

Colorado Rural Health Center 2026 Policy Priorities

The 2026 CRHC policy priorities were developed through feedback from CRHC members and Board of Directors. Along with the CRHC Mission & Vision, these priorities will serve as a foundation for the CRHC Policy Program and are intended to guide lobbying and advocacy efforts throughout 2026.

Setting the Scene for 2026:

The 2026 Colorado Legislative Session will once again be greatly impacted by a significant state budget shortfall. The estimated \$850 million budget hole has been dubbed a “structural deficit” by Legislative Council Staff, caused by increasing costs of government programs and services, namely Medicaid and education, running into Colorado’s annual cap on government growth and spending set by TABOR. Medicaid spending has grown about 9% over the past decade, while growth in the state budget allowed by TABOR has been about half that.

The central debate at the Colorado State Capitol about the budget shortfall will continue into the upcoming session, with Democrats stating the “structural deficit” is the fault of TABOR, and Republicans stating it’s a spending problem that must be reined in. No matter what the underlying issues are, Colorado requires passage of a balanced budget. In his fall 2025 budget proposal, Governor Polis proposed reversing a 2% Medicaid provider rate increase passed earlier in the year, further cuts to covered Medicaid services, and additional targeted rate cuts. These proposed cuts are not currently set in stone; the Joint Budget Committee will be tasked with passing a balanced budget by mid-March, meaning Colorado’s healthcare community will have to play broad defense on Medicaid provider rate cuts, protecting CHASE, and other measures that could increase financial and administrative costs to providers.

In addition to state budget constraints, rural Colorado healthcare facilities will be impacted by the passage of federal H.R.1. According to the National Rural Health Association, H.R.1 generates \$58 billion in Medicaid cuts over the next 10 years for rural hospitals and will result in 1.8 million rural residents losing Medicaid coverage by 2034. H.R.1 will impact Colorado’s Medicaid program through federal funding cuts, namely to provider taxes, new work requirements for the Medicaid population, more frequent eligibility redeterminations and restrictions on retroactive coverage. These federal changes will further strain the state budget, impact provider fees and reimbursement, and necessitate significant state IT system updates and increased staffing for implementation starting in late 2026.

Alongside H.R.1, Congress authorized the creation of the Rural Health Transformation Program (RHTP), a 5 year/\$50 billion program administered by the Centers for Medicaid & Medicare Services (CMS) that all states are eligible to apply for. Colorado is eligible for up to more than \$200 million annually for five years, though funding is not guaranteed. According to CMS, RHTP “empowers states to strengthen rural communities across America by improving healthcare access, quality, and outcomes by transforming the healthcare delivery ecosystem.” While RHTP presents Colorado with an opportunity for innovation in rural healthcare delivery, the funds are explicitly not intended to fill in any gaps created by H.R.1. Additionally, the funding and distribution limitations of the program will greatly determine the impact of the program.

CRHC worked closely with HCPF and the Governor’s Office on the development of Colorado’s RHTP application, leveraging the voices and feedback from CRHC members to inform the program activities and fund distribution. CRHC will continue to engage closely with Colorado’s RHTP program, serving on the Advisory Board and helping to implement programming as needed. CRHC will also work proactively to continue to communicate with policymakers that RHTP will be an opportunity, but by no means a solution, to the sustainability crisis facing Colorado’s rural healthcare providers.

Considering these unprecedented state and federal challenges, CRHC will be strategic in 2026 to defend members from legislative threats, proactively engage in policies that will impact their facilities and communities, and foster strong relationships with legislators as a voice for rural hospitals and clinics.

2026 CRHC Policy Priorities

1. Reimbursement
2. Healthcare Access & Affordability
3. Investments in Rural Health Infrastructure & Sustainability
4. Regulatory & Administrative Burden
5. Workforce Development
6. HIT & Telehealth
7. Social Determinants of Health, Population Health & Chronic Disease Management
8. Behavioral Health & Substance Use

1. Reimbursement

Priority Goal: Protect Medicare and Medicaid reimbursement and services, address necessary Medicare Advantage reforms, address payment disparities from private payers.

Context: Twenty-one rural hospitals in Colorado are at risk of closure by currently operating with negative profit margins. With the added pressures of state and federal changes, the threat of sustainability for Colorado's rural healthcare facilities is higher than ever. To avoid closures and the catastrophic impacts they have on access to care and rural economies, decision makers must address underlying financial problems in rural healthcare delivery. Unfortunately, efforts to increase provider rates will be halted by budget constraints. CRHC will defend members from reimbursement cuts and protect patient covered services in 2026.

