebate model, including the 340B Rebate Model Pilot Program Application Notice, 90 Fed. Reg. 36,163 (Aug. 1, 2025); the Corrected 340B Rebate Model Pilot Program Application Notice, 90 Fed. Reg. 38,165 (Aug. 7, 2025); the Request for Information: 340B Rebate Model Pilot Program, 91 Fed. Reg. 7,287 (Feb. 17, 2026); any successor 340B Rebate Model Pilot Programs; and the approvals of applications from drug manufacturers submitted pursuant to those notices or any future notices.

- **Unique Patient Identifier (UPI). The AHA supports the adoption of a UPI.** Removing the prohibition on using federal funds to promulgate or adopt a national UPI would provide the Department of Health and Human Services the ability to explore solutions that accurately identify patients and link them with their correct medical records. America's hospitals and health systems are committed to ensuring the highest quality care in a timely manner. Funding for a UPI would promote safe, efficient and timely care for patients while reducing administrative costs. We look forward to working with you to ensure appropriate patient identification methods.

The AHA appreciates and is grateful for the support you have provided to vital health care programs, and we hope the committee will continue to support these funding priorities in FY 2027. We look forward to working with you.

Sincerely,

/s/

Lisa Kidder Hrobsky
Senior Vice President
Advocacy and Political Affairs