

September 3, 2025

Kirsten Johnson, Secretary-designee
Wisconsin Department of Health Services
1 West Wilson Street
Madison, WI 53703

Re: Rural Health Transformation Program (RHTP) Request for Information (S-1833 OS-26)

Dear Secretary-designee Johnson:

On behalf of the Wisconsin Hospital Association (WHA) and Rural Wisconsin Health Cooperative (RWHC), we appreciate the opportunity to submit a joint response to the Department of Health Services' Rural Health Transformation Program (RHTP) Request for Information (S-1833 OS-26). We value our longstanding partnership with the Department of Health Services (DHS) and your agency's strong support of Wisconsin hospitals and the dedicated professionals who work tirelessly to provide quality care to their communities.

Established in 1920, WHA represents over 140 hospitals and health systems across Wisconsin, including the state's 58 Critical Access Hospitals and other hospitals that serve rural areas of the state. As a unified voice for Wisconsin's hospitals, WHA actively engages in legislative and regulatory advocacy to assist our members as they deliver some of the highest quality health care in the nation.

RWHC, established in 1979, is owned and operated by forty rural acute, general medical-surgical hospitals. The Cooperative's mission is to be a strong and innovative cooperative of diversified rural hospitals, with advocacy focus and programming to assist RWHC's members as they offer high-quality, cost-effective care.

WHA and RWHC's work with our mutual members have helped to achieve nation-leading results in health care quality for patients. [Recently released data](#) from CMS' Overall Hospital Quality Star Ratings program shows that Wisconsin hospitals remain among the best in the country. According to CMS, 65% of Wisconsin hospitals received four or five-star ratings, compared to the national average of 36%. This is the sixth-highest overall percentage of four and five-star-rated hospitals in any state and the highest percentage for states with 50 or more hospitals. Wisconsin's rural hospitals are consistently ranked among the best in the country in participation in the Medicare Beneficiary Quality Improvement Project.

To best position Wisconsin's application to secure maximum RHTP funds, we encourage DHS to submit a rural health transformation plan that aligns with the legislative intent of the program, which was to **"provide immediate relief to rural hospitals"** to stabilize their finances and advance strategies that support their long-term sustainability, according to a July 30 news release from the U.S. Senate Finance Committee.¹ Given the expedited timeline for states to spend allotted RHTP funds and corresponding claw back provisions in the law, we further urge you to **prioritize a simple distribution model that promptly delivers maximum funding to rural hospitals with minimal paperwork or added reporting burden.**

Rural hospitals are a critical pillar supporting Wisconsin's health system infrastructure. Approximately 1.5 million people in Wisconsin, or 20% of our population, live in a rural area of the state; and 44% of Wisconsin

¹ United States Committee on Finance, "The One Big Beautiful Bill Protects Rural Hospitals," Published July 30, 2025. Accessed August 28, 2025. <https://www.finance.senate.gov/chairmans-news/the-one-big-beautiful-bill-protects-rural-hospitals>

hospitals (60) are in rural areas.^{2 3} Hospitals are essential access points of care in rural areas, providing a comprehensive array of services, including emergency, complex, primary, and preventive care. Often a hospital is the only health care option available for someone living in a rural area, without driving a long distance to find another provider. As noted in Wisconsin’s 2020 Statewide Health Assessment prepared by DHS, “(r)ural hospitals can make the difference between life and death,” due to the shortage of other health care providers in more remote areas of the state.⁴

Rural hospitals continue to face long-standing, systemic challenges that threaten their viability and the health of the communities they serve. Fortunately, in Wisconsin, our rural hospitals are led by experienced leaders who are consistently innovating and collaborating with partners in their communities to develop solution-oriented strategies to address challenges head-on. But they cannot create strategies or initiatives without sustainable funding to do so.

When reviewing the priorities DHS highlighted in its webinar on the RHTP, we noticed a striking similarity to the priorities we consistently hear from our members.⁵ When faced with workforce shortages, aging infrastructure and technology, at-risk service lines, and other threats to the long-term sustainability of their organizations, Wisconsin’s rural hospital leaders know best where resources need to be directed to stabilize their finances and support long-term strategies that keep their facilities viable. These priorities also align with many of the allowable health-related activities RHTP funds must be used on, including such things as payments to health care providers, workforce retention, preserving access to services, and technological advancements.

