

2.20.2026



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Rural Health Transformation Program (RHTP)

Presentation to the Rural Health Coordinating Council



Disclaimer

This presentation is supported by the Centers for Medicare & Medicaid Services (CMS) of the U.S. Department of Health and Human Services (HHS) as part of a financial assistance award totaling \$197,271,577.67 with 100 percent funded by CMS/HHS. The contents are those of the author(s) and do not necessarily represent the official views of, nor an endorsement, by CMS/HHS, or the U.S. Government.

Presentation Objectives

- RHTP Background and CMS Requirements
- Oregon's RHT Program and Initiatives
- Public Engagement
- Rural Health Coordinating Council and Discussion Questions

Preview of Discussion Questions

- **Catalyst Awards Design**

- Budget Context: 80M to distribute for Year 1
- Key Questions:
 - What should RHTP consider when determining eligibility and award limits?
 - How can RHCC raise awareness and share information about Catalyst Awards within their networks and communities?

- **Phase 2 Visioning**

- Should there be a collective statewide vision for rural healthcare, or should it be determined region-specific?
- How can participants and communities be aligned and held accountable to that vision?
- How might RHTP leverage RHCC's statutory obligations to guide regional conversations and planning?



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RHTP Background and CMS Requirements

Background

- H.R. 1, the Trump Administration's federal budget reconciliation bill, was signed into law on July 4, 2025, introducing an estimated \$15 billion in cuts to federal funding from Oregon for health insurance coverage, food benefits, and other programs. **Federal funding through RHTP is not intended to offset H.R. 1 Medicaid cuts.**
- H.R. 1 establishes a **one-time, five-year** Rural Health Transformation Program (RHT Program or RHTP), which makes funding available to states for health-related activities supporting rural communities and rural health system transformation.
- The Centers for Medicare & Medicaid Services (CMS) is charged with administering the program as a cooperative agreement.

CMS announced \$50B in awards to all 50 states

- On 12/29/25, CMS announced all 50 states will receive awards
- In 2026, first-year awards average \$200M, ranging \$147-281M
- **Oregon is receiving \$197.3M in 2026**
 - OHA submitted a revised budget on January 30, 2026
 - CMS approved the revised budget on February 18, 2026, and has partially lifted restrictions on the funds
- If approved for a similar amount in subsequent years, Oregon will receive an estimated \$1B over the five-year grant period

CMS RHTP Strategic Goals

Make Rural America Healthy Again

- Support rural health innovation and new access points to promote disease prevention, chronic disease management, behavioral health, and prenatal care.

Sustainable Access

- Improve efficiency and sustainability of long-term access points through high-quality regional systems and coordinated operations, technology, primary and specialty care, and emergency services.

Workforce Development

- Attract and retain a high-skilled workforce with a broader set of health care providers who are supported in practicing at the top of their license.

Innovative Care

- Spark the growth of innovative care models and develop and implement payment mechanisms to improve quality, outcomes, and care coordination, and shift care to lower cost settings.

Tech Innovation

- Foster investment and use of innovative technologies that promote efficient care delivery, data security, and access to digital health tools for rural facilities, providers, and patients.

CMS Uses of Funds

States must commit to using funds for three or more of the health-related activities below:

1. Promote chronic disease management
2. Pay health care providers
3. Promote consumer-facing tech for chronic disease management
4. Train and assist rural hospitals in adopting technology-enabled solutions
5. Recruit and retain clinical workforce in rural areas with 5-year service commitments
6. Provide IT support to improve efficiency, cybersecurity, and patient outcomes
7. Help rural communities right-size delivery systems
8. Expand access to opioid, substance use, and mental health treatment
9. Develop innovative care models, including value-based and alternative payment models
10. Invest in rural health care facility infrastructure
11. Foster and strengthen strategic partnerships between local and regional partners

Monitoring, Reporting, and Oversight

Outcome/ Metric/Targets	<ul style="list-style-type: none">• ≥ 4 outcomes with metrics & annual targets per initiative
Reporting	<ul style="list-style-type: none">• Quarterly and annual reports to CMS<ul style="list-style-type: none">• Financial reporting: expenditure by initiative and use of funds category• Progress reporting: progress on project plans and achieving stated outcomes, metrics, and milestones
Redetermination of Funding	<ul style="list-style-type: none">• CMS uses reports to evaluate compliance and determine funding for subsequent budget period
State Program Oversight	<ul style="list-style-type: none">• Emphasize strong oversight, data collection, and technical assistance

Reporting Periods

Type of Report	Reporting period start date	Reporting period end date	Due to CMS from OHA
Annual #1	December 29, 2025	July 31, 2026	August 30, 2026
Quarterly #1	August 1, 2026	October 30, 2026	November 29, 2026
Quarterly #2	October 31, 2026	January 30, 2027	March 1, 2027
Quarterly #3	January 31, 2027	April 30, 2027	May 30, 2027
Annual #2	August 1, 2026	July 31, 2027	August 30, 2027
Quarterly #4	August 1, 2027	October 30, 2027	November 29, 2027
Quarterly #5	October 31, 2027	January 30, 2028	February 29, 2028
Quarterly #6	January 31, 2028	April 30, 2028	May 30, 2028
Annual #3	August 1, 2027	July 31, 2028	August 30, 2028
Quarterly #7	August 1, 2028	October 30, 2028	November 29, 2028
Quarterly #8	October 31, 2028	January 30, 2029	March 1, 2029
Quarterly #9	January 31, 2029	April 30, 2029	May 30, 2029
Annual #4	August 1, 2028	July 31, 2029	August 30, 2029
Quarterly #10	August 1, 2029	October 30, 2029	November 29, 2029
Quarterly #11	October 31, 2029	January 30, 2030	March 1, 2030
Quarterly #12	January 31, 2030	April 30, 2030	May 30, 2030
Annual #5	August 1, 2029	July 31, 2030	August 30, 2030
Quarterly #13	August 1, 2030	October 30, 2030	November 29, 2030
Final Report	December 29, 2025	October 30, 2030	February 27, 2031

