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Rural Health Transformation Program: What CMS Announced and What It Signals for Implementation

This memo summarizes CMS's Rural Health Transformation Program (RHTP) awards, highlights cross-state implementation patterns, and outlines why this moment matters for Civitas and its members.

What This Means

The Centers for Medicare & Medicaid Services has awarded $50 billion in Rural Health Transformation Program (RHTP) funding across all 50 states and simultaneously operationalized a new Office of Rural Health Transformation to oversee implementation. Together, these actions make clear that RHTP is not a one-time grant initiative, but a long-term, state-led delivery system transformation effort.

Across state proposals, there is notable alignment around shared infrastructure and interoperability, workforce stabilization, regional care delivery, and preparation for value-based payment. The volume of activity is significant, but the more important signal is CMS's expectation that these elements be implemented as coordinated systems—not as standalone initiatives.

RHTP Implementation Structures and Operating Models

RHTP awards take the form of multi-year cooperative agreements that allow states to define their own rural transformation strategies. CMS has been explicit that publicly released state abstracts describe *proposed approaches* rather than final budgets or approved expenditures, underscoring that implementation details will continue to evolve as states engage with the new program office.

Despite wide variation in geography and governance, state proposals converge around a common operating model. Many states are organizing rural care through regional or hub-and-spoke structures that allow providers to share specialty access, operational support, and technology. California, for example, proposes regional care collaboratives anchored by hospitals, while Iowa and Colorado emphasize regional "health hubs" and partnerships that link hospitals, clinics, EMS, and community organizations. Across these models, the emphasis is on coordination and scale rather than independent rural provider self-sufficiency.

Interoperability and data exchange are consistently framed as baseline infrastructure rather than innovation add-ons. Connecticut explicitly funds HIE participation, analytics, and performance monitoring; Hawaii proposes a statewide rural health information network; and Delaware focuses on real-time verification, referrals, and care coordination. Collectively, these proposals represent one of the largest coordinated federal investments in rural interoperability to date, with expectations extending beyond connectivity to governance and operational use.

Workforce strategies are similarly treated as system-level challenges. States link workforce stabilization to broader delivery system reform, including readiness for value-based care. Georgia ties workforce development to participation in CMS payment models, Indiana invests in statewide workforce mapping and rural training pipelines, and Kentucky emphasizes telehealth-enabled teams and expanded roles for non-physician providers. The consistent theme is that workforce shortages are being addressed structurally, not episodically.

For a state-by-state abstract summary, see Addendum at the end of this memo.

Shifts in Rural Care Delivery

A notable feature of state proposals is the expanded role of EMS and mobile care as front-line access points. Rather than viewing EMS solely as a transport function, states such as Mississippi, Maryland, and Iowa integrate community paramedicine, mobile health, and post-discharge follow-up into broader care models. This reflects CMS's growing emphasis on "right care, right place, right time" approaches tailored to rural realities.

At the same time, many states are explicitly preparing rural providers for future payment reform. Kansas sets an ambitious goal of placing all rural Medicare and Medicaid beneficiaries into accountable care relationships by 2031, while Louisiana and Hawaii tie technology and data investments directly to value-based readiness. Even where participation is voluntary in the near term, RHTP is clearly laying the operational groundwork for broader payment transformation.

Health-related social supports also appear across proposals, but typically within formal infrastructure that emphasizes referral systems, data tracking, and sustainability. Delaware links Food is Medicine initiatives to billing and workforce strategies, Maryland aligns food access investments with system-level purchasing, and Massachusetts embeds prevention efforts within broader workforce, EMS, and technology frameworks. The common thread is durability rather than pilot-driven experimentation.

Governance, Oversight, and CMS's Long-Term Intent

CMS has operationalized the Office of Rural Health Transformation (ORHT) as the central program office for the Rural Health Transformation Program, consolidating responsibility for program oversight, implementation support, and state engagement within a dedicated organizational home. Unlike prior rural initiatives that were often administered across multiple CMS components or time-limited teams, ORHT is designed to serve as a durable locus of accountability for RHTP over its full lifecycle.

Based on CMS's organizational filings and public statements, ORHT's responsibilities extend beyond grant administration. The office is charged with coordinating across CMS centers and HHS partners, providing implementation guidance to states, monitoring performance and progress, and serving as the primary point of contact for RHTP-related policy and operational questions. The inclusion of a Division of State Rural Engagement

further signals CMS's intent to maintain active, ongoing relationships with states as programs move from planning to execution.

