

119TH CONGRESS
1ST SESSION

S. 3250

To amend title XVIII of the Social Security Act to reauthorize the Rural Flex program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 20, 2025

Ms. HASSAN (for herself, Mr. BARRASSO, Ms. CORTEZ MASTO, and Mrs. BLACKBURN) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend title XVIII of the Social Security Act to reauthorize the Rural Flex 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 Hospital Flexi-
5 bility Act of 2025”.

6 **SEC. 2. MEDICARE RURAL HOSPITAL FLEXIBILITY PRO-** 7 **GRAM GRANTS.**

8 Section 1820 of the Social Security Act (42 U.S.C.
9 1395i–4) is amended—

10 (1) in subsection (g)—

1 (A) in paragraph (1)—

2 (i) in subparagraph (C), by striking
3 “and” at the end;

4 (ii) by amending subparagraph (D) to
5 read as follows:

6 “(D) providing support for critical access
7 hospitals, rural health clinics, and rural emer-
8 gency hospitals (as defined in section
9 1861(kkk)(2)) for quality improvement, quality
10 reporting, performance improvements,
11 benchmarking, addressing population health,
12 transforming services, and providing linkages
13 and services for behavioral health and sub-
14 stance use disorders responding to public health
15 emergencies;” and

16 (iii) by adding at the end the fol-
17 lowing new subparagraphs:

18 “(E) providing support for critical access
19 hospitals to convert to rural emergency hos-
20 pitals to stabilize hospital emergency services in
21 their communities; and

22 “(F) conducting outreach regarding the
23 availability of payments for direct graduate
24 medical education costs under section 1886(h),
25 providing information regarding eligibility for

1 direct graduate medical education residency po-
 2 sitions, and providing assistance with the appli-
 3 cation process for the distribution of such posi-
 4 tions to—

5 “(i) critical access hospitals;

6 “(ii) hospitals located in rural areas
 7 (as defined in section 1886(d)(2)(D)), ex-
 8 cluding hospitals that are treated as being
 9 located in a rural area pursuant to section
 10 1886(d)(8)(E);

11 “(iii) hospitals located in an area that
 12 has a rural-urban commuting code of no
 13 less than 4.0;

14 “(iv) sole community hospitals (as de-
 15 fined in section 1886(d)(5)(D)(iii));

16 “(v) sites that are located within 10
 17 miles of a sole community hospital (as de-
 18 fined in section 1886(d)(5)(D)(iii)); and

19 “(vi) rural emergency hospitals.”;

20 (B) by redesignating paragraphs (3)
 21 through (7) as paragraphs (4) through (8), re-
 22 spectively;

23 (C) after paragraph (2), by inserting the
 24 following new paragraph:

“(3) ACTIVITIES TO SUPPORT CARRYING OUT
OTHER GRANTS.—The Secretary may award grants
or cooperative agreements to entities that submit to
the Secretary applications, at such time and in such
form and manner and containing such information
as the Secretary specifies, for purposes of supporting
recipients in carrying out the activities under this
subsection by providing technical assistance, data
analysis, and evaluation efforts.”;

(D) in paragraph (4), as redesignated by
subparagraph (B)—

(i) in subparagraph (A)—

(I) in the header by striking
“HOSPITALS” and inserting “STATE
OFFICES OF RURAL HEALTH”; and

(II) by inserting “State Offices
of Rural Health on behalf of eligible
small rural” after “award grants to”;

(ii) by amending subparagraph (B) to
read as follows:

“(B) ELIGIBLE SMALL RURAL HOSPITAL
DEFINED.—For purposes of this paragraph, the
term “eligible small rural hospital” means—

“(i) a non-Federal, short-term general
acute hospital that—

1 “(I) is located in a rural area (as
2 defined for purposes of section
3 1886(d)); and

4 “(II) has less than 50 beds; or

5 “(ii) a rural emergency hospital (as
6 defined in section 1861(kkk)(2)).”;

7 (iii) by amending subparagraph (C) to
8 read as follows:

9 “(C) APPLICATION.—The State Office of
10 Rural Health shall submit an application, on
11 behalf of eligible small rural hospitals, to the
12 Secretary on or before such date and in such
13 form and manner as the Secretary specifies.”;

14 (iv) by amending subparagraph (D) to
15 read as follows:

16 “(D) AMOUNT OF GRANT.—A grant under
17 this paragraph shall be determined on an equal
18 national distribution so that each eligible small
19 rural hospital receives the same amount of sup-
20 port related to the funds appropriated.”;

21 (v) by amending subparagraph (E) to
22 read as follows:

23 “(E) USE OF FUNDS.—State Offices of
24 Rural Health and eligible small rural hospitals

1 may use the funds received through a grant
2 under this paragraph for—

3 “(i) the purchase of computer soft-
4 ware and hardware;

5 “(ii) the education and training of
6 hospital staff on billing, operational, qual-
7 ity improvement, and related value-focused
8 efforts; and

9 “(iii) other delivery system reform
10 programs determined appropriate by the
11 Secretary.”; and

12 (vi) in subparagraph (F)—

13 (I) in clause (i), by striking “A
14 hospital receiving a grant under this
15 section” and inserting “An entity re-
16 ceiving a grant under this para-
17 graph”; and

18 (II) in clause (ii), by striking
19 “under this section” and inserting
20 “under this paragraph” each place it
21 appears; and

22 (E) in paragraph (5), as redesignated by
23 subparagraph (B), in the matter preceding sub-
24 paragraph (A), by striking “or (2)” and insert-
25 ing “, (2), or (4)”; and

1 (2) in subsection (j)—

2 (A) by striking “from the Federal Hospital
3 Insurance Trust Fund”; and

4 (B) by striking “in each of fiscal years
5 2011 and 2012” and inserting “in fiscal year
6 2011 and each subsequent fiscal year”.

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