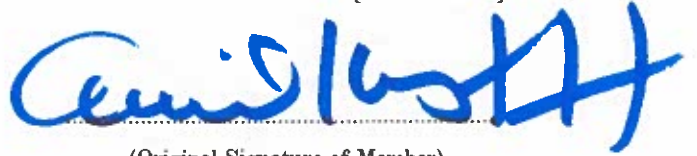


[~118H1712]



(Original Signature of Member)

119TH CONGRESS
1ST SESSION

H. R. _____

To amend the Public Health Service Act to establish a rural health center innovation awards program and a rural health department enhancement program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. KUSTOFF introduced the following bill; which was referred to the
Committee on _____

A BILL

To amend the Public Health Service Act to establish a rural health center innovation awards program and a rural health department enhancement program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Rural Health Innova-
5 tion Act of 2025”.

1 **SEC. 2. RURAL HEALTH CENTER INNOVATION AWARDS**
2 **PROGRAM.**

3 Subpart I of part D of title III of the Public Health
4 Service Act (42 U.S.C. 254b et seq.) is amended by adding
5 at the end the following:

6 **“SEC. 330Q. RURAL HEALTH CENTER INNOVATION AWARDS**
7 **PROGRAM.**

8 “(a) **DEFINITIONS.**—In this section:

9 “(1) **ELIGIBLE ENTITY.**—The term ‘eligible en-
10 tity’ means an entity that—

11 “(A) is a Federally qualified health center;

12 “(B) is a rural health clinic; or

13 “(C) agrees (as a condition of receiving a
14 grant under this section) to establish such a
15 center or clinic, including a hospital that agrees
16 (as such a condition) to convert to a Federally
17 qualified health center or rural health clinic.

18 “(2) **FEDERALLY QUALIFIED HEALTH CEN-**
19 **TER.**—The term ‘Federally qualified health center’
20 has the meaning given such term in section
21 1861(aa) of the Social Security Act.

22 “(3) **RURAL AREA.**—The term ‘rural area’
23 means any area that is rural, within the meaning of
24 such term as used by the Office of Rural Health
25 Policy of the Health Resources and Services Admin-
26 istration for purposes of determining eligibility for

1 grants or services, including any area that is rural
2 within such meaning as used by such Office for fis-
3 cal year 2025 or any area that is rural within such
4 meaning as amended for a subsequent fiscal year.

5 “(4) RURAL HEALTH CLINIC.—The term ‘rural
6 health clinic’ has the meaning given such term in
7 section 1861(aa) of the Social Security Act.

8 “(b) ESTABLISHMENT.—

9 “(1) IN GENERAL.—The Secretary, acting
10 through the Director of the Office of Rural Health
11 Policy of the Health Resources and Services Admin-
12 istration, shall establish a grant program to be
13 known as the ‘Rural Health Center Innovation
14 Awards program’ to award grants to eligible entities
15 that submit an application in accordance with sub-
16 section (c) to enable such entities to establish or
17 maintain a Federally qualified health center or rural
18 health clinic that—

19 “(A) serves individuals in a rural area as
20 a walk-in urgent care center and as a triage
21 center or staging facility for necessary air or
22 ambulance transport to an emergency depart-
23 ment; and

24 “(B) includes—

1 “(i) professional clinical staff, includ-
2 ing physicians, physician interns, residents,
3 nurse practitioners, physician assistants,
4 nurse midwives, or other health care pro-
5 viders providing walk-in urgent care and
6 emergency triage; and

7 “(ii) resources, including laboratories,
8 x-ray machines, and cardiac monitors.

9 “(2) PERMISSIBLE USES OF FUNDS.—The
10 funds of a grant awarded under this section may be
11 used to—

12 “(A) expand the hours of operation of a
13 Federally qualified health center or rural health
14 clinic;

15 “(B) pay for the costs of construction and
16 renovation of a Federally qualified health center
17 or rural health clinic; or

18 “(C) carry out any other activity for the
19 purposes described in paragraph (1).

