

Rural Health Transformation Program



Situation

HR 1 authorized a Rural Health Transformation Program to support access to care, infrastructure, and workforce development in rural and underserved areas. To access the federal funds, the state must submit an application to CMS by December 31, 2025. The bill does not specify which state agency should apply for these funds.

Background

The Rural Health Transformation Program will allocate \$50 billion over five years to implement certain health-related activities. Half of the \$50 billion will be appropriated equally among all 50 states; the other half will be allocated to states through a mechanism determined by the CMS Administrator CMS. In determining supplemental state allocations, the CMS Administrator must consider:

- the percentage of each state's population that lives in rural areas;
- the state's proportion of rural health facilities compared to rural health facilities nationwide;
- the situation of rural hospitals in the state; and
- any other factors that the Administrator deems relevant.

Utah's appropriated portion will be a minimum of \$100 million per year over the five-year period plus any additional funds it receives from the allocation.

Facilities eligible for this funding include rural hospitals but also includes federally-qualified health centers, rural health clinics, opioid treatment programs, community behavioral health centers, and other rural facilities.

The application must include a rural health transformation plan:

- to improve access to hospitals, other health care providers, and health care items and services furnished to rural residents of the State;
- to improve health care outcomes of rural residents of the State;
- to prioritize the use of new and emerging technologies that emphasize prevention and chronic disease management;
- to initiate, foster, and strengthen local and regional strategic partnerships between rural hospitals and other health care providers in order to promote measurable

quality improvement, increase financial stability, maximize economies of scale, and share best practices in care delivery;

- to enhance economic opportunity for, and the supply of, