

Bridging the Gap: Transforming Care in Rural America **through the Rural Health Transformation Program**

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Today's Speakers



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Ask questions
using the Q&A
feature.



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Today's Agenda

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Background & Overview

2

Application Process & Funding Criteria

3

Stakeholder Engagement & Dynamics for Consideration



Our mission is to ensure that everyone has access to **quality, affordable health care** regardless of health status, social need, or income.

How do we
accomplish
this?



Durable Federal Change

Advocating for
People-
Centered
Policy



Changing the
National
Conversation

Developing
People-
Centered
Solutions



Listening to People's Health Care Needs



Background & Overview



At-A-Glance: Health Care Challenges in Rural America



Rural Americans are more likely to live below the **poverty level**.



25% of **children** in rural areas live in **poverty**.



Rural areas experience higher **uninsured rates** (8.4%) compared to urban areas (7.8%).



Rural communities face higher rates of **chronic disease**.



Rural residents experience greater **mental health access** challenges. Rural youth are twice as likely to die by **suicide**.



Rural residents have greater **transportation challenges** reaching health care providers.



One-fifth of the U.S. population resides in rural areas but only one-tenth of **physicians** practice in rural areas.



53% of rural Americans lack access to the benchmark **internet speed**.

“

"I can't even get an appointment with a primary doctor because my primary doctor is away right now. And it's hard to find a primary care doctor."

**Vance Resident,
RURAL SC**

"First of all, we don't have a maternity doctor around here. You either gotta go to Bamberg or Orangeburg and Bamberg I don't think they even deliver babies anymore. So if you're pregnant and need to see a doctor, you can either go to Orangeburg or you go Goldsboro or you can go to Columbia. Those are the four [if there is] nothing in Bamberg County to help you."

”

**St. Matthews Resident,
RURAL SC**

UNITED
STATES *of*
CARE

What is the Rural Health Transformation Program?

Who can apply for this funding?

All 50 States (excluding DC & Territories) can apply one time with approved applications receiving funding over the 5 years.

What is the goal of this program?

Empower states to strengthen rural communities by improving health care access, quality, and outcomes by transforming the health care delivery ecosystem.

How much funding is available?

\$50B for FY 2026 through FY 2030 (\$10B per year).

Who oversees this program?

The Office of Rural Health Transformation within the Centers for Medicare & Medicaid Services' Center for Medicaid & CHIP Services.

The RHTP was authorized by Section 71401 of the [One Big Beautiful Bill Act](#).



Program Goals & Aim for Uses of Funding

Goals of the Rural Health Transformation Program

**Make Rural
America
Healthy Again**

**Sustainable
Access**

**Workforce
Development**

**Innovative
Care**

**Tech
Innovation**

In alignment with the strategic goals, states' applications must propose to invest these funds in at least three of the following areas:

- | | | |
|----------------------------------|-------------------------------------|--|
| ★ Prevention and chronic disease | ★ Training and technical assistance | ★ Transformation of care delivery |
| ★ Provider payments | ★ Workforce | ★ Capital expenditures and infrastructure* |
| ★ Consumer tech solutions | ★ IT advances | ★ Fostering collaboration* |
| ★ Behavioral health | ★ Appropriate care availability | |

**Additional uses designed to promote sustainable access to high quality rural health care services, as determined by the Administrator.*

