

## Rural Hospital Capital Improvement Request

Funding to modernize and harden rural hospital facilities in a systematic and equitable way that will strengthen Florida's entire healthcare network.

### The Role of Rural Hospitals

Florida statute defines rural hospitals (section 395.602(2), Florida Statutes) as licensed acute care hospitals with 100 or fewer beds and an emergency room in areas with low population density, sole community hospitals, and critical access hospitals. According to the Agency for Health Care Administration, there are 25 rural hospitals in Florida that meet this definition and provide more than 1,000 beds.

Rural hospitals provide much-needed access to affordable, quality health care for patients close to home. Rural hospitals serve as economic anchors in their communities by supporting well-paying jobs and infusing the economy with spending on goods and services. In 2020, rural hospitals in the U.S. contributed \$220 billion in economic activity in rural areas. It is critical that Florida's rural hospitals have the resources to utilize quality technology, equipment, and facilities to provide the highest level of care in their communities.

### Background

In 1999, the Legislature created the Rural Hospital Capital Improvement Grant Program in the Florida Department of Health (DOH). Subject to legislative appropriation, each rural hospital receives a minimum of \$100,000 annually, upon application to DOH, for projects to acquire, repair, improve, or upgrade systems, facilities, or equipment. For more than a decade, the grant program was not funded. However, in Fiscal Year (FY) 2023-24, \$10 million was appropriated to reinstitute the program. This funding was made recurring in FY 2024-25.

Since funding for the program resumed, rural hospitals have used the grant funds to support a variety of vitally necessary projects – from purchasing CT scanners, mammography equipment and chillers to upgrading emergency rooms and expanding operating rooms. In FY 2023-24, more than \$23 million was requested by 19 hospitals and in FY 2024-25, more than \$21 million was requested by 21 hospitals.

### Request

FHA is seeking \$10 million in additional funding, for a total of \$20 million, to address the priority projects identified by hospitals in rural communities.