For states, this structure suggests clearer expectations around implementation, reporting, and alignment over time — and a reduced likelihood that program priorities will shift materially as leadership or political conditions change. For intermediaries and networks, ORHT's role indicates that CMS anticipates sustained engagement with entities that can translate federal policy goals into operational reality at the regional and local level.

Taken together, the establishment of ORHT suggests that CMS is treating rural health transformation as a long-term systems investment, not a discrete funding opportunity. Governance, performance, and coordination are being treated as core program features, not afterthoughts — a framing that raises both the stakes and the opportunity for organizations involved in implementation.

Why This Matters for Civitas

For Civitas and its members, RHTP reinforces several strategic realities. Demand is growing for trusted intermediaries that can support data exchange, referral infrastructure, and cross-sector coordination in governance-aware ways. Alignment across Medicaid, public health, EMS, and community systems is becoming the norm rather than the exception. And the greatest opportunities will lie in implementation support, technical assistance, and sustainability.

RHTP places Civitas members squarely at the intersection of exchanging reliable and real-time data, supporting delivery system reform, deepening longstanding relationships with rural providers, and advancing community-based care while leveraging technology to innovate. Civitas stands ready to help members and state partners navigate what comes next.

What Comes Next

RHTP reflects a significant federal commitment to rebuilding rural health systems through shared infrastructure and coordinated governance. As implementation unfolds, the central challenge will not be whether the frameworks exist, but whether they can be executed in ways that are coherent, durable, and trusted by communities and implementers.

Addendum: State-Level RHTP Abstract Summary

Note: Summaries are derived from CMS-published state project abstracts and reflect proposed focus areas rather than final approved expenditures. They are intentionally high-level and intended to surface cross-state patterns rather than provide comprehensive program descriptions.

State	Lead / Coordinating Entity	Core Transformation Focus	Data / Interoperability Signals	Workforce Strategy	Care Delivery & Access Models
Alabama	Dept. of Economic & Community Affairs	Statewide rural system modernization	Regional shared IT & cybersecurity hubs	Training pipelines; GME expansion	Telehealth networks; mobile screening; EMS treat-in-place
Alaska	Dept. of Health	Community-led, regionally designed systems	Telehealth, wearables, AI, interoperability	Workforce pipelines + housing/childcare supports	Home- and community-based care; frontier access
Arizona	AHCCCS (Medicaid)	Integrated rural access & resilience	Secure, interoperable systems; dashboards	Rural rotations; CTE pipelines	Telehealth hubs; mobile & satellite clinics
Arkansas	State of Arkansas	Holistic rural access & coordination	Analytics; performance tracking	Leadership training; recruitment incentives	Telemonitoring; integrated specialty access
California	Dept. of Health Care Access & Information	Regional care collaboratives	HIE modernization; cybersecurity	Statewide workforce mapping; CHWs	Hub-and-spoke care; e-consults; maternal regionalization
Colorado	State of Colorado	Community-driven rural partnerships	Shared data systems	Cross-training; streamlined credentialing	Telehealth; mobile health; integrated EMS
Connecticut	Dept. of Social Services	Data-driven rural transformation	HIE participation; analytics	Education partnerships; pipelines	Integrated medical, behavioral, LTSS
Delaware	Dept. of Health and Social Services	Access + innovation + outcomes	Real-time verification; HIE investment	New medical school; CHWs	Mobile units; Food is Medicine; school-based care
Florida	Agency for Health Care Administration	Stabilizing rural systems	Encounter notification; HIE onboarding	Clinical training w/ service commitment	Tele-specialties; retail clinics; mobile care