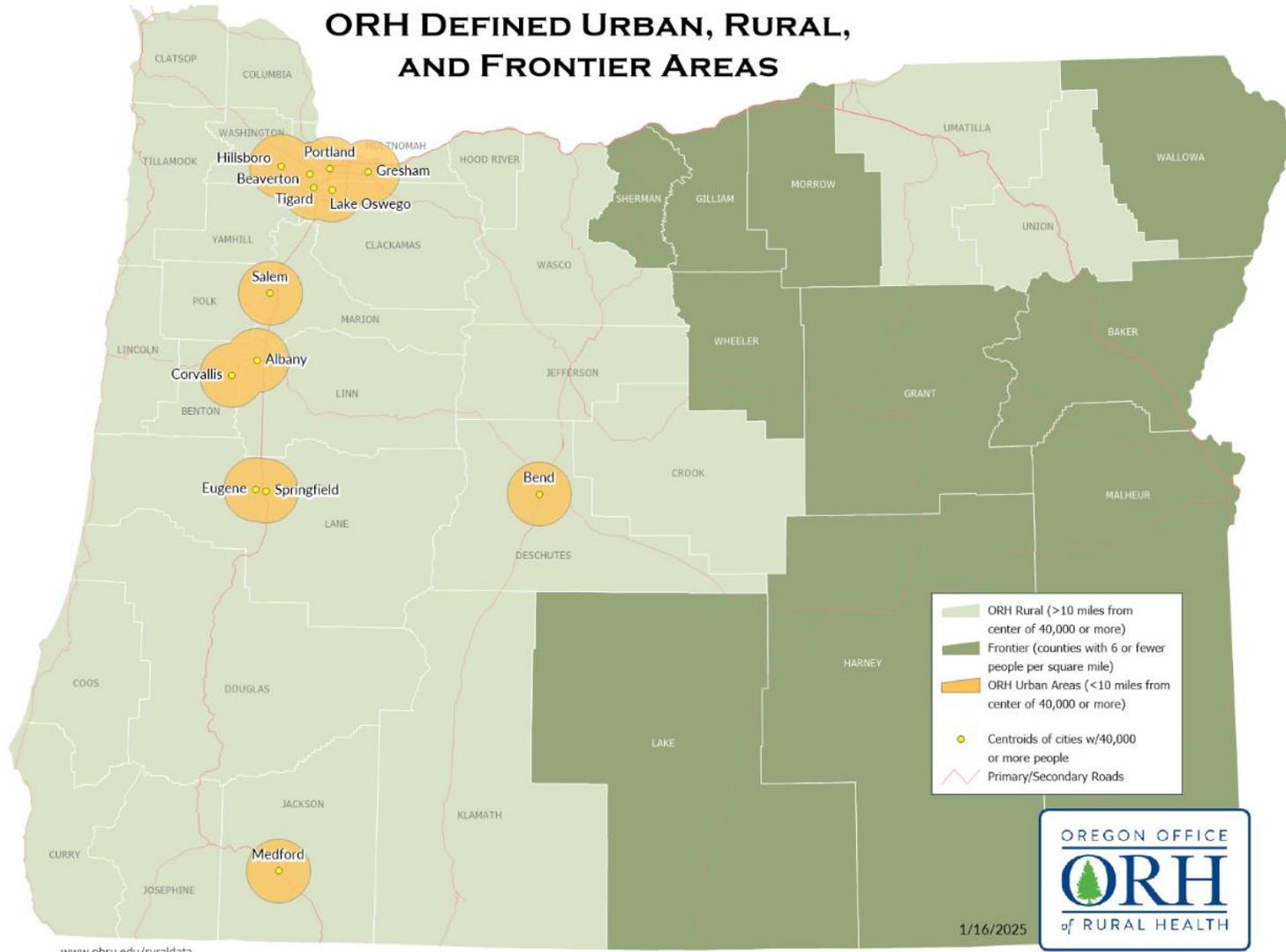


Oregon's RHT Program and Initiatives

Oregon's Five Initiatives

Regional Partnerships & System Transformation	Healthy Communities & Prevention	Workforce Capacity & Resilience	Technology & Data Modernization	Tribal Initiative
<p>Focus on building rural regional networks and shared services to accelerate long-term sustainable strategies</p>	<p>Focus on scaling successful delivery models and creating new health access points to rural counties</p>	<p>Focus on developing a broad workforce from training to professional development programs</p>	<p>Focus on expanding and connecting rural health systems to needed technologies and data infrastructure</p>	<p>Focus on supporting the Tribes with improving health access and outcomes</p>
<p>Example Use of Funds:</p> <ul style="list-style-type: none"> Regional convenings & collaboratives Hub-and-spoke models Investment in Critical Access Hospitals Learning collaboratives Shared infrastructure, workforce, data Maternity care coalitions EMS modernization Standby Capacity Payments 	<p>Example Use of Funds:</p> <ul style="list-style-type: none"> Expanding access points Social health services Behavioral health integration Non-traditional models of care (e.g., digital tools and mobile vans) Chronic disease prevention 	<p>Example Use of Funds:</p> <ul style="list-style-type: none"> Rural residencies and fellowships Rural k-12 pathway programs Tele-mentoring and e-consults Training and certification of non-physician providers Recruitment incentives and family assistance 	<p>Example Use of Funds:</p> <ul style="list-style-type: none"> Health IT system investments AI-enabled tech solutions Community-information exchange & closed-loop referrals Cybersecurity Technical assistance for IT implementation 	<p>Example Use of Funds:</p> <ul style="list-style-type: none"> Strengthen Tribal Health Systems Facility & Infrastructure Behavioral health expansion “Grow Your Own” workforce programs Consumer-facing tech tools for managing chronic disease IT support and EHR upgrades

