

FACT SHEET:

Rural Community Hospital Demonstration
Fact Sheet – Updated April 2026

The Centers for Medicare & Medicaid Services (CMS) operates the Rural Community Hospital (RCH) Demonstration required by statute to test cost-based payment for Medicare inpatient services for rural hospitals with fewer than 51 beds that are not eligible to be Critical Access Hospitals (CAH). The RCH Demonstration Program was initially authorized by section 410A of the Medicare Modernization Act (MMA) of 2003. The demonstration was extended three times—by sections 3123 and 10313 of the Affordable Care Act, by section 15003 of the 21st Century Cures Act, and by section 128 of the Consolidated Appropriations Act of 2021—each authorizing an additional five-year period of performance for participating hospitals, implemented based on each hospital’s start date in the program.

The MMA requires that the demonstration be budget neutral. CMS has met this requirement by offsetting the amount of payment enhancement attributable to the demonstration from the national payment rates to hospitals. On an annual basis, the proposed and final rules for the Medicare Inpatient Prospective Payment System (IPPS) have updated the status of the demonstration as well as the methodology for ensuring budget neutrality. CMS intends to continue this approach in future IPPS rulemakings.

On December 20, 2024, CMS published a Request for Applications for additional hospitals to join the demonstration. Applications were due on March 1, 2025. As a result of this solicitation, in April 2025 CMS selected 10 additional hospitals to join the 20 hospitals currently participating in the demonstration. These additional hospitals have participation periods that begin in 2025 & 2026 and end on June 30, 2028. Hospitals that are currently participating in the demonstration shall continue their participation in accordance with their currently scheduled periods of performance.

Hospitals not selected for the initial 10 open slots under the RFA have been placed on a waitlist. When a participating hospital voluntarily terminates from the demonstration, CMS will utilize the waitlist to fill any vacancies as they become available. Waitlist placement is based on an applicant’s overall score, meaning those with higher scores that were not selected were placed at the top of the waitlist and will be prioritized when a new slot in the demonstration becomes available.

Hospital	City and State	RCH Start date	RCH End date
Columbus Community Hospital	Columbus, NE	05/01/2005	04/30/25
Bartlett Regional Hospital	Juneau, AK	07/01/2005	06/30/25
Brookings Health System	Brookings, SD	01/01/2008	09/30/25
Stormont Vail Flint Hills	Junction City, KS	05/01/2011	04/30/26
Lakes Regional Healthcare	Spirit Lake, IA	07/01/2011	06/30/26
MercyOne Newton Medical Center	Newton, IA	07/01/2011	06/30/26
Northern Light Maine Coast Hospital	Ellsworth, ME	07/01/2011	09/30/26

Marion General Hospital	Columbia, MS	10/01/2011	09/30/26
Delta Health	Delta, CO	01/01/2012	12/31/26
UnityPoint Health - Grinnell Regional Medical Center	Grinnell, IA	01/01/2012	12/31/26
Anderson Regional Medical Center - South	Meridian, MS	10/01/2017	09/30/27
Highland Community Hospital	Picayune, MS	10/01/2017	09/30/27
Northern Light AR Gould Hospital	Presque Isle, ME	10/01/2017	09/30/27
Montrose Regional Health	Montrose, CO	01/01/2018	12/31/27
UnityPoint Health - Trinity Regional Medical Center	Fort Dodge, IA	01/01/2018	12/31/27
Valley View Medical Center/Valley View Hospital	Glenwood Springs, CO	01/01/2018	12/31/27
Avera St. Luke's Hospital	Aberdeen, SD	07/01/2018	06/30/28
Great Plains Regional Medical Center	Elk City, OK	07/01/2018	06/30/28
St. John's Medical Center/St. John's Health	Jackson, WY	07/01/2018	06/30/28
Brattleboro Memorial Hospital	Brattleboro, VT	10/01/2025	06/30/28
McPherson Hospital Inc.	McPherson, KS	07/01/2025	06/30/28
Santiam Memorial Hospital	Sayton, OR	01/01/2026	06/30/28
Greenwood Leflore Hospital	Greenwood, MS	05/01/2025	06/30/28
Roosevelt General Hospital	Roosevelt, NM	07/01/2025	06/30/28
San Luis Valley Health	Alamosa, CO	07/01/2025	06/30/28
Sequoyah County City of Sallisaw Hospital Authority	Sallisaw, OK	05/01/2025	06/30/28
Artesia General Hospital	Artesia, NM	07/01/2025	06/30/28
Magee Benevolent Association	Magee, MS	05/01/2025	06/30/28
Wayne General Hospital	Waynesboro, MS	10/01/2025	06/30/28
INTEGRIS Health Woodward Hospital Inc.	Woodward, OK	07/01/2025	06/30/28

For more information, visit <https://www.cms.gov/priorities/innovation/innovation-models/rural-community-hospital-demonstration>