



To: CAFM Members  
From: Nina DeJonghe, MPP, Director of Government Relations  
Date: March 12, 2026  
Re: Government Relations Update

## Congressional Updates

### *House Ways and Means Hearing on Rural Workforce Needs*

On February 24th, the House Ways and Means Committee Subcommittee on Health convened a [hearing](#) entitled, “Advancing the Next Generation of America’s Health Care Workforce”. The hearing focused on rural healthcare training.

Witnesses highlighted the need for improved graduate medical education (GME) funding in rural areas. Emily Hawes, a professor at the University of North Carolina School of Medicine said that training physicians in rural settings increases the chances they will practice in rural communities. “Physicians most often practice within 100 miles of where they do residency,” Hawes testified. Jason Shenefield, CEO at Phelps Health testified about the indirect medical education (IME) payments. This “can translate into nearly \$96,000 less per resident per year compared to hospitals paid under the prospective payment system,” Shenefield said. Thomas Mohr, Dean of the College of Osteopathic Medicine at Sam Houston State University, raised the issue of GME caps. “The way that medical education looked in 1997 [and] 1998 is different than it does right now,” Mohr said, noting that funding should better account for population shifts and rural needs.

During the hearing, legislators highlighted their support for revised GME funding in rural areas. Rep. Jason Smith (R-MO) said that Medicare’s GME funding structure does not adequately support rural programs. “Rural hospitals must overcome a lack of resources, staff, and patient volume to establish new residency programs, while simultaneously getting reimbursed less than their urban counterparts,” Smith said in his opening statement. “Congress recognized this gap and recently funded more than 1,000 new GME slots, with 10 percent specifically reserved for rural areas, but, concerningly, large urban hospitals have exploited a Medicare loophole and have collected 97 percent of the 800 slots distributed so far.” Reps. Steven Horsford (D-NV) and Mike Thompson (D-CA) also voiced their support for rural training enhancements.

### *House Ways and Means Hearing Follow-up Re H.R. 1153 Cosponsors*

Following the hearing, CAFM reached out to the Health Subcommittee members who spoke up about rural workforce issues. Thus far, we met with Reps. Thompson and Horsford about cosponsoring [H.R. 1153](#), The Rural Physician Workforce Production Act.

### *Defend Rural Health Act*

On February 5th, Rep. Dave Taylor (R-OH) introduced H.R. 7409, [The Defend Rural Health Act](#). The bill would eliminate the loophole that allows urban hospitals that are reclassified as “rural” to simultaneously receive Medicare’s urban wage index payments while simultaneously benefiting from programs designed to help rural hospitals, including:

- Urban wage indexes for calculating Medicare reimbursement;
- A lower threshold for eligibility in the 340B program;
- Increased GME funding; and
- Potential eligibility for sole community hospital status, rural referral center status, and Medicare-dependent small rural hospital status.

The Defend Rural Health Act would require urban hospitals to meet stricter criteria to reclassify as a rural hospital. Additionally, this bill would prohibit dual reclassifications through the Medicare Geographic Classification Review Board, which is the mechanism through which urban hospitals are currently able to retain their higher Medicare urban wage index payments while simultaneously claiming to be rural for other benefits. CAFM met with Rep Taylor staff on March 6th to discuss the bill.

### *Fiscal Year 2027 Appropriations Advocacy*

CAFM has finalized its fiscal year 2027 funding requests for AHRQ and the Center for Primary Care and the Primary Care Training and Enhancement Program (Title VII) at HRSA. We are engaged in advocacy in support of these requests which includes filling in appropriations forms with champions in the House and Senate and meeting with key Hill staff in support of the funding. In addition, we are working with the Friends of AHRQ in support of our joint funding request for AHRQ; we signed a coalition [letter](#) in this regard. We are also working with the Health Professions and Nursing Education Coalition in support of our Title VII request.

### *RRPD Bill Support*

CAFM has signed on to a letter circulated by the National Rural Health Association to express support for the Rural Residency Planning and Development Act of 2025, [H.R. 6468](#). The letter is currently in circulation.