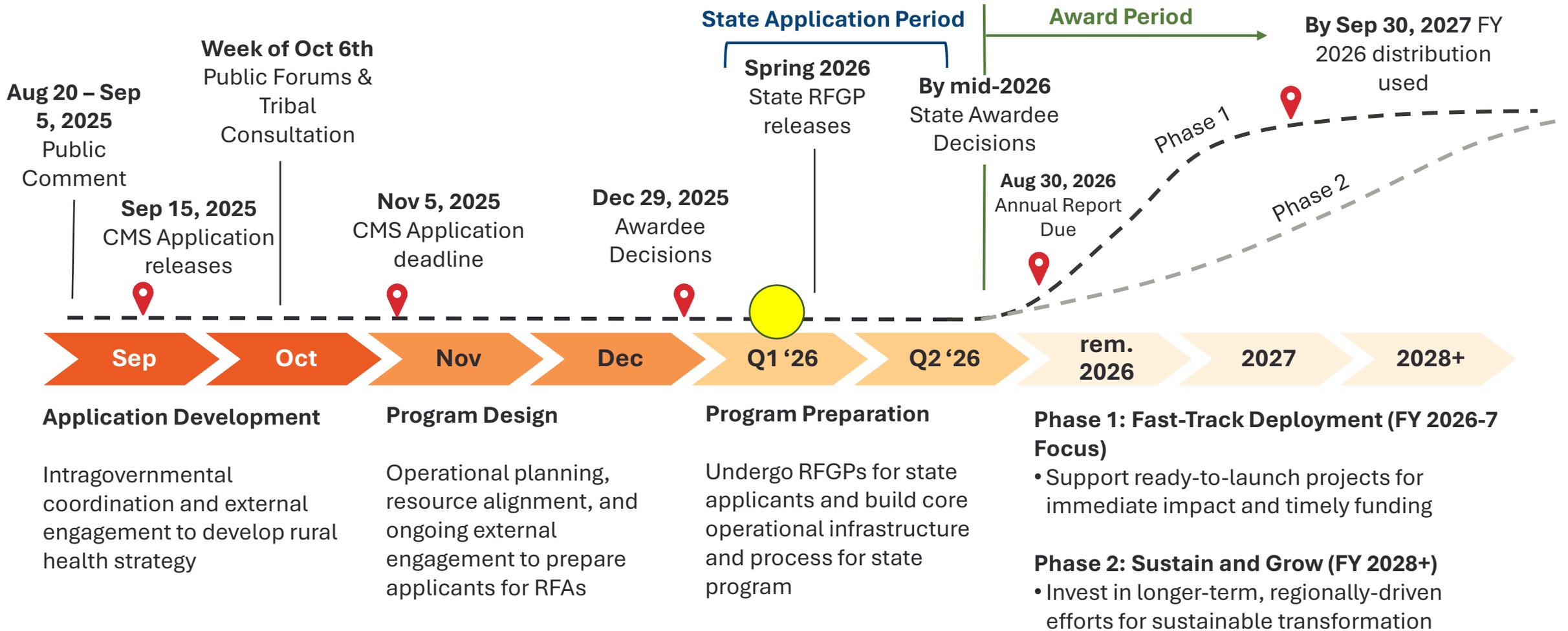
How is Oregon defining “rural” communities?



www.ohsu.edu/ruraldata

- Oregon is using the definition of “rural” used by the Oregon Office of Rural Health, which is defined as areas greater than 10 miles away from a population center of 40,000 or more people.
- All funds will be directed to rural and remote/frontier areas, with specific exceptions for only if funds will specifically advance rural health transformation (e.g., new medical residency programs).

Oregon's Timeline and Phases



*All dates are proposed and contingent on CMS prior approval and release of funds decisions.

Phase 1 (FY26 – FY27)

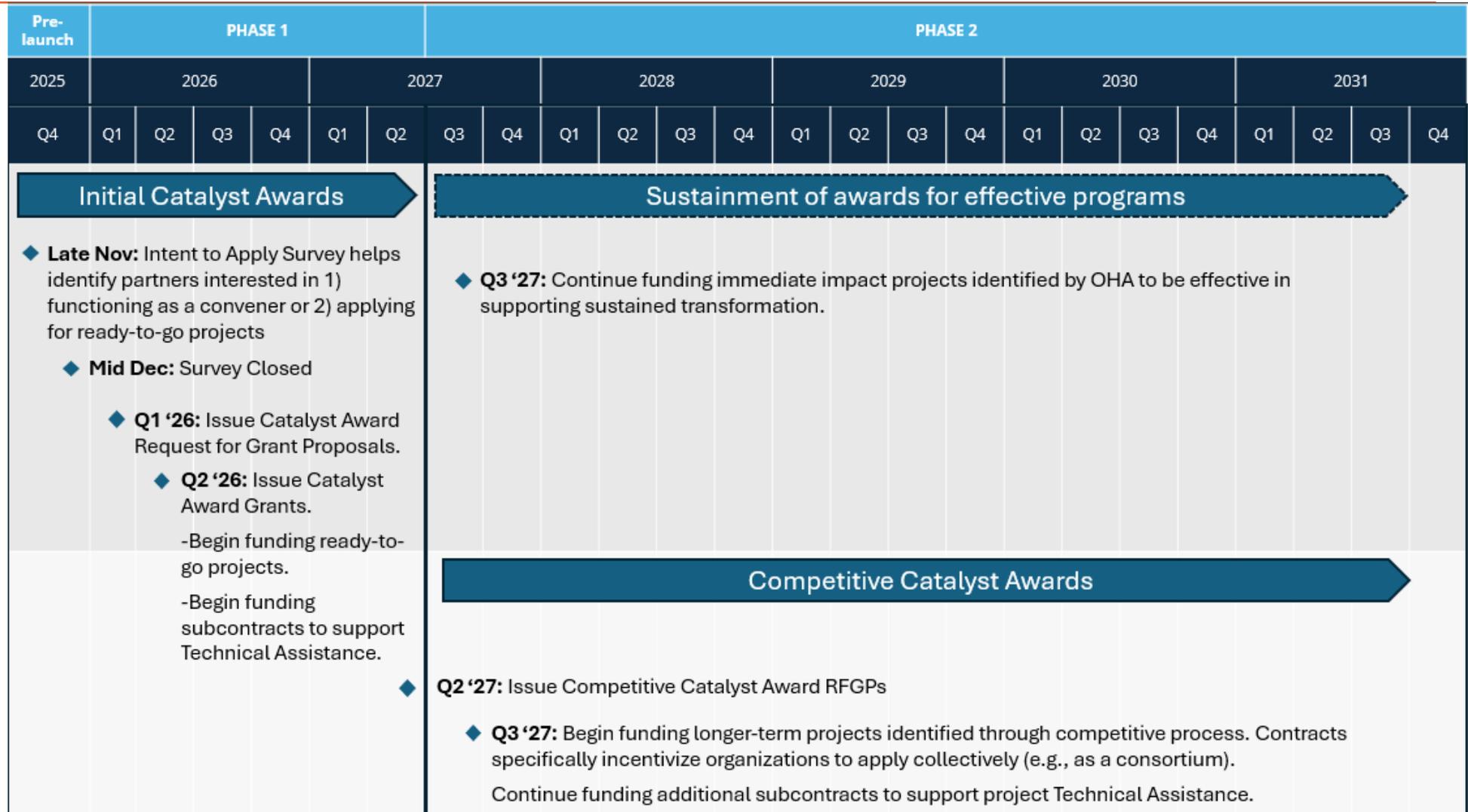
Initial phase will focus on three pathways for implementation