Georgia	Dept. of Community Health	Value-based care readiness	Tech & data for AHEAD readiness	Scholarships; GME; recruitment	Integrated specialty & behavioral health
Hawaii	State of Hawaii	Statewide rural infrastructure	Rural Health Information Network	Education, recruitment, retention	Telehealth network; medical respite
Idaho	Dept. of Health & Welfare	Durable rural capacity	Interoperability; cybersecurity	Service-commitment pipelines	Home-based & community care
Illinois	Dept. of Healthcare and Family Services	Right-sized rural delivery	Tech for virtual care & EMS	Training healthcare support workers	Mobile healthcare; hospital transformation
Indiana	Family & Social Services Admin	Outcomes-driven regional grants	Interoperability networks	Preceptorships; stipends	Tele-consults; cardiometaboli c care
Iowa	State of Iowa	Regional Health Hubs	Statewide record accessibility	Best & Brightest workforce initiative	EMS community care; cancer hubs
Kansas	State of Kansas	Accountable rural systems	Data aggregation; RPM	Recruitment & training	Value-based care; Food is Medicine
Kentucky	Cabinet for Health & Family Services	Targeted rural innovation	Interoperability standards	Expanded non-physician roles	Tele-enabled maternal & crisis care
Louisiana	Dept. of Health	Provider sustainability	State-managed EHR; data sharing	Incentives & continuous training	Mobile care; value-based models
Maine	Dept. of Health & Human Services	Integrated rural systems	Tech-enabled access	Workforce expansion	Mobility innovations; chronic care
Maryland	Dept. of Health	Workforce + access + nutrition	AI-enabled analytics; HIE	Apprenticeships; recruitment	Community paramedicine; mobile health
Massachusett s	State of MA	Rural resilience & access	Interoperability & connectivity	Workforce retention	EMS integration; facility modernization
Michigan	State of Michigan	Regional partnerships	Referral networks; data sharing	CHWs; provider retention	Integrated medical-community care
Minnesota	Dept. of Health	Financially viable rural systems	Regional collaboration tools	Training pathways	Community-based chronic care

Mississippi	State of Mississippi	Integrated regional systems	Modernized IT; telehealth	"Earn while you learn"	EMS-led coordination
Missouri	Dept. of Social Services	Regional access & sustainability	Health IT modernization	Workforce pipelines	Telehealth & specialty access
Montana	Dept. of Public Health and Human Services	Frontier access & workforce	Telehealth & connectivity	Recruitment & retention	Mobile & remote care
Nebraska	Dept. of Health and Human Services	Rural provider viability	Interoperable systems	Training & incentives	Integrated care models
Nevada	State of Nevada	Rural access expansion	Digital infrastructure	Workforce incentives	Telehealth & mobile clinics
New Hampshire	Dept. of Health and Human Services	Sustainable rural delivery	Data-enabled coordination	Workforce pipelines	Integrated behavioral health
New Jersey	Division of Medical Assistance and Health Service (State Medicaid Agency)	Targeted rural investment	Data analytics	Workforce development	Specialty access & prevention
New Mexico	Health Care Authority	Tribal & rural equity	Interoperability & analytics	Community-based workforce	Mobile & culturally aligned care
New York	State of NY	Regional rural health systems	Data integration	Workforce stabilization	Hub-based care models
North Carolina	Dept. of Health and Human Services	Community-driven care	Digital infrastructure	Workforce pipelines	Telehealth & mobile care
North Dakota	Dept. of Health and Human Services	Frontier system resilience	Telehealth & data sharing	Workforce retention	EMS integration
Ohio	State of Ohio	Regional coordination	Data exchange & analytics	Workforce incentives	Integrated rural networks
Oklahoma	Dept. of Health	Sustainable rural access	Health IT modernization	Workforce training	Mobile & telehealth services
Oregon	Oregon Health Authority	Community-centered systems	Data interoperability	Workforce pipelines	Integrated care networks

Pennsylvania	State of PA	Rural provider stability	Data-driven coordination	Recruitment & retention	Telehealth expansion
Rhode Island	Executive Office of Health and Human Services	Targeted rural access	Analytics & HIE	Workforce supports	Integrated service delivery
South Carolina	Dept. of Health and Human Services	Access & prevention	Digital health tools	Workforce training	Mobile & school-based care
South Dakota	Dept. of Health	Frontier access	Telehealth	Workforce pipelines	EMS-enabled models
Tennessee	State of TN	Rural system sustainability	Data modernization	Workforce recruitment	Integrated care models
Texas	Health and Human Services Commission	Regional transformation	Data exchange	Workforce expansion	Telehealth & specialty networks
Utah	Dept. of Health and Human Services	Scalable rural models	Interoperability	Workforce incentives	Hub-and-spoke delivery
Vermont	State of VT	Integrated rural health	Data sharing	Workforce stabilization	Community-based care
Virginia	Dept. of Medical Assistance Services	Regional access	Health IT infrastructure	Workforce pipelines	Telehealth & mobile services
Washington	Dept. of Health	Sustainable rural systems	AI, cybersecurity, data tools	Workforce training	Project ECHO; behavioral health
West Virginia	Dept. of Health	System-level rural recovery	Technology-enabled coordination	Workforce pipelines	Integrated regional care
Wisconsin	Dept. of Health Services	Partnership-driven care	Closed-loop referrals	Career pathways; CHWs	Multi-sector regional systems
Wyoming	Dept. of Health	Basic access & coordination	Telepsychiatry; transport coordination	Education & scope expansion	Right-sized emergency & primary care