

Dec. 16, 2025

To: Members, Colorado General Assembly

Congress created the Rural Health Transformation Program (RHTP) within H.R. 1 to help sustain rural health care across the country. This is a critical opportunity in an increasingly budget-constrained environment. The fund's purpose can only be fulfilled if programs are co-designed with the rural leaders who deliver care every day. Top-down directives from state agencies undermine trust, strain partnerships, and squander a rare and consequential opportunity to use federal investment to strengthen rural health care in Colorado.

In this case, not only were Colorado's rural hospitals' recommendations disregarded, but proposals were advanced that they actively oppose and believe will harm the communities they serve. Colorado's rural health care system – and the patients who depend on it – deserve a process grounded in transparency, respect for local expertise, and genuine collaboration.

Colorado submitted its RHTP application on Nov. 4, following a stakeholder process presented as an opportunity to help shape priorities for rural health care investment and reform. The actual content of the submission was not shared with rural hospital leaders or other interested stakeholders until *after* it had been formally submitted, and many portions run counter to stated rural leader goals.

Furthermore, the Colorado Department of Health Care Policy and Financing (HCPF) recently published a Frequently Asked Questions document stating that providers who apply for or receive funding through the RHTP will be prohibited from serving on the Advisory Committee. This position represents a significant and troubling departure from months of prior communication with stakeholders, and the explicit commitments made by the state in its RHTP application to the Centers for Medicare & Medicaid Services (CMS).

The application submitted to CMS clearly describes a *Rural Health Transformation Advisory Committee* that includes rural hospitals and other providers and assigns that body substantive responsibilities – reviewing program progress, guiding policy alignment, advising on priorities, and overseeing the development of the funding distribution process. The application further commits that, following submission, the Advisory Committee would convene to support implementation and management of the program through inclusive, structured discussions on rural health challenges, funding distribution, program design, and review of Request for Application materials.

Excluding the very providers the program is intended to support from participation in these governance and oversight functions fundamentally undermines the integrity of the stakeholder process, contradicts the state's representations to CMS, and erodes trust among rural communities. This lack of transparency – combined with the dismissal of input that rural hospitals *did* provide – has generated significant concern and frustration among rural hospital leaders and the Colorado Hospital Association. These concerns have been raised repeatedly with HCPF and the governor's office throughout the process.

While HCPF and CRHC solicited feedback from rural hospitals, the final application excludes most of the priority areas identified by rural leaders. In several cases, it advances proposals that rural hospital



leaders, who are leading experts on the needs of these unique communities, explicitly oppose. The most prominent example is the application’s heavy emphasis on “regionalization,” which calls for the creation of up to 12 regional collaboratives which may be composed of rural hospitals, clinics, FQHCs, and other providers. Rural hospitals value collaboration, and they repeatedly recommended more effective and less disruptive approaches to achieving it than the model included in the final application.

The regionalization model also proposes “Right Sizing” services which would require certain hospitals to discontinue key service lines and direct patients to a single designated facility within the region. This concept is deeply problematic. First, it was not proposed or supported by rural health care leaders; it originated entirely from state agencies. Second, decisions about which services a rural hospital offers must remain local – grounded in community needs and realities – not dictated through a bureaucratic process that fails to account for travel distances, weather and transportation barriers, financial vulnerability, or the essential role of local access in rural health outcomes.

Another significant concern is the application’s use of RHTP funding to continue participation in the flawed Hospital Transformation Program (HTP). Although HTP was well-intended, it has shown limited ability to meaningfully measure or improve hospital quality in Colorado. Instead, it has imposed a substantial administrative burden on financially fragile hospitals and has repeatedly demonstrated itself to be an unreliable clearinghouse of data. Persistent breakdowns in communication and data evaluation have diminished stakeholder confidence and eroded confidence in the program. Rather than reevaluating HTP’s clear shortcomings in partnership with organizations that administer the program, HCPF is now using RHTP dollars as leverage to compel participation in a program widely viewed as flawed and ineffective.

Lawmakers have an essential role to play, and their community hospitals stand ready to work alongside them to ensure the Rural Health Transformation Program truly reflects the needs of the communities it is meant to support. From the outset, rural hospitals articulated clear principles and metrics for success – chief among them keeping hospital doors open and preserving local decision-making authority. Unfortunately, the current proposal’s reliance on a flawed quality program and its emphasis on incentivizing regional networks fall short of those principles and fail to advance meaningful measures of performance. Your engagement is critical to ensuring these dollars are invested wisely and in ways that genuinely strengthen rural health care across Colorado. Absent legislative direction, there is no meaningful mechanism to ensure that RHTP implementation aligns with statutory intent, federal commitments, or the real-world needs of rural health care providers. Legislative intervention is therefore necessary to restore transparency, uphold accountability, and ensure that rural stakeholders have a formal and substantive role in shaping how these significant public dollars are deployed.

We appreciate your attention to these vitally important issues and questions.

Sincerely,

A handwritten signature in black ink that reads 'Jeff Tieman'.

Jeff Tieman
President and CEO
Colorado Hospital Association