While the needs may vary between Spooner and Shawano, or Monroe and Merrill, we know that one thing remains the same – the hospitals in these communities know how to best invest resources to meet the care needs that exist within their respective communities. As we’ve discussed the use of these funds with our respective members, there is a very clear theme: the needs are many but they are different. For some hospitals, the need is to provide additional operational funding to sustain services in their community. For others, their need is to provide funding to move forward on a capital project that they had to delay due to substantially increased supply and labor costs over the last several years.

Given that CMS has broad authority in deciding which states will be awarded grants and for what purposes, **we again encourage DHS to submit an application that aligns with the intended legislative purpose of the program** to best position Wisconsin’s application against the other states vying for RHTP funds. A July 25, 2025, White House memo detailing the goals of the RHTP states: “The One Big Beautiful Bill (OB BB) contains unprecedented levels of federal assistance to *rural and other vulnerable hospitals*” (emphasis ours).⁶ In Wisconsin this includes Critical Access, Medicare Dependent, Low Volume, and Sole Community Hospitals. Likewise, when explaining which facilities the RHTP funds were intended to support, U.S. Senate Finance

² KFF, “10 Things to Know About Rural Hospitals,” Published April 16, 2025. Accessed August 28, 2025. <https://www.kff.org/health-costs/10-things-to-know-about-rural-hospitals/>

³ Wisconsin Office of Rural Health, “Rural Wisconsin Demographics,” Published January 2022. Accessed January 28, 2025. <https://worh.org/wp-content/uploads/2022/01/Rural-WI-Demographics-2022.pdf>

⁴ Wisconsin Department of Health Services, “Painting the Picture of Wisconsin’s Health, Wisconsin’s 2020 Statewide Health Assessment.” Published April 4, 2022. Accessed August 28, 2025. <https://www.dhs.wisconsin.gov/publications/p03169.pdf>

⁵ Wisconsin Department of Health Service, “Rural Health Transformation Program Request for Information (RFI), August 2025,” Published August 14, 2025. Accessed August 28, 2025. <https://www.dhs.wisconsin.gov/business/rhtp-rfi-webinar.pdf>

⁶ The White House, “The One Big Beautiful Bill is a Historic Investment in Rural Healthcare,” Published July 25, 2025. Accessed August 28, 2025. <https://www.whitehouse.gov/wp-content/uploads/2025/07/OB BB-Rural-Memo.1.pdf>

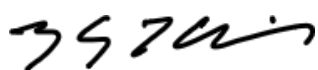
Committee Chairman Mike Crapo stated: “This legislation makes the largest investment in decades in rural health care, ensuring states have the resources they need to address the unique challenges facing their *rural hospitals*,” (emphasis ours) in a July 30 news release titled “The One Big Beautiful Bill Protects Rural Hospitals.”⁷

We understand from DHS’ Frequently Asked Questions document released on August 19 that you plan to apply for up to \$200 million per year, or \$1 billion total, for the five-year program.⁸ States that are awarded RHTP allotments will need to make funding decisions quickly due to claw back provisions in the law. Once an awarded state receives its annual allotment, those funds must be spent within two years, otherwise CMS will recoup and redistribute a state’s unspent allotment. With this in mind, we again urge DHS to **prioritize a simple distribution model in your RHTP application that promptly delivers maximum funding directly to rural hospitals with minimal paperwork or added reporting burden.**

As we await additional guidance from CMS on the RHTP and the application process, we would welcome the opportunity to meet with you and your staff to further explain the types of funding distribution models we have been considering and examples of where rural hospital leaders would invest these resources to protect the long-term sustainability of their facilities and advance the health of their communities.

Thank you for your consideration of our input. We look forward to continuing our partnership on issues that impact Wisconsin hospitals, health systems, and the communities they serve.

Sincerely,



Kyle O’Brien
President/CEO
Wisconsin Hospital Association



Tim Size
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⁷ United States Committee on Finance, “The One Big Beautiful Bill Protects Rural Hospitals,” Published July 30, 2025. Accessed August 28, 2025. <https://www.finance.senate.gov/chairmans-news/the-one-big-beautiful-bill-protects-rural-hospitals>

⁸ Wisconsin Department of Health Services, “Rural Health Transformation Program (RHTP), S-1833 OS-26, Request for Information, Frequently Asked Questions,” Published August 19, 2025. Accessed August 28, 2025. <https://www.dhs.wisconsin.gov/business/rhtp-faq.pdf>