20 “(c) APPLICATIONS AND SELECTION.—

21 “(1) IN GENERAL.—An eligible entity seeking a
22 grant under this section shall submit to the Sec-
23 retary an application at such time, in such manner,
24 and containing such information as the Secretary
25 may reasonably require.

1 “(2) START UP CENTERS AND CLINICS.—An
2 application submitted under paragraph (1) by an eli-
3 gible entity that is not a Federally qualified health
4 center, or a rural health clinic, shall include a dem-
5 onstration of the costs of the equipment and staffing
6 needed to establish the center or clinic.

7 “(3) CONSIDERATION OF OVERLAP.—In the
8 case an eligible entity submits an application under
9 paragraph (1) that proposes to serve an area that is
10 served by another eligible entity through a grant
11 under this section, the Secretary may consider
12 whether an award to the eligible entity serving such
13 same area can be justified based on the unmet need
14 for additional services in such area.

15 “(4) PRIORITY.—In selecting recipients of
16 grants under this section, the Secretary shall give
17 priority to an eligible entity that is operating as a
18 Federally qualified health center, or a rural health
19 clinic, on the date on which the entity submits the
20 application under paragraph (1).

21 “(d) GRANT PERIOD AND AMOUNTS.—

22 “(1) PERIOD; RENEWAL.—Each grant awarded
23 under this section—

24 “(A) shall be for a period of 5 years; and

25 “(B) may be renewed.

1 “(2) AMOUNT.—

2 “(A) IN GENERAL.—The amount of a
3 grant awarded under this section to an eligible
4 entity shall not exceed—

5 “(i) for the first year of the grant—

6 “(I) \$500,000 if the entity is a
7 Federally qualified health center, or a
8 rural health clinic, on the date on
9 which the award is made; and

10 “(II) \$750,000 if the entity is
11 using the grant to establish a Feder-
12 ally qualified health center or a rural
13 health clinic; and

14 “(ii) for each of the second through
15 fifth years of the grant, \$500,000.

16 “(B) CONSIDERATIONS.—In determining
17 the amount of a grant under this section for an
18 eligible entity for each year after the first year
19 in which the grant is awarded, the Secretary
20 shall, subject to subparagraph (A)(ii), consider
21 the number of patients treated, and the type of
22 treatment provided, by the entity in the prior
23 year.

24 “(e) REPORTING.—

1 “(1) IN GENERAL.—Not later than 3 years
2 after the date of enactment of this section, the Sec-
3 retary shall report to the committees described in
4 paragraph (2) on the grant program under this sec-
5 tion, including—

6 “(A) an assessment of the success of the
7 program, challenges with respect to the pro-
8 gram, and any action for regulatory flexibility
9 or legislative authority needed to improve the
10 program;

11 “(B) any savings to Federal health care
12 programs;

13 “(C) any increase in access to care; and

14 “(D) any increase in utilization of health
15 services in rural areas.

16 “(2) COMMITTEES.—The committees described
17 in this paragraph are—

18 “(A) the Committee on Health, Education,
19 Labor, and Pensions, and the Committee on Fi-
20 nance, of the Senate; and

21 “(B) the Committee on Energy and Com-
22 merce, and the Committee on Ways and Means,
23 of the House of Representatives.

24 “(f) RULE OF CONSTRUCTION.—No entity receiving
25 a grant under this section shall lose status as a Federally

1 qualified health center, or a rural health clinic, on account
2 of carrying out any activities under this section.

3 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
4 is authorized to be appropriated to carry out this section
5 \$25,000,000 for each of fiscal years 2026 through 2030.”.

6 **SEC. 3. RURAL HEALTH DEPARTMENT ENHANCEMENT PRO-**
7 **GRAM.**

8 Subpart I of part D of title III of the Public Health
9 Service Act (42 U.S.C. 254b et seq.), as amended by sec-
10 tion 2, is further amended by adding at the end the fol-
11 lowing:

12 **“SEC. 330R. RURAL HEALTH DEPARTMENT ENHANCEMENT**
13 **PROGRAM.**

14 “(a) DEFINITIONS.—In this section:

15 “(1) RURAL AREA.—The term ‘rural area’ has
16 the meaning given the term in section 330Q(a).

