

119TH CONGRESS
2D SESSION

S. _____

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 SENATE OF THE UNITED STATES

Mrs. BLACKBURN (for herself, Mr. HICKENLOOPER, and Mrs. HYDE-SMITH) introduced the following bill; which was read twice and 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 2026”.

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 HEALTH CLINIC.—The term ‘rural
23 health clinic’ has the meaning given such term in
24 section 1861(aa) of the Social Security Act.

25 “(b) ESTABLISHMENT.—

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

11 “(A) serves individuals in a rural area as
12 a walk-in urgent care center and as a triage
13 center or staging facility for necessary air or
14 ambulance transport to an emergency depart-
15 ment; and

16 “(B) includes—

17 “(i) professional clinical staff, includ-
18 ing physicians, physician interns, residents,
19 nurse practitioners, physician assistants,
20 nurse midwives, or other health care pro-
21 viders providing walk-in urgent care and
22 emergency triage; and

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

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

4 “(A) expand the hours of operation of a
5 Federally qualified health center or rural health
6 clinic;

7 “(B) pay for the costs of construction and
8 renovation of a Federally qualified health center
9 or rural health clinic; or

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

12 “(c) APPLICATIONS AND SELECTION.—

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

18 “(2) START UP CENTERS AND CLINICS.—An
19 application submitted under paragraph (1) by an eli-
20 gible entity that is not a Federally qualified health
21 center, or a rural health clinic, on the date on which
22 the entity submits the application under paragraph
23 (1) shall include in such application a demonstration
24 of the costs of the equipment and staffing needed to
25 establish the center or clinic.

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

9 “(4) PRIORITY.—In selecting recipients of
10 grants under this section, the Secretary shall give
11 priority to an eligible entity that is operating as a
12 Federally qualified health center, or a rural health
13 clinic, on the date on which the entity submits the
14 application under paragraph (1).

15 “(d) GRANT PERIOD AND AMOUNTS.—

16 “(1) PERIOD.—Each grant awarded under this
17 section shall be for a period of 5 years.

18 “(2) AMOUNT.—

19 “(A) IN GENERAL.—A grant awarded
20 under this section to an eligible entity shall not
21 exceed—

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

23 “(I) \$500,000 if the entity is a
24 Federally qualified health center, or a

1 rural health clinic, on the date on
2 which the award is made; and

3 “(II) \$750,000 if the entity is
4 using the grant to establish a Feder-
5 ally qualified health center or a rural
6 health clinic; and

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

9 “(B) CONSIDERATIONS.—In determining
10 the amount of a grant under this section for an
11 eligible entity for each year after the first year
12 in which the grant is awarded, the Secretary
13 shall, subject to subparagraph (A)(ii), consider
14 the number of patients treated, and the type of
15 treatment provided, by the entity in the prior
16 year.

17 “(e) REPORTING.—

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

23 “(A) an assessment of the success of the
24 program, challenges with respect to the pro-
25 gram, and any action for regulatory flexibility

1 or legislative authority needed to improve the
2 program;

3 “(B) any savings to Federal health care
4 programs;

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

6 “(D) any increase in utilization of health
7 services in rural areas.

8 “(2) COMMITTEES.—The committees described
9 in this paragraph are—

10 “(A) the Committee on Health, Education,
11 Labor, and Pensions, and the Committee on Fi-
12 nance, of the Senate; and

13 “(B) the Committee on Energy and Com-
14 merce, and the Committee on Ways and Means,
15 of the House of Representatives.

16 “(f) RULE OF CONSTRUCTION.—No entity receiving
17 a grant under this section shall lose status as a Federally
18 qualified health center, or a rural health clinic, on account
19 of carrying out any activities under this section.

20 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
21 is authorized to be appropriated to carry out this section
22 \$25,000,000 for each of fiscal years 2027 through 2031.”.

