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United States Senate

COMMITTEE ON THE JUDICIARY

WASHINGTON, DC 20510-6275

June 24, 2026

VIA ELECTRONIC TRANSMISSION

The Honorable Dr. Mehmet Oz
 Administrator
 Centers for Medicare & Medicaid Services

Dear Administrator Oz:

The Working Families Tax Cuts Act authorized the Rural Health Transformation (RHT) program.¹ The RHT program is intended to improve access to quality healthcare for rural Americans and rebuild rural healthcare infrastructure.² Congress authorized the RHT to provide \$50 billion to states over five years.³ Moreover, the law caps administrative costs associated with RHT program awards at ten percent to ensure states are distributing RHT funds directly to healthcare providers instead of supporting state bureaucracies.⁴ The Centers for Medicare and Medicaid Services (CMS) is responsible for monitoring expenditures made by states to ensure that spending is in alignment with program goals and statutory requirements.⁵

It is important for CMS to have an accurate accounting of the RHT administrative costs. The RHT program should not be in the business of expanding or supporting state government bureaucracies. This funding should be going to rural health providers to transform their infrastructure and services lines to support the needs of rural America. According to an email from your staff to mine earlier this year, “CMS does not have a publicly available data source listing all of the administrative expenses for all 50 states”.⁶ Additionally, your staff disclosed that, “CMS has not required states to make their applications public.”⁷ Some states have published their RHT plan; however, only certain states specify they plan to keep administrative costs below 10 percent. Given this lack of public disclosure and specificity, I am concerned states may spend more than the statutorily required cap of ten percent on administrative costs.

As a lifelong Iowan, I understand the importance of ensuring that rural Americans have access to quality healthcare close to home. That includes ensuring that the federal dollars allocated in the RHT program are used on rural health providers—not state agency administrative costs. I am proud my home state of Iowa was the first state in the nation to award RHT funding to rural providers.⁸ Iowa’s projected state administrative costs are less than one percent.⁹ I have had the chance to hear how the RHT funds are working for rural health care providers.¹⁰ For example, at one of my Iowa 99 county meetings in Pella, Iowa, I learned they are using the federal dollars to invest in a PET scan machine and to hire an oncology nurse to improve rural cancer care.¹¹ I am glad Iowa funds are directly supporting the needs of rural Americans and healthcare providers.

¹ Public Law 119-21 § 71401. *See also* Centers for Medicare & Medicaid Services, *Rural Health Transformation (RHT) Program* (Apr. 10, 2026), <https://www.cms.gov/priorities/rural-health-transformation-rht-program/overview>.

² *Id.*

³ *Id.*

⁴ *Id.*

⁵ *Id.*

⁶ Emails and Notes on file with Committee staff.

⁷ *Id.*

⁸ Governor Kim Reynolds, *Iowa first in the nation to award Rural Health Transformation Program funding* (Jan. 30, 2026), <https://governor.iowa.gov/press-release/2026-01-30/iowa-first-nation-award-rural-health-transformation-program-funding>.

⁹ Iowa Department of Health and Human Services, *Iowa Rural Health Transformation Program (Healthy Hometowns) Project Narrative*, <https://hhs.iowa.gov/media/17491/download?inline>.

¹⁰ Notes on file with Committee staff.

¹¹ Notes on file with Committee staff.

Accordingly, so that Congress can ensure every state provides funding to healthcare providers and not state bureaucracies in accordance with the law, please answer the following questions no later than July 8, 2026:

1. On December 29, 2025, CMS announced that all 50 states will receive awards under the RHT.¹² Did CMS request from all 50 states each state's projected state administrative costs amount or percentage? If so, provide all records.¹³
2. Did CMS receive from all 50 states each state's RHT projected state administrative costs amount or percentage? If so, provide all records.
3. Has CMS independently verified each state's projected state administrative costs for year one funds of the RHT? If so, please provide all records on how CMS calculates its verification. If not, what are the plans or procedures to verify these administrative costs in the future?
4. For states that have projected RHT administrative costs at or close to ten percent, what actions has CMS taken to closely monitor these states' compliance with the ten percent cap?
5. What steps has CMS taken to track RHT program expenditures on state administrative costs? Provide all records.
6. Will CMS audit states' administrative costs for each year the agency issues RHT funds? If not, why not?

Thank you for your prompt review and response. If you have any questions, please contact Tucker Akin with my Committee staff at (202) 224-5225.

Sincerely,



Charles E. Grassley
Chairman
Committee on the Judiciary

¹² Press Release, Centers for Medicare & Medicaid Services, *CMS Announces \$50 Billion in Awards to Strengthen Rural Health in All 50 States* (Dec. 29, 2025), <https://www.cms.gov/newsroom/press-releases/cms-announces-50-billion-awards-strengthen-rural-health-all-50-states>.

¹³ "Records" include any written, recorded, or graphic material of any kind, including letters, memoranda, reports, notes, electronic data (emails, email attachments, and any other electronically created or stored information), calendar entries, inter-office communications, meeting minutes, phone/voice mail or recordings/records of verbal communications, and drafts (whether they resulted in final documents).