2026 State Reimbursement Policy Priorities:

1. Defend and protect rural healthcare providers from state budget cuts, including Medicaid provider rates and reduced Medicaid covered services.
2. Support measures to mitigate the financial impacts of increased uninsured and underinsured patients.
3. Optimize the Colorado Healthcare Affordability and Sustainability Enterprise (CHASE) while defending cuts or changes to CHASE that would negatively impact rural providers.
4. Support carrier accountability measures for payment disputes, delays and inadequate rates for rural providers.
5. Support measures to increase the financial sustainability of rural EMS.

2026 Federal Reimbursement Policy Priorities:

1. Remove Medicare sequestration.
2. Increase bad debt allowance.
3. Promote cost-based reimbursement for Medicare Advantage Plans.
4. Support payment parity for RHCs between Medicare Advantage and traditional Medicare through a wrap-around payment or equivalent like supplemental payments made to FQHCs.

2. Healthcare Access & Affordability

Priority Goal: Protect access to timely, geographically proximate, and affordable access to healthcare in rural Colorado.

Context: Rural Coloradans already face less access to healthcare than urban residents for a variety of reasons, including geography, transportation, workforce shortages, insurance coverage, affordability, technology and broadband. State budget cuts and federal legislative changes threaten to exacerbate healthcare access shortages in rural Colorado's rural communities. CRHC will leverage our participation on the Executive Committee of the Save Our Safety Net Coalition to bring legislative and media attention to threats to healthcare access. CRHC will protect rural healthcare facilities from threats to sustainability and protect access and affordability of healthcare for rural residents.

2026 Healthcare Access Policy Priorities:

1. Support measures that foster innovation in healthcare payment and delivery, including alternative payment models and regional collaboration models.
2. Protect and defend rural healthcare providers from measures that threaten service line reductions, workforce layoffs and facility closures.
3. Protect and defend rural healthcare consumers from policies that threaten access to care locally and/or reduce health outcomes.
4. Support measures that promote health insurance affordability for rural Coloradans.
5. Support accountability measures for carriers for delays in care related to prior authorization, provider credentialing, and network adequacy issues.
6. Support measures that will lower costs for prescription drugs for rural Coloradans.
7. Support initiatives that enhance transportation options for rural communities and healthcare facilities to provide non-emergency medical transportation services.
8. Support initiatives to educate consumers and policymakers about the negative impact of Medicare Advantage plans on rural health access and sustainability.
9. Support the implementation of more stringent Medicare Advantage plan network adequacy standards for rural counties to ensure access to necessary services and competition.

3. Investments in Rural Health Infrastructure & Sustainability

Priority Goal: Protect and increase state and federal investments in the sustainability of rural healthcare facilities.

Context: Support for rural hospitals and clinics is a priority for the state and federal government and many philanthropic organizations. Unfortunately, many of these piecemeal programs are not keeping pace with the need for robust investment in the sustainability of rural healthcare. Colorado's rural hospitals have hundreds of millions of dollars in deferred

maintenance, and in many cases, very limited capacity to obtain loans to fund the projects. To protect Colorado's rural healthcare facilities from the growing trends of closures and consolidation there must be significant investment in rural Colorado's healthcare infrastructure, including workforce, technical assistance programs, and access to capital. Even with the potential infusion of support from RHTP, this will be a heavy lift in 2026 on both the state and federal level. CRHC will prioritize supporting the evidence-based strategies identified by Colorado Rural Futures, develop and communicate an advocacy strategy with key decision makers, and ultimately help lay the groundwork for investment when the political climate is ripe. If Colorado is awarded RHTP funds, CRHC will work proactively with HCPF and the Governor's office to direct the funds and programming based on feedback from members. CRHC will also protect existing programs that impact rural health sustainability and communicate their value to decision-makers.

2026 Rural Health Investments & Sustainability Policy Priorities:

1. Support efforts to increase access to public capital for rural healthcare facilities, including defending current state and local grants/loans from cuts, and reducing barriers to participating in such programs.
2. Support efforts to increase access to private capital for rural healthcare facilities, including preferred loan status and state/federal loan guarantees.
3. Support measures that increase regional collaboration, including exploring opportunities for shared services and co-location of health programs, and building community partnerships to support local investments in rural health.
4. Support the evidence-based policy solutions identified by the Colorado Rural Futures program.
5. Protect federal rural sustainability programs such as FLEX, SHIP and SORH from cuts or program minimization threats.