- 1. Catalyst Awards:** Through a Request-for-Grant-Proposal (RFGP) process, organizations will be expected to apply across initiatives for ready-to-go projects that can be implemented within the first two years of the RHT Program.
- 2. Immediate Impact:** Direct awards (non-competitive) for a select set of aligned opportunities identified by the state (not through an application process). Strategic investments will be made to independent rural hospitals, critical access hospitals, and rural health clinics to stabilize essential services and build readiness for Phase 2.
- 3. Regional Planning and Innovation:** Partner with the Office of Rural Health to facilitate regional convenings and technical assistance to eligible entities as they form or further develop their regional partnerships, shared infrastructure plans, and build capacity to apply for Phase 2 funding.

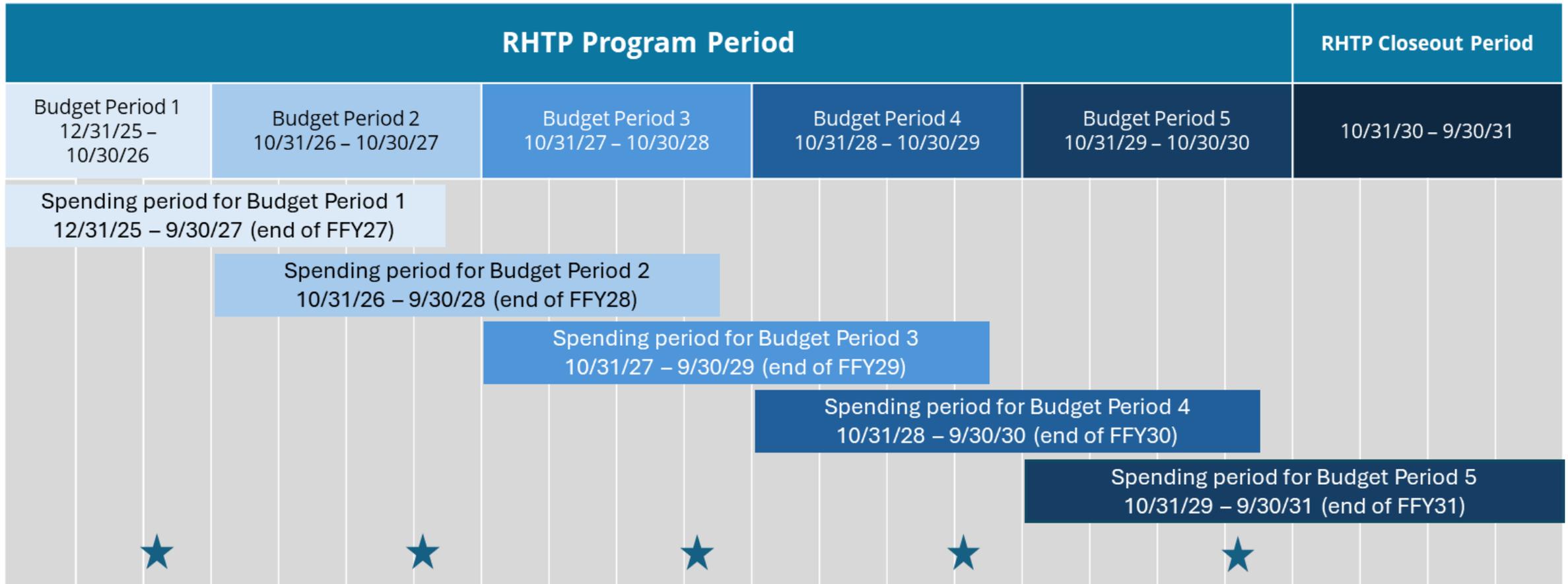
RHT Program Distribution Timeline

Request for Grant Proposals (RFGPs) to fund ready-to-go projects...

Another round of procurement to fund longer-term projects...



RHT Program Spending Timeline



★ Metric milestone/target reporting

Spending Timeline Explanation

Explanation: Funds **cannot be carried over** from one budget period to another. Subcontractors and subgrantees will have **through the following Federal Fiscal Year (FFY) to spend funds** awarded for each budget period. Subcontractors and subgrantees can only pay for expenses that have been approved for the budget period. **No new activities** for the second year can be proposed once the budget period ends, but the subcontractors and subgrantees can still access the funds in the FFY following the budget period to pay for activities approved for that budget period.

Sample Scenario: A state is awarded funding for the budget period of 12/31/25 – 10/30/26 to implement an initiative that will take 18 months to complete. In this scenario, the state would have access to the funding after Budget Period 1 ends to pay the contractor for those services until the end of the next FFY (9/30/27). That means if the contractor did work from January to June 2027, and that work was an approved activity for Budget Period 1, the state could pay for those costs incurred in January – June 2027 from Budget Period 1 funds.

Funding by Initiative

Initiatives	BY1	BY2	BY3	BY4	BY5
1. Regional Partnerships	\$39,000,000	\$40,000,000	\$40,000,000	\$40,000,000	\$55,000,000
2. Healthy Communities	\$75,000,000	\$75,000,000	\$55,000,000	\$50,000,000	\$50,000,000
3. Workforce	\$37,600,000	\$30,000,000	\$45,000,000	\$35,000,000	\$35,000,000
4. Tech/Data	\$7,400,000	\$15,000,000	\$20,000,000	\$35,000,000	\$20,000,000
5. Tribal	\$21,699,874	\$21,699,874	\$21,699,874	\$21,699,874	\$21,699,874