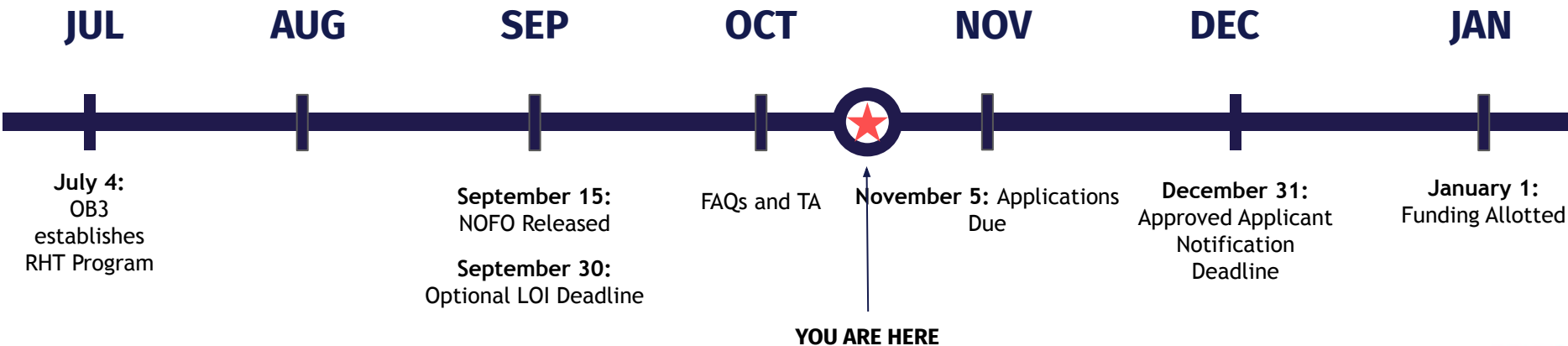


Application Process & Funding Criteria



Applying for RHT Funding

- ★ [Notice of Funding Opportunity](#) posted on [grants.gov](#) (FO Number: CMS-RHT-26-001).
- ★ States start the registration process by visiting [SAM.gov Entity Registration](#).
- ★ Optional letter of intent (LOI) due September 30, 2025.
- ★ Complete application submitted via the NOFO by **November 5, 2025, 11:59pm ET**.



Key Dates & Deadlines for Applicants & Awardees

November 5, 2025

One-time application due for RHTP Funding by 11:59pm ET.

December 31, 2025

Expected award date & Award funding amount for FY 2026.

By October 31, 2026

Award funding amount determined for FY 2027.

By October 31, 2027

Award funding amount determined for FY 2028.

By October 31, 2028

Award funding amount determined for FY 2029.

By October 31, 2029

Award funding amount determined for FY 2030.



A Big Lift: An Application Checklist for States

Narratives

- ☐ Project Summary
- ☐ Project Narrative
- ☐ Budget Narrative

Attachments

- ☐ Governor's Endorsement
- ☐ Indirect Cost Rate Agreement
- ☐ Business Assessment of Applicant Organization
- ☐ Program Duplication Assessment
- ☐ Other Supporting Documentation

Required Forms

- ☐ Disclosure of Lobbying Activities
- ☐ Application for Federal Assistance
- ☐ Budget Information for Non-Construction Programs
- ☐ Project/Performance Site Location



RHTP Funding Snapshot

\$25B
BASELINE FUNDING



\$25B
WORKLOAD FUNDING



\$50B
TOTAL FUNDING

- ★ Allocated equally among all approved states
- ★ \$5 billion per year (or budget period)

- ★ Allocated based on the “content and quality of [the] application and rural factors.”
- ★ \$5 billion per year (or budget period)

\$10 billion per year (or budget period)

States’ funding awards are determined for each individual budget period, meaning the state could see the amount of their funding fluctuate from year to year. Unspent or unobligated funds will be distributed in the next fiscal year.

Overview of the “Workload Funding” Component

Workload funding will be set based on a state’s application and data sets determined by two categorical inputs:

Rural Facility & Population Score (Data-Driven)	Technical Score (More Subjective)
<ul style="list-style-type: none">★ Calculated on the basis of a number of different <u>data-driven</u> factors from Q4 2025.★ Not recalculated for each new budget period.	<ul style="list-style-type: none">★ Calculated on the basis of <u>a number of different factors</u>, including initiatives included in the state’s application, data metrics, and state policy actions.★ Recalculated every budget period based on information and data included in a state’s annual report.



Rural Facility & Population Score: Defining What “Rural” Means

REMINDER: All 50 states are eligible, even if they do not have a large rural population or any rural hospitals. All states are encouraged to apply.

Table 1: Rural Facility & Population Score Factors & Weight

Rural Facility & Population Score Factors	Factor Type	% Weight
Absolute Size of Rural Population in a State	Data-Driven	10%
Proportion of Rural Health Facilities in the State	Data-Driven	10%
Uncompensated Care in the State	Data-Driven	10%
% of State Population Located in Rural Areas	Data-Driven	6%
Metrics That Define a State as Being Frontier	Data-Driven	6%
Area of a State in Total Square Miles	Data-Driven	5%
% of Hospitals in a State that Receive Medicaid Disproportionate Share Hospital Payments	Data-Driven	3%



The Points System: Workload Funding Factors

State applications will be evaluated on a points-based system across several dimensions and factors, as well as a relative weighting of the factors. There are **three types of metrics** of which states will be awarded points:

Data-Driven Metrics



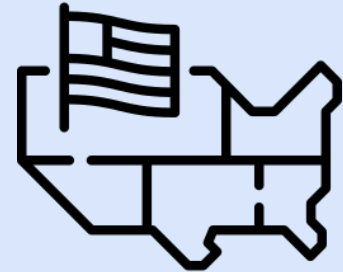
Points awarded on value of state's metrics compared to other states.