The letter notes that enhancing and expanding the reach of physician training in rural areas will help alleviate current provider shortages. The Rural Residency Planning and Development (RRPD) pilot program has addressed rural payment inequities by supporting the creation and sustainability of rural residency programs, which are crucial for training and retaining physicians where they are most needed. Funding from RRPD helps to cover start-up costs, accreditation, faculty development, and recruitment, and expand the number of trained physicians in rural settings. The authorization of a dedicated funding line for the RRPD program, as proposed in H.R. 6468, is a vital step towards strengthening the rural physician workforce.

### *Congress Urges HHS to Address NIH Advisory Council Vacancies*

On February 3rd, NIH Director Jay Bhattacharya testified before a Senate Health, Education, Labor, and Pensions Committee [hearing](#) and said that the National Institutes of Health (NIH) is working hard to fill increasing numbers of vacant NIH director posts. Both Republican and Democrats asked about vacancies at the hearing.

On March 5th, House members sent a [letter](#) to Department of Health and Human Services Secretary (HHS) Robert Kennedy, Jr. expressing concerns about NIH advisory councils. The press release said, “We write to express concern about the severe understaffing of the National Institutes of Health (NIH) advisory councils. In the last year, only one member has been added across the 24 NIH advisory councils. These advisory councils play a critical role in funding medical research, serving as the final arbiter after NIH study sections review grant

applications. The current understaffing of NIH advisory councils will imperil medical research and harm the health of Americans for generations.”

### **Regulatory Activity**

#### *CDC, NIH Performance Review Change May Rate More Workers ‘Unacceptable’*

Press reports have said that the Centers for Disease Control and Prevention (CDC) and the NIH are adopting a new performance review policy that could make it easier to fire employees. The new policy shifts CDC and NIH from a five-point scale to a three-point scale, with the options being “unacceptable,” “fully successful” and “outstanding.” Both NIH and CDC sent memos to employees explaining the changes.

#### *USPSTF Postponed*

A third meeting of the U.S. Preventive Services Task Force (USPSTF) was postponed on March 3rd, according to the Department of HHS. In the past, the Task Force traditionally met three times a year, but the meetings in July and November last year were cancelled. The USPSTF’s recommendations play a role in determining access to preventive services through grade level recommendations that result in limits on insurance cost sharing. In several recent articles, including in the Annals of Internal Medicine, original USPSTF members warned about the future of the panel. The former panel members warned that HHS could eliminate the USPSTF or delegitimize the independent body like it did with CDC’s Advisory Committee on Immunization Practices (ACIP). As of yet, [no new task force meeting dates have been announced](#). In addition, the terms of five members of the 16-member task force expired on December 31st, with no plans announced for their replacements.

#### *Exemption for Health Care Workers for H1B Fees*

Approximately 100 legislators in a February 12th [letter](#) to the Department of Homeland Security (DHS) requested an exemption for health care workers from the Administration’s \$100,000 fee on employers who request a new H-1B visa. The Administration announced the new fee in September of 2025. The lawmakers, led by Reps. Mike Lawler (R-NY) and Yvette D. Clarke (D-NY) said that rural and urban safety net hospitals will especially feel the impacts of the fee as they rely heavily on H-1B visas for essential services and staffing. The letter was circulated to health care organizations for sign-on, and CAFM was among the signatories.

“For over 30 years, health care employers have used the H-1B visa program to recruit and retain the finest international talent, positioning the US as a global leader in health care delivery and innovation,” the letter says. “Many members of the care team -- including highly skilled physicians, advanced practice professionals, clinical laboratory workers, and researchers -- come to the U.S. from around the world to offer specialized services, deliver care in underserved areas, and contribute to cutting-edge biomedical research.”

### **Other**

#### *HHS Reports that 50 Medical Schools Will Add Nutrition Training to Curricula*

About fifty medical schools across thirty-one states have agreed to provide at least 40 hours of nutrition training into their curriculum or implement a 40-hour competency equivalent, for students starting in the fall of 2026.