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Public Engagement

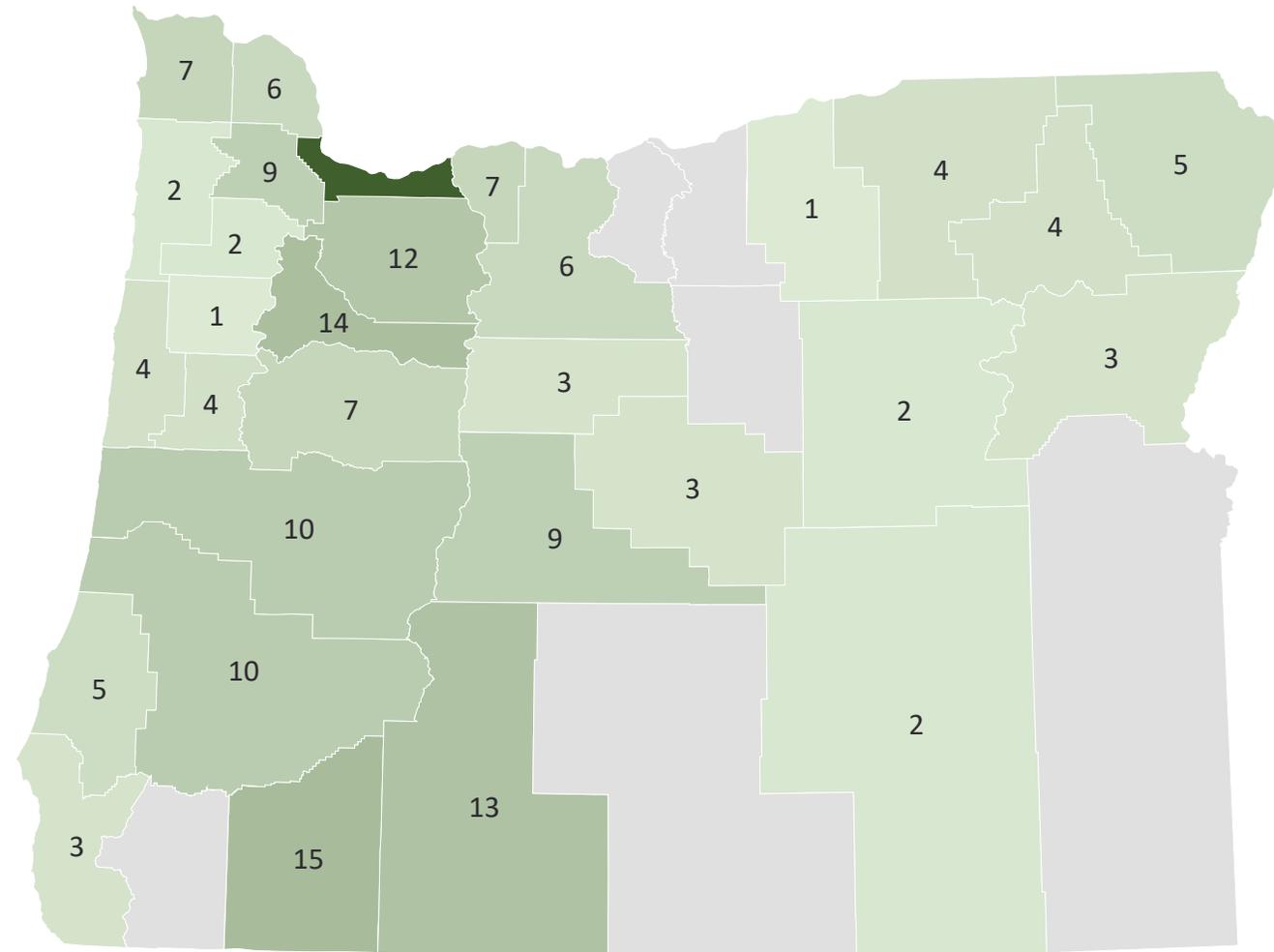
Public Engagement History

- Initial public comment period ran from 8/20 to 9/12
 - 240 responses were collected.
 - Results informed OHA's scoping of the proposed initiatives and related activities.
- October's public survey was open from 10/8 to 10/15, following two public forums.
 - 180 responses were collected.
 - Results validated the direction of the State's proposed initiatives and informed the budget plan.
- "Intent to Apply" Survey fielded 11/25 to 12/29
 - 255 responses were collected. 384 projects were proposed.

Intent to Apply Survey Results

General Information

- Applicants could submit multiple projects
- Non-binding
- Not required
- 255 responses
 - 217 within Oregon
- 384 projects proposed