17 “(2) RURAL HEALTH DEPARTMENT.—The term
18 ‘rural health department’ means a local public health
19 department that is located in a rural area.

20 “(b) ESTABLISHMENT.—The Secretary, acting
21 through the Director of the Office of Rural Health Policy
22 of the Health Resources and Services Administration,
23 shall award grants, on a competitive basis, to rural health
24 departments that submit an application in accordance
25 with subsection (c) to enhance such departments and en-

1 able such departments to provide individuals in rural areas
2 with emergency services, triage and transport to emer-
3 gency departments, primary care services, and other serv-
4 ices similar to services provided by emergency depart-
5 ments.

6 “(c) APPLICATIONS.—A rural health department
7 seeking a grant under this section shall submit an applica-
8 tion to the Secretary at such time, in such manner, and
9 containing such information as the Secretary may reason-
10 ably require, including—

11 “(1) an indication of the estimated cost of the
12 equipment and staffing needed by the department
13 for the first year of the award to set up the activities
14 under this section;

15 “(2) a demonstration that the department has,
16 on the date on which the application is submitted,
17 a facility operating in a rural area; and

18 “(3) a demonstration that, on the date on
19 which the application is submitted, the depart-
20 ment—

21 “(A) has a nursing staff and medical
22 equipment; and

23 “(B) intends to use such equipment and
24 staffing toward carrying out the activities under
25 this section.

1 “(d) GRANTS.—

2 “(1) ANNUAL AWARDS.—The funds awarded
3 through a grant under this section to a rural health
4 department shall be awarded on an annual basis for
5 each of 5 years.

6 “(2) MAXIMUM AMOUNTS.—The amount of a
7 grant under this section for a year shall not exceed
8 \$500,000.

9 “(3) CONSIDERATIONS.—The Secretary shall
10 determine the amount awarded through a grant
11 under this section for a year in accordance with the
12 following:

13 “(A) For the first year of the grant, the
14 amount shall be based on the amount the rural
15 health department estimates for the cost of
16 equipment and staffing needed to establish and
17 implement the activities and services supported
18 under this section, as specified in the applica-
19 tion under subsection (c).

20 “(B) For the second through fifth years of
21 the grant, the amount shall be based on the
22 number of patients treated, and the type of
23 treatment provided, by the rural health depart-
24 ment in the prior year.

25 “(e) USE OF FUNDS.—

1 “(1) IN GENERAL.—A rural health department
2 receiving a grant under this section shall use the
3 funds awarded through the grant to carry out the
4 activities described in subsection (b) at a facility
5 that is located in a rural area, including by—

6 “(A) obtaining additional medical equip-
7 ment and resources necessary for carrying out
8 the activities described in subsection (b), such
9 as laboratories, x-ray machines, and cardiac
10 monitors;

11 “(B) hiring additional providers to carry
12 out the activities described in subsection (b),
13 such as physician interns, residents, nurse prac-
14 titioners, physician assistants, and nurse mid-
15 wives, which hiring may be through a partner-
16 ship with an academic medical center; and

17 “(C) providing outreach to the community
18 regarding the activities of the rural health de-
19 partment carried out using funds provided
20 through a grant under this section.

21 “(2) LIMITATIONS.—Of the funds awarded to a
22 rural health department under this section —

23 “(A) for each year of the grant, not more
24 than 3 percent of such funds may be used to
25 carry out paragraph (1)(B); and

1 “(B) for each of the first two years of the
2 grant, not more than 3 percent of such funds
3 may be used to carry out paragraph (1)(C).

4 “(f) AUTHORIZATION OF APPROPRIATIONS.—There
5 are authorized to be appropriated to carry out this section
6 \$25,000,000 for each of fiscal years 2026 through 2030.”.