



Congress of the United States House of Representatives

September 1, 2026

The Honorable Mehmet Oz, MD
Administrator
Centers for Medicare & Medicaid Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Administrator Oz:

Thank you for your efforts to enhance and secure our Medicare and Medicaid programs and improve fiscal stewardship. As we implement the federal requirements to reduce fraud and abuse in the Medicaid program, your leadership on this critical issue will ensure that healthcare access, particularly in rural communities, remains strong.

I am writing to follow up on a conversation we had last fall about Astria Toppenish Hospital (ATH)—a hospital in my district located on an Indian reservation—and urge you to consider utilizing your authority to create a pathway for Critical Access Hospital (CAH) status for hospitals located on tribal land through an administrative change to the CMS Administrative (Interpretive) Guidelines.

As you know, the Medicare Rural Hospitality Flexibility Program, established under the Balanced Budget Act of 1997, created the CAH designation to help preserve access to inpatient care in certain rural communities. Since 2006, CAH status has been reserved for hospitals that meet strict rural and geographic tests, including being located more than 35 miles from the nearest hospital or 15 miles over mountainous terrain or secondary roads.

Astria Toppenish Hospital is a nonprofit PPS hospital located on the tribal lands of Confederated Tribes and Bands of the Yakama Nation, serving a uniquely diverse population across its region that includes tribal members and farm workers who work and live in the area. More than 15% of its community is American Indian, 66% is Hispanic, and 54% of residents live below 200% of poverty.

The hospital provides critical services across rural Washington and operates with one of the highest percentages of reliance on Medicaid of any hospital in the state, ATH is in dire financial straits and is facing significant reductions in service to its community and potential closure. While Washington State has already passed legislation that would provide cost-based payments to Medicaid patients at Astria Toppenish Hospital following enactment of federal CAH designation, ATH is ineligible for CAH status consideration under current standards due to being within 35 miles of the next closest hospital.

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The current CMS Interpretive Guidelines related to CAHs provides that:

- In determining whether a currently certified CAH or a CAH applicant meets the location requirements at §485.610(c), the proximity of IHS/Tribal hospitals or CAHs and non-IHS/Tribal hospitals or CAHs to each other is not considered.¹

However, it is my understanding that CMS guidance remains silent on tribal or non-tribal hospitals located on tribal land. Given this, I respectfully request that you expand current guidance and adopt an administrative change that provides an exception for Indian Health Service (IHS), Tribal CAHs and other hospitals located on a reservation (as defined in section 4 of the Indian Health Care Improvement Act) that are located less than the 35 or 15 miles from another hospital or CAH. Additionally, I strongly urge you to consider clarifying in the new guidance that any new CAH that operates dedicated psychiatric beds over and above its 25 acute care beds.

Implementing these new administrative changes to the Interpretive Guidelines for the program will support rural hospitals in fighting against the drug and mental health crises that have been persistent across my state and is a significant opportunity to safeguard existing, essential healthcare services for our rural and tribal communities.

Thank you for your consideration of this request and please reach out to me or my staff with any questions.

Sincerely,

Dan Newhouse
Member of Congress

¹ Centers for Medicare & Medicaid Services. *State Operations Manual*, Chapter 2, “The Certification Process” (2024)