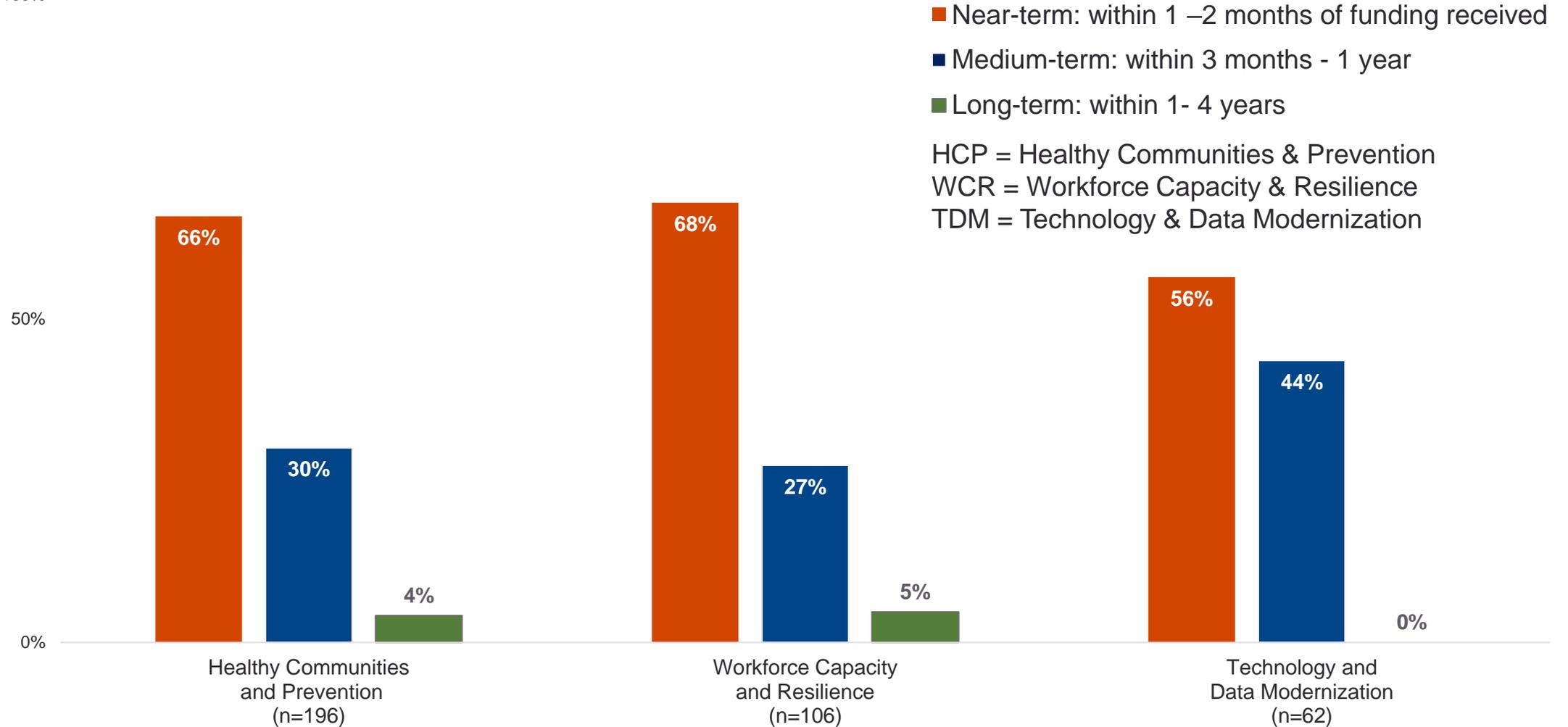
of potential applicants
43

1

Intent to Apply Survey Results

Percentage of projects proposed within each initiative by timeframe

100%



Intent to Apply Survey Results

Estimated annual funds that will be requested for near-term projects

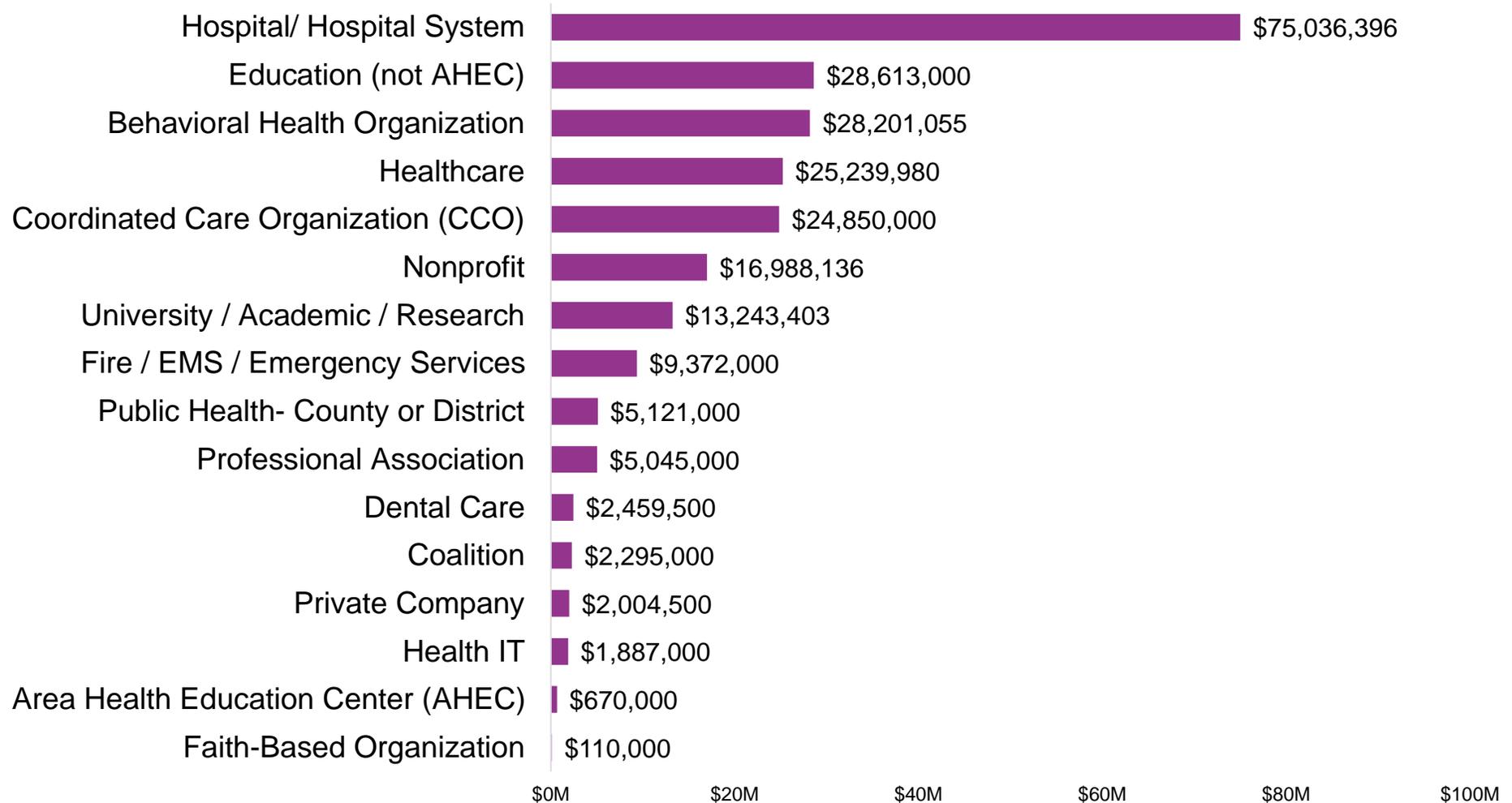
- “Near-term” means projects that applicants said could be implemented “immediately, within 1-2 months of funding received”
- These amounts reflect responses to the survey, not actual funding amount available nor any funding decisions

Initiative (n=223)	Min	Max	Mean	Median
Healthy Communities & Prevention	\$3,000	\$7,800,000	\$1,313,320	\$575,000
Workforce Capacity & Resilience	\$5,000	\$5,000,000	\$1,083,882	\$500,000
Technology and Data Modernization	\$7,010	\$3,750,000	\$664,932	\$426,126

Total requested across near-term projects: \$256,290,781

Intent to Apply Survey Results

Total annual budget requested across potential catalyst projects by type of organization





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Rural Health Coordinating Council

Advisory Body

The [Rural Health Coordinating Council](#) (RHCC), an 18-voting member council [statutorily](#) required to advise the Office of Rural Health, will serve as the advisory body for the state RHT Program.