Initiative-Based Metrics



Points awarded based on a qualitative assessment of the programmatic initiatives outlined in a state's application and subsequent follow through.

State Policy Actions



Points awarded* based on current state policy, a proposed policy action a state commits to by accepting funding award, and subsequent follow through toward meeting those commitments.

**Some scaling of points are possible, as are "all-or-nothing" point allocations (e.g., Presidential Fitness Test).*



Dynamics for Consideration

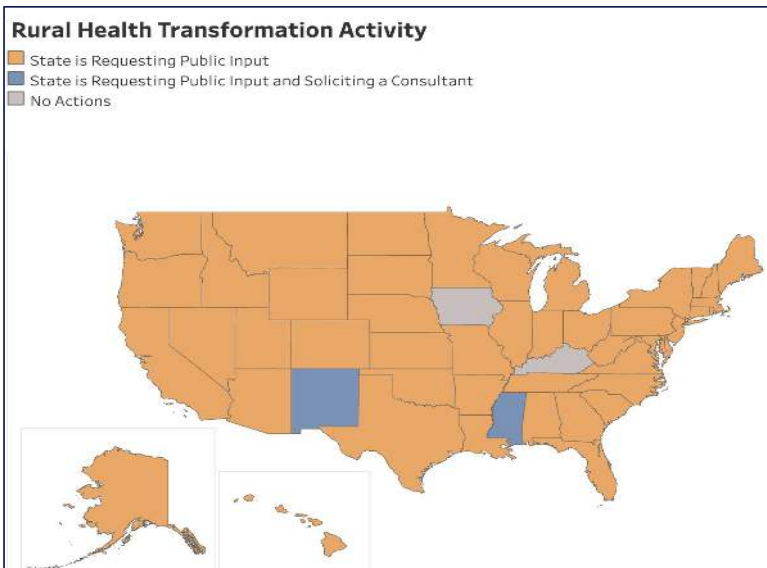


Stakeholder Engagement is Essential

Now is the time to engage with States to encourage inclusion of key priorities in their applications and/or to educate state leaders on ways to optimize this funding for rural communities in a sustainable way.



Ongoing input and feedback with your state Governor's office, state agencies, and state legislature is key.



Source: State Health and Values Strategies. [Link](#).



Windows of Opportunity for Engagement

Through November 5th

- Provide feedback on state's draft application, if posted publicly.
- If not public, where possible reach out to your state agency to request a meeting to discuss what is included in the application.

November 5th to January 1, 2026

- Connect with state agencies to understand what legislative approval they may need to authorize initiatives.
- Identify key legislative champions.
- Provide legislators education on the Program.

2026 State Legislative Sessions

- Support enabling legislation, if needed.
- Advocate for legislative appropriation of RHTP funding, if needed.
- Weigh in on the development of state agency federal reporting processes.

Through 2030

- Partner with agencies/providers to ensure funding is properly distributed and accountability for initiative completion.
- Engage in state evaluation opportunities.



A Transformational Opportunity: Hospital Global Budgets

	How it Works	What it Means for Rural Communities
<u>Status Quo:</u> Fee-For-Service	Hospital payments determined by the <u>volume</u> of services provided.	<u>Volume-based payment is difficult in rural communities</u> where there aren't always enough people "coming through the door" to sustain the hospital/providers.
<u>Opportunity:</u> Hospital Global Budget	Payment mechanisms include a <u>fixed payment</u> that covers all inpatient and outpatient services based on the patient population's expected costs, <u>regardless of the number of services provided.</u>	They bring independent, rural, and safety-net hospitals the <u>financial predictability and stability needed to sustain care delivery</u> in low-volume areas while also <u>paying large health systems more appropriately.</u>

The upfront costs needed to invest in a transition to hospital global budgets have kept rural communities from pursuing these payment models; the RHTF finally puts this sustainable model within reach for many rural communities for the first time.

