U.S. Representative
JILL TOKUDA
Hawaii's 2nd District

The Rural Hospital Revitalization Act

The *Rural Hospital Revitalization Act* provides vital funding for rural and frontier hospitals, enabling them to upgrade facilities and undertake necessary construction projects. This financial support aims to empower qualified hospitals to improve safety, offer advanced procedures, and broaden access to care.

BACKGROUND:

Rural hospitals play a vital role in delivering essential medical services, such as emergency care, routine procedures, and specialized treatment, to rural and underserved communities. Yet many face outdated facilities, limited resources, and difficulty accessing capital, which can impede their ability to provide quality healthcare and maintain long-term stability. Compounding these challenges, traditional lenders are often reluctant to finance rural hospital infrastructure projects due to perceived financial risk, while existing USDA loan programs can be complex and insufficient to meet their construction and renovation needs.

BILL SUMMARY:

The *Rural Hospital Revitalization Act* increases support for rural hospitals by:

- Offering USDA-backed, interest-free loans under the Community Facilities Direct Loan program, with repayment terms of up to 10 years to help finance critical upgrades, modernization, and infrastructure improvements.
- Allowing hospitals to redirect the savings generated from reduced borrowing costs into essential clinical services, workforce retention, facility maintenance, and other operational needs that directly impact patient care.
- Providing USDA technical assistance to keep hospitals financially stable.

To qualify for a loan, a hospital must:

- Be in a small, remote community or serve as a Critical Access or Rural Emergency Hospital
- Demonstrate clear community need and facility condition challenges; or
- Show basic financial stability and ability to support repayment

The Secretary is instructed to give priority to hospitals that:

- Serve extremely rural areas (fewer than 6 residents per square mile), considering distance, travel time, and seasonal access needs;
- Face critical replacement, repair, or renovation needs that are not feasible under standard Community Facilities loan terms; or
- Have at least 50% of inpatient and outpatient volume from Medicare, Medicaid, Medicare Advantage, or self-pay patients.

ENDORSEMENTS: National Rural Health Association, National Organization of State Offices of Rural Health, Eastern Plains Healthcare Consortium, Association of Washington Public Health Districts, Lincoln Health (Hugo, CO)