- Consists of healthcare provider organizations, rural consumers, and healthcare leaders.
- Act as an accountability board; and
- Advise on matters related to aligning RHT Program activities with the needs of rural and remote communities.

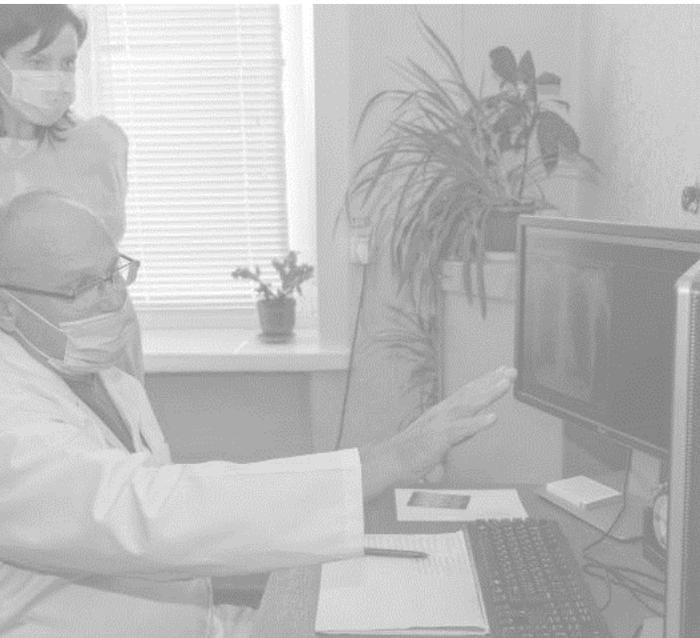
Discussion Questions

- **Catalyst Awards Design**

- Budget Context: 80M to distribute for Year 1
- Key Questions:
 - What should RHTP consider when determining eligibility, award limits, and other parameters?
 - How can RHCC raise awareness and share information about Catalyst Awards within their networks and communities?

- **Phase 2 Visioning**

- Should there be a collective statewide vision for rural healthcare, or should it be determined region-specific?
- How can participants and communities be aligned and held accountable to that vision?
- How might RHTP leverage RHCC's statutory obligations to guide regional conversations and planning?



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Thank You

Website: <https://www.oregon.gov/oha/HPA/HP/Pages/rural-health-transformation.aspx?>

Email: rhtp@oha.oregon.gov



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Appendix

Metrics and Outcomes: Healthy Communities & Prevention

Initiative: Healthy Communities & Prevention

Outcome 1: Universal access to home visiting services

Metric: # of families receiving home visits

Data Source and Timing: County-specific, Oregon Family Care Connects data, annual

Outcome 2: Increase availability of mental health and substance use disorder treatment

Metric: Follow up after ED visit for MH & SUD (7-day and 30-day rates)

Data Source and Timing: State-specific, Oregon Medicaid data for CMS Core (NCQA), annual

Outcome 3: Increase patient engagement with new preventative health and/or self-management programs

Metric: # of new preventative health or self-management programs in rural Oregon

Data Source and Timing: State-specific, participant-reported, annual

Outcome 4: Increase rural populations served by new health care and social health services (i.e., health services)

Metric: # of new access points to care

Data Source and Timing: State-specific, participant-reported, annual

Outcome 5: Expanded access to health care services, including chronic disease management, through increased availability of telehealth

Metric: Increased proportion of telehealth encounters

Data Source and Timing: County-specific, Claims and encounter data, annual

Metrics and Outcomes: Workforce Capacity & Resilience

Initiative: Workforce Capacity & Resilience

Outcome 1: Increase # of rural providers/partner organizations participating in workforce training programs

Metric: # of provider trainings held

Data Source and Timing: State-specific, participant-reported, annual

Outcome 2: Increase # of providers recruited to deliver health care in rural areas through local partnerships and relocation and retention incentives

Metric: Provider-to-population ratio (direct patient care FTE per 100,000 population) in rural areas.

Data Source and Timing: County-specific, Oregon Health Care Workforce Reporting Program data, annual

Outcome 3: Increase health care career pathway programs in rural K-12 schools

Metric: # of K-12 health career pathway programs launched

Data Source and Timing: State-specific, participant-reported, annual

Outcome 4: Increased hiring, training, and use of non-physician, non-hospital, and allied health professionals

Metric: # of non-physician, non-hospital and allied health professionals recruited to rural areas

Data Source and Timing: State-specific, participant-reported, annual

Metrics and Outcomes: Technology & Data Modernization

Initiative: Technology & Data Modernization

Outcome 1: Robust engagement in IT technical assistance

Metric: % organizations requesting health IT technical assistance that complete health IT and cybersecurity self-assessment

Data Source and Timing: State-specific, participant-reported, annual

Outcome 2: Increase health IT adoption and interoperability

Metric: # of tools/capabilities adopted by awardees

Data Source and Timing: County-specific, participant-reported, annual

Note: Tools/capabilities are counted at the organization level

Outcome 3: Reduce administrative burden on providers

Metric: % of organizations adopting a new health IT tool/capability that self

Data Source and Timing: State-specific, participant-reported, annual

Outcome 4: Improve organizational cybersecurity practices

Metric: % of organizations completing a cybersecurity self-assessment implementing measures to improve cybersecurity

Data Source and Timing: State-specific, participant-reported, annual

Outcome 5: Increased use of remote care services and remote patient monitoring to prevent and manage chronic disease and reduce hospital

Metric: % increase in providers using remote patient monitoring

Data Source and Timing: State-specific, claims data, annual

Metrics and Outcomes: Regional Partnerships & Systems Transformation

Initiative: Regional Partnerships & Systems Transformation

Outcome 1: Reduce operating costs for rural health organizations through shared infrastructure according to regional/local needs

Metric: Operating margins for CAHs

Data Source and Timing: State-specific, Oregon Hospital Financial and Utilization Data, quarterly

Outcome 2: Increase access to high-need or at-risk service lines, such as maternity care

Metric: # of patients receiving care from shared resources for at-risk service

Data Source and Timing: State-specific, participant-reported, annual

Outcome 3: Increase regional planning efforts focused on shared governance models, including CINs and consortiums