Hospital Global Budgets in Action



**New York Hospital
Experimental Payment
([HEPP](#)) Program**



**Maryland Total Cost of
Care ([TCOC](#)) Models**



**Pennsylvania Rural
Health ([PARHM](#)) Model**



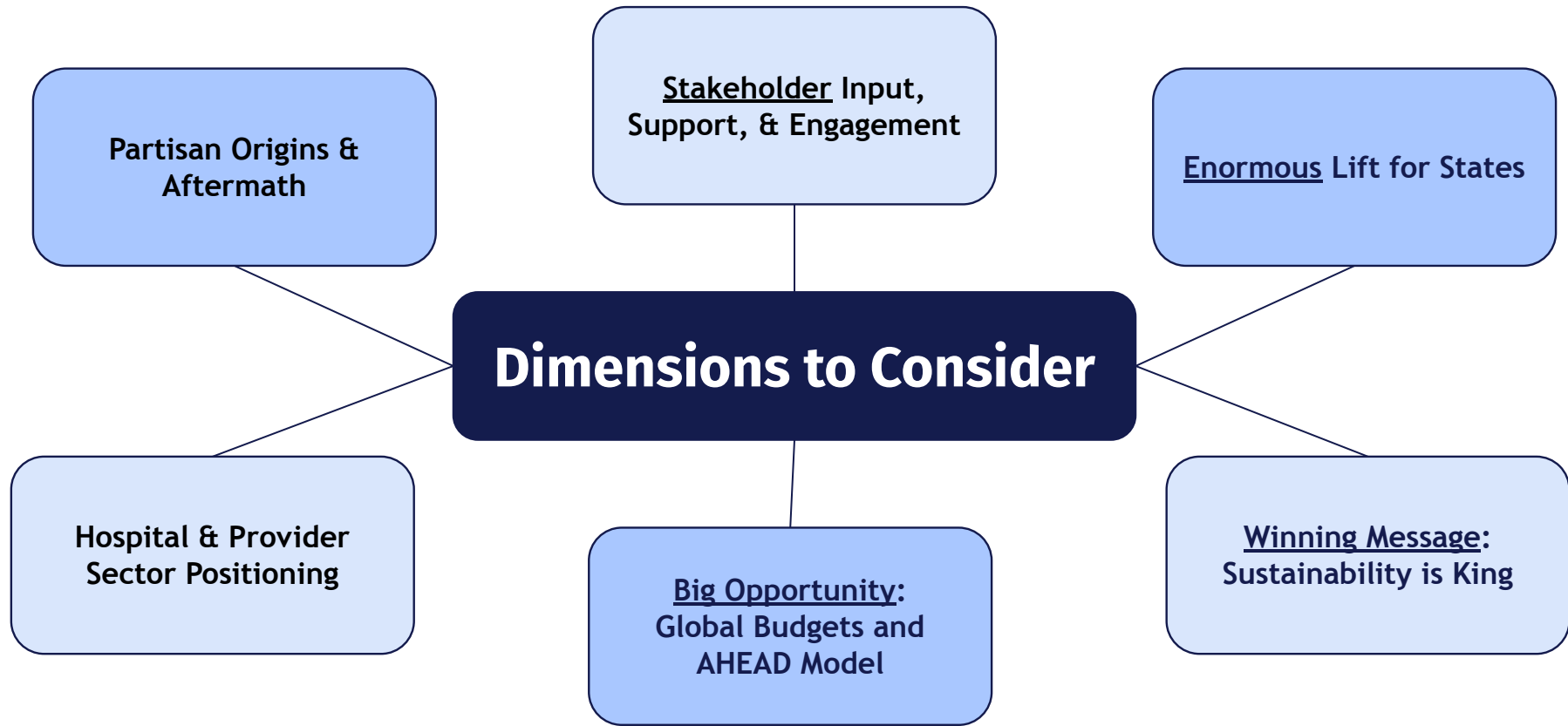
**Achieving Healthcare
Efficiency through
Accountable Design
([AHEAD](#)) Model**

Participating states: CT, HI, MD, NY, RI, VT

Key Considerations for RHTP Funding for Applicants & Stakeholders

SPEAK UP	Articulate priorities that you hope the Governor's office and state agencies will prioritize in its application, and work with state lawmakers to do the same.
SCALE UP	Consider existing initiatives that are already meeting the goals and objectives laid out in the RHTP and NOFO.
THINK "SUSTAINABILITY"	Consider how RHTP funding can be leveraged to design and implement initiatives and policies that can be sustainable beyond the program's expiration.
SUPPORT PAYMENT REFORM	Encourage the state to implement value-based care, or "patient-first care" models that improve financial stability and predictability for hospitals and providers while helping to control costs - including hospital global budgets.
UNDERSTAND STATE POLICIES	Assess the state policies prioritized in the NOFO, including the feasibility and impact in your state and community.
REMEMBER: FUNDING LEVELS MAY CHANGE	Understand that award funding levels can and may change from one budget period to the next.
PLAN FOR ONGOING ENGAGEMENT	Maintain ongoing engagement with the state throughout the application and implementation processes.





Remember: The real work begins on January 1, 2026!





Q&A





Thank You!

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