

# Rural Health Transformation (RHT) Program

## Grant Funding Overview

July 4, 2025

### Overview

On July 4<sup>th</sup>, 2025, President Trump signed H.R. 1, the [One Big Beautiful Bill Act](#) (OBBBA), into law. The OBBBA was a federal reconciliation law that made sweeping changes across federal spending, taxes, and social programs. These changes included sharp reductions in Medicaid funding and overall eligibility requirements for the public healthcare assistance program.

When developing the legislation, lawmakers saw that Medicaid cuts would hurt rural hospitals and health systems, as they rely heavily on revenue from Medicaid spending to fund operations. To help rural hospitals and health systems deal with this reduction in revenue, they established the [Rural Health Transformation Program](#).

### Program Details

The Rural Health Transformation Program is a **\$50B, 5-year funding opportunity** designed to help rural hospitals and health systems build long-term resilience and deliver high quality healthcare services to rural communities. The program is managed by the Centers for Medicare and Medicaid (CMS), which will distribute the funds to the States, who will then distribute the funds to the rural healthcare providers and supporting agencies. **\$10B** will be available annually, and the program will run from FY26-FY30. 50% of the funds will be distributed equally amongst the states, and 50% will be allocated by CMS based on a variety of factors like population and hospital situation. Awards to states will be decided by December 31<sup>st</sup>, 2025.

### Strategic Goals

The 5 strategic goals of this program are:

- **Make rural America healthy again**
  - Support rural health innovations and new access points to promote preventative health and address root causes of diseases.
  - Projects will use evidence-based, outcomes-driven interventions to improve disease prevention, chronic disease management, behavioral health, and prenatal care.
- **Sustainable access**
  - Help rural providers become long-term access points for care by improving efficiency and sustainability.
  - With RHT Program support, rural facilities work together—or with high-quality regional systems—to share or coordinate operations, technology, primary and specialty care, and emergency services.
- **Workforce development**
  - Attract and retain a high-skilled health care workforce by strengthening recruitment and retention of healthcare providers in rural communities.
  - Help rural providers practice at the top of their license and develop a broader set of providers to serve a rural community's needs, such as community health workers, pharmacists, and individuals trained to help patients navigate the healthcare system.
- **Innovative care**
  - Spark the growth of innovative care models to improve health outcomes, coordinate care, and promote flexible care arrangements.
  - Develop and implement payment mechanisms incentivizing providers or Accountable Care Organizations (ACOs) to reduce health care costs, improve quality of care, and shift care to lower cost settings.

- **Tech innovation**
  - Foster use of innovative technologies that promote efficient care delivery, data security, and access to digital health tools by rural facilities, providers, and patients.
  - Projects support access to remote care, improve data sharing, strengthen cybersecurity, and invest in emerging technologies.

## Funding Use Cases

States must use program funds for **3 or more** of these use cases:

- Promoting evidence-based, measurable interventions to improve prevention and chronic disease management.
- Providing payments to health care providers for the provision of health care items or services.
- Promoting consumer-facing, tech-driven solutions for the prevention/management of chronic diseases.
- Providing training and technical assistance for the development and adoption of technology-enabled solutions that improve care delivery in rural hospitals, including remote monitoring, robotics, AI, and other advanced tech.
- Recruiting/retaining clinical talent to rural areas, who commit to rural communities for a minimum of 5 years.
- Providing technical assistance/software/hardware for significant information technology advances designed to improve efficiency, enhance cybersecurity capability development, and improve patient health outcomes.
- Assisting rural communities to right size their health care delivery systems by identifying needed preventative, ambulatory, pre-hospital, emergency, acute inpatient care, outpatient care, and post-acute care service lines.
- Supporting access to opioid use disorder treatment services, other substance use disorder treatment services, and mental health services.
- Developing projects that support innovative models of care that include value-based care arrangements and alternative payment models, as appropriate.
- Additional uses designed to promote sustainable access to high quality rural health care services.

## What This Means for Vendors

Healthcare technology vendors should view this funding as an opportunity to help rural healthcare providers build long term resilience, enhance patient experience, and improve care delivery.

Relevant technology categories include:

- **Digital care delivery**
  - Telehealth & virtual visits – expands access to care for rural communities
  - Remote patient monitoring – helps treat chronic disease and enhance patient experience
- **Data analytics**
  - Population health and chronic disease analytics – helps providers understand and track rural health efforts and outcomes to improve resource allocation
  - Value-based care and alternative payment models – tracking costs, quality/outcome metrics
- **Workflow**
  - Platforms that connect care providers across different networks – helps deliver more complete and higher quality care to patients
  - Financial management solutions – revenue cycle modernization and prior authorization help increase efficiency
  - Scheduling solutions – Both patient scheduling and staff scheduling tools help increase customer satisfaction and administrative efficiency
- **IT Infrastructure**
  - Clinical systems – EHR upgrades, behavior health integrations, mobile access tools
  - Interoperability – Building/improving capabilities between providers and between internal systems
  - Cybersecurity – Technical assistance for HIPAA compliance and ransomware protection