Metric: # of organizations participating in regional partnerships

Data Source and Timing: State-specific, participant-reported, annual

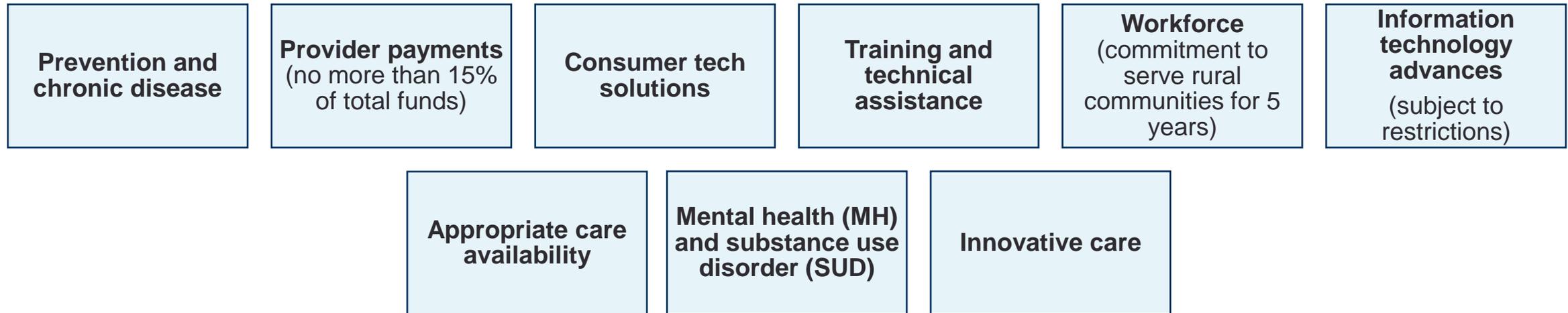
Outcome 4: Increase participation in value-based care models

Metric: # of organizations participating in value-based care models

Data Source and Timing: State-specific, participant-reported, annual

RHT Program Use of Funds Requirements

Approved states may use funds awarded by CMS to invest in at least three of the permissible uses below:



Additional uses, as determined by the Administrator:

Capital expenditures and infrastructure
(including minor building alterations or renovations and equipment upgrades, subject to restrictions; no more than 20% of total funds)

Fostering collaboration
(strengthening local and regional partnerships; both rural and other participating providers)

Note: No more than 10% of the amount allotted to a state for a budget period may be used by the state for administrative expenses. This 10% limit applies to administrative costs for the entire budget, including indirect and direct costs. See appendix for more information unallowable costs.

Funding Policies and Limitations

CMS will not allow the following costs:

- | | |
|--|--|
| <ul style="list-style-type: none">▪ Pre-award costs.▪ Meeting matching requirements for any other federal funds or local entities.▪ Services, equipment, or supports that are the legal responsibility of another party under federal, State, or tribal law, such as vocational rehabilitation or education services.▪ Services, equipment, or supports that are the legal responsibility of another party under any civil rights law, such as modifying a workplace or providing accommodations that are obligations under law.▪ Goods or services not allocable to the project.▪ Supplanting existing State, local, tribal, or private funding of infrastructure or services, such as staff salaries.▪ Construction or building expansion, purchasing or significant retrofitting of buildings, cosmetic upgrades, or any other cost that materially increases the value of the capital or useful life as a direct cost.▪ The cost of independent research and development, including their proportionate share of indirect costs. See 2 CFR 300.477.▪ Funds related to any activity designed to influence the enactment of legislation, appropriations, regulation, administrative action, or executive order. | <ul style="list-style-type: none">▪ Purchase of covered telecommunications and video surveillance equipment (See 2 CFR 200.216) as well as financial assistance to households for installation and monthly broadband internet costs.▪ Meals, unless in limited circumstances such as:<ul style="list-style-type: none">○ Subjects and patients under study.○ Where specifically approved as part of the project or program activity, such as in programs providing children's services.○ As part of a per diem or subsistence allowance provided in conjunction with allowable travel.▪ Activities prohibited under 2 CFR 200.450 and the HHS Grants Policy Statement, including but not limited to: Paying the salary or expenses of any grant recipient, or agent acting for such recipient, related to any activity designed to influence the enactment of legislation, appropriations, regulation, administrative action, or executive order proposed or pending before the Congress or any State government, State legislature, or local legislature or legislative body.▪ Lobbying, but awardees can lobby at their own expense if they can segregate federal funds from other financial resources used for lobbying. |
|--|--|

RHT Program Specific Limitations

CMS will also not allow the following RHT-specific costs:

- **New construction.** Supplanting funding for in-process or planned construction projects or directing funding towards new construction builds is unallowable. Renovations or alterations, as described in category J of the program requirements and expectations use of funds section, are allowed if they are clearly linked to program goals.
 - **Category J funding cannot exceed 20% of the total funding CMS awards states in a given budget period.**
- **To replace payment for clinical services that could be reimbursed by insurance. CMS will not accept payments to clinical services if they duplicate billable services and/or attempt to change payment amounts of existing fee schedules.** (If a state plans to fund direct health care services, the state must justify why they are not already reimbursable, how the payment will fill a gap in care coverage (such as uncompensated care or services not covered by insurance), and/or how they transform the current care delivery model.)
 - **Funding for provider payments**, as described in category B of the program requirements and expectations use of funds section, **cannot exceed 15% of the total funding CMS awards states in a given budget period.**
 - **Funding cannot be used for initiatives that fund certain cosmetic and experimental procedures** that fall within the definition of a specified **sex-trait modification procedure** at 45 CFR 156.400 because that is beyond the scope of this program.
- **No more than 5% of total funding CMS awards to a state in a given budget period can support funding the replacement of an EMR system** if a previous HITECH certified EMR system is already in place as of September 1, 2025.
- **Funding towards initiatives similar to the “Rural Tech Catalyst Fund Initiative”** (as described in the appendix) cannot exceed the lesser of (1) 10% of total funding awarded to a State in a given budget period or (2) \$20M of total funding awarded to a State in a given budget period, and funding is subject to all restrictions and requirements described in the example initiative
- **Clinician salaries or wage supports** for facilities that subject clinicians to **non-compete contractual limitations.**
- **None of the funding shall be used by the state for an expenditure that is attributable to an intergovernmental transfer, certified public expenditure, or any other expenditure to finance the non-Federal share of expenditures required under any provision of law.**
- SSA Section 2105(c), paragraphs (1), (7), and (9) apply as funding limitations. These limitations are related to general limitations, limitations on **payment for abortions, and citizenship documentation requirements for payments made with respect to an individual.**