4. Regulatory & Administrative Burden

Priority Goal: Streamline healthcare compliance and administrative processes.

Context:

According to the Colorado Hospital Association, over the past 6 years the General Assembly has passed almost 500 laws impacting hospital operations. While many of these changes are aimed at increasing transparency and accountability for healthcare providers, the burden often outweighs the benefits. Many rural healthcare facilities struggle to keep their doors open with current funding and staffing, which leaves few resources to address and comply with

constantly changing rules and regulations. Additionally, many quality and reporting requirements conflict with or duplicate one another. Without thoughtful consideration of the limitations and unique circumstances of rural healthcare delivery, many of these proposals are diminishing the access they seek to create.

Considering the significant financial sustainability challenges facing CRHC members, it will be more important than ever to protect CRHC members from legislation that will increase administrative and regulatory burden. CRHC will prioritize educating policymakers about potential unintended consequences associated with changes to regulatory frameworks that do not consider the unique circumstances of rural providers.

2026 Regulatory & Administrative Burden Policy Priorities:

1. Protect and defend members from policies that increase administrative burden. Whenever possible, advocate for funding and/or technical support to rural providers for new mandates.
2. Urge policymakers and department decision-makers to make unique considerations for rural providers related to regulatory, administrative, and reporting requirements.
3. Support rural hospital and clinic deregulation measures.
4. Advocate for streamlined reporting requirements at the state and federal level.
5. Support insurance carrier reforms that will reduce the administrative burden related to payment, prior authorization, provider credentialing, network adequacy issues, and more.
6. Support efforts to modernize state and federal regulations for Rural Health Clinics (RHCs).

5. Workforce Development

Priority Goal: Increase and protect investments in recruitment and retention of providers and facility staff, address barriers to workforce development.

Context: A strong healthcare workforce is fundamental to providing quality, timely care in rural Colorado. It also plays a critical role in rural economic development. Rural healthcare facilities must have sufficient providers, administrators, and support staff to operate sustainably and meet the care needs of their communities. Unfortunately, workforce shortages across care and administrative settings continue to be a challenge, impacted by rising employment costs, increased staff burnout, housing challenges and limited childcare options, barriers to student/resident rural training opportunities and difficulty recruiting to rural settings. Efforts to increase the rural workforce pipeline will likely be curbed due to budget limitations, and

current rural workforce funds must be defended from cuts. CRHC will support creative, budget-friendly solutions to recruitment and retention barriers, and defend members from policies that will place greater financial and regulatory stress on providers and administrators.

2026 Workforce Policy Priorities:

1. Support utilization of advanced practice providers.
2. Support providers working at the top of their scope.
3. Support “grow your own” health professional initiatives.
4. Support affordability measures for housing and childcare.
5. Support utilization of international medical graduates.
6. Protect current rural workforce development programs, including state and federal Health Professional Service Corps Loan Repayment Programs.
7. Support measures to reduce burnout related to administrative burden and workplace violence.
8. Leverage partnerships with educational institutions to increase exposure of rural healthcare careers to build a pipeline of healthcare professionals.
9. Defend members from policies that may increase the costs of employment.

6. HIT & Telehealth

Priority Goal: Continue adoption of healthcare technology and telehealth in a way that leverages patient data and connection to local providers.

Context: Rural healthcare providers have continued to increase utilization of technology and data collection to serve their patients. CRHC has played a significant role in leading rural hospitals and clinics toward data collection and utilization through the Colorado Rural Connectivity Program (RCP). CRHC will prioritize ongoing support for RCP and sharing the value of the program to policymakers.

Telehealth can be a valuable tool for rural healthcare providers in expanding access to care. State policies to increase access and delivery of telehealth services have increased over the years, including legislation to establish reimbursement for remote patient monitoring services championed by CRHC in 2024. CRHC will protect members from cuts to telehealth reimbursement and services, and support legislation that will continue the momentum of telehealth utilization in rural healthcare settings.