HHS Secretary Kennedy announced the new effort on March 3rd and provided further details in this [press release](#).

“Chronic disease is bankrupting our health system, and poor nutrition sits at the center of that crisis,” said HHS Secretary Robert F. Kennedy, Jr. “Today medical schools are committing to change how America trains its doctors — by putting nutrition back where it belongs: at the heart of patient care.”

HHS will also dedicate \$5 million through a multi-phase NIH nutrition education grant to support medical schools, nursing residency, nutrition science, and dietician programs that integrate nutrition education into their curricula. The funding will help institutions develop coursework, clinical training opportunities and research initiatives focused on evidence-based nutrition science.

### *Diversity Equity and Inclusion Update*

A federal court ruling led the [U.S. Department of Education](#) to withdraw a 2025 directive that had sought to restrict diversity, equity, and inclusion (DEI) efforts in schools and higher education institutions. The directive, issued through a “Dear Colleague” letter, warned schools that certain DEI-related activities could violate federal civil rights law and risk the loss of federal funding. Civil rights groups, including the ACLU and the National Education Association, challenged the policy, arguing that it was vague, exceeded the department’s authority, and threatened academic freedom. The court agreed and permanently invalidated the directive, preventing the federal government from enforcing or reviving it. As a result, schools and educators may continue engaging in teaching and programs related to diversity, equity, and inclusion without fear of federal penalties.

“The lawsuit was [filed](#) last year by the American Civil Liberties Union, the ACLU of New Hampshire and the ACLU of Massachusetts on behalf of the National Education Association (NEA), and the National Education Association–New Hampshire. The Center for Black Educator Development as well as several New Hampshire School Districts later joined the case as plaintiffs.” CAFM will continue monitoring this policy update, as the situation unfolds.

### *GSA’s Proposed Changes to the Required Certifications by Recipients of Federal Funds*

The General Services Administration (GSA) has proposed revisions to the federal government’s Financial Assistance General Certifications and Representations in the System for Award Management (SAM.gov), which all organizations must complete to receive federal grants, loans, or contracts. The proposed changes would require federal funding recipients to certify compliance with federal laws and executive orders related to issues such as discrimination, immigration, public safety, and religious liberty.

Under the proposal, organizations would need to attest that they comply with federal antidiscrimination laws, including those related to diversity, equity, and inclusion (DEI) programs, adhere to immigration laws in their employment practices, and do not support illegal activities that threaten public safety or national security. The revisions also expand existing certifications related to free speech and religious liberty.

The proposal notes that organizations providing inaccurate certifications could face civil or criminal penalties under federal law, including the False Claims Act. Because SAM registration is required for nearly all federal grants and contracts, the proposed changes could affect a wide range of recipients, including state and local agencies, higher education institutions, and nonprofit organizations. Public comments on the proposal are open through March 30, 2026. [Attached are an overview and helpful](#) FAQ prepared by the EducationCounsel for your reference.

## *Upcoming HRSA Grant Opportunities*

### **Medical School Education Program (MSE) (HRSA-26-098)**

**Program Funding:** \$13,000,000

**Expected Awards:** 8

This program provides support to public medical schools in the top quartile of states (Alabama, Arizona, Florida, Georgia, Kentucky, Mississippi, Nevada, New Jersey, Oklahoma, Tennessee, Texas, and Utah) with a projected primary care provider shortage to expand or support education for medical students preparing to become physicians.

### **Scholarships for Disadvantaged Students (SDS) (HRSA-26-096)**

**Program Funding:** \$51,079,900

**Expected Awards:** 80

This program provides funding for health professions schools to offer scholarships to students from disadvantaged backgrounds.

### **Ruth L. Kirschstein National Research Service Award Institutional Research Training Grant (NRSA) (HRSA-26-035)**

**Program Funding:** \$5,980,000

**Expected Awards:** 12

This program supports the training of postdoctoral health care professionals who are planning to pursue careers in biomedical and behavioral health research related to primary care.