1 **SEC. 3. RURAL HEALTH DEPARTMENT ENHANCEMENT PRO-**
2 **GRAM.**

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

7 **“SEC. 330R. RURAL HEALTH DEPARTMENT ENHANCEMENT**
8 **PROGRAM.**

9 “(a) DEFINITION OF RURAL HEALTH DEPART-
10 MENT.—In this section, the term ‘rural health depart-
11 ment’ means a local public health department that is lo-
12 cated in a rural area.

13 “(b) ESTABLISHMENT.—The Secretary, acting
14 through the Director of the Office of Rural Health Policy
15 of the Health Resources and Services Administration,
16 shall award grants, on a competitive basis, to rural health
17 departments that submit an application in accordance
18 with subsection (c) to enhance such departments and en-
19 able them to provide individuals in rural areas with emer-
20 gency services, triage and transport to emergency depart-
21 ments, primary care services, and other services similar
22 to services provided by emergency departments.

23 “(c) APPLICATIONS.—A rural health department
24 seeking a grant under this section shall submit an applica-
25 tion to the Secretary at such time, in such manner, and

1 containing such information as the Secretary may reason-
2 ably require, including—

3 “(1) an indication of the estimated cost of the
4 equipment and staffing needed by the department
5 for the first year of the award to set up the activities
6 and services under this section;

7 “(2) a demonstration that the department has,
8 on the date on which the application is submitted,
9 a facility operating that is located in a rural area;
10 and

11 “(3) a demonstration that, on the date on
12 which the application is submitted, the depart-
13 ment—

14 “(A) has a nursing staff and medical
15 equipment; and

16 “(B) agrees to use such staff and equip-
17 ment towards providing the services and car-
18 rying out the activities under this section.

19 “(d) GRANTS.—

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

24 “(2) MAXIMUM AMOUNTS.—The funds awarded
25 through a grant under this section to a rural health

1 department shall be in an amount that for a year
2 does not exceed \$500,000.

3 “(3) CONSIDERATIONS.—The Secretary shall
4 determine the amount awarded to a rural health de-
5 partment through a grant under this section for a
6 year in accordance with the following:

7 “(A) For the first year of the award, the
8 amount shall be based on the amount the rural
9 health department estimates for the cost of
10 equipment and staffing needed to set up the ac-
11 tivities and services supported under this sec-
12 tion, as specified in the application under sub-
13 section (c).

14 “(B) For the second through fifth years of
15 the award, the amount shall be based on the
16 number of patients treated, and the type of
17 treatment provided, by the department in the
18 prior year.

19 “(e) USE OF FUNDS.—

20 “(1) IN GENERAL.—A rural health department
21 receiving a grant under this section shall use the
22 funds awarded through the grant to provide the
23 services and carry out the activities described in sub-
24 section (b) at a facility that is located in a rural
25 area, including by—

1 “(A) obtaining additional medical equip-
2 ment and resources necessary for providing the
3 services and activities described in subsection
4 (b), such as laboratories, x-ray machines, and
5 cardiac monitors;

6 “(B) hiring additional providers to provide
7 the services and carry out the activities de-
8 scribed in subsection (b), such as physician in-
9 terns, residents, nurse practitioners, physician
10 assistants, and nurse midwives, which hiring
11 may be through a partnership described in
12 paragraph (2)(A); and

13 “(C) providing outreach to the community
14 regarding the services and activities of the rural
15 health department as supported under this sec-
16 tion.

17 “(2) LIMITATIONS.—

18 “(A) PARTNERSHIPS.—Not more than 3
19 percent of the funds awarded through a grant
20 under this section for a year may be used to-
21 wards the rural health department entering into
22 a partnership with an academic medical center
23 to assist with the hiring described in paragraph
24 (1)(B).

1 “(B) COMMUNITY OUTREACH.—For each
2 of the first 2 years of a grant awarded under
3 this section, not more than 3 percent of the
4 funds may be used by the rural health depart-
5 ment receiving the grant for the outreach de-
6 scribed in paragraph (1)(C).

7 “(f) AUTHORIZATION OF APPROPRIATIONS.—There
8 are authorized to be appropriated to carry out this section
9 \$25,000,000 for each of fiscal years 2027 through 2031.”.