2026 HIT & Telehealth Policy Priorities:

1. Support continued adoption of telehealth in rural Colorado in a way that leverages and/or supports local providers.
2. Protect and defend rural providers from state cuts and/or restrictions to telehealth, including reimbursement for remote patient monitoring.
3. Protect and defend rural providers from federal cuts and/or restrictions to telehealth, including reimbursement for audio-only visits and remote patient monitoring.
4. Support measures that increase the affordability of telehealth and technology infrastructure for rural healthcare providers.
5. Support the R7 payments through the Rural Connectivity Program. Continue to support free Health Information Exchange access for CAHs and RHCs
6. Support the permanent adoption of COVID-era telehealth extenders and flexibilities.
7. Expand and improve access to affordable and reliable broadband access in rural areas.
8. Support the development and enforcement of interoperability standards for EHR vendors.

7. Social Determinants of Health, Population Health & Chronic Disease Management

Priority Goal: Address barriers related to where rural Coloradans live, learn, work, and age that impact health outcomes, increase utilization of and protect investment in primary care access and chronic disease prevention.

Context: Where you live should not determine if you live, and addressing the conditions in which we live, work, and play is foundational to fostering healthy, equitable communities. Unfortunately, rural Colorado has suffered from a lack of investment in healthcare, education and diverse, sustainable economies. At the same time, demographics across the US and Colorado are shifting and communities are becoming more diverse. CRHC has made a deliberate effort to ensure our work addresses and increases health equity for rural communities. Through our policy work, CRHC will engage in policy and advocacy that will continue momentum toward increased health equity. CRHC will also continue to lay the groundwork to meet the goals of this policy priority by including diverse opinions and perspectives in our decision-making and advocacy work and, supporting legislation that improves the upstream factors impacting health equity.

Sustainable funding, regulations that support integration, transportation options, and unique workforce solutions are needed to address primary care access and affordability disparities in

rural Colorado. Despite the fact that investments in primary care and chronic disease management provide savings to the healthcare system, proactive measures to increase primary care access and delivery in rural Colorado will be stifled by the state budget and federal changes. CRHC will work to defend members from cuts to primary care services and reimbursement. CRHC will also work to protect and promote rural primary care and chronic disease management.

2026 Social Determinants of Health, Population Health & Chronic Disease Management Policy Priorities:

1. Protect and support measures that increase the sustainability of primary care delivery in rural Colorado, including health screenings, prevention initiatives, and chronic disease management.
2. Increase and incentivize rural healthcare providers for screenings and data collection related to social determinants of health. Support alignment across state and federal programs collecting patient information related to patient demographics and the social determinants of health.
3. Protect and support integration of and reimbursement for community health workers and community outreach programs.
4. Support measures that improve equity and encourage a rural healthcare workforce that is representative of the populations it serves.
5. Support policies that will increase the socioeconomic status of rural Coloradans and the economic vitality of their communities.
6. Support policies that increase the capacity of rural community partners, such as public health, county social services, food banks, churches and local schools to partner with rural healthcare providers to address and improve the social determinants of health in their communities.

8. Behavioral Health & Substance Use

Priority Goal: Protect programs and investments aimed at increasing behavioral health outcomes for rural Coloradans.

Context: Rural Coloradans continue to have worse behavioral health outcomes and lower access to behavioral healthcare services than urban residents. Rural residents often travel long distances to receive services, are less likely to be insured for behavioral health services, and providers are less likely to recognize a mental illness. Stigma related to needing or receiving behavioral healthcare in small communities persists and can make the already small pool of providers even smaller.

CRHC will defend members from these cuts to behavioral health reimbursement and covered services and work creatively to increase behavioral healthcare outcomes. CRHC will support measures to increase the behavioral health workforce, such as addressing administrative barriers to care, leveraging telehealth, and supporting behavioral health providers at all levels. CRHC will also prioritize addressing challenges to behavioral health crisis response and treatment.

2026 Behavioral Health & Substance Use Policy Priorities:

1. Defend cuts to Medicaid behavioral health reimbursement and protect covered services.
2. Protect and expand covered services, and advocate for adequate reimbursement for behavioral health services for privately insured rural Coloradans.
3. Support measures that will enable rural health providers to develop regional partnerships for behavioral health, crisis response, and substance misuse treatment.
4. Support efforts to increase the rural behavioral healthcare workforce.
5. Protect and support ongoing funding for state behavioral health integration programs.
6. Support efforts to increase early intervention, prevention, discharge resources and support services.
7. Support measures to expand the use of Medication Assisted Treatment (MAT) in rural communities.
8. Support measures to address barriers to and applications of Mobile Crisis Response (MCR) in rural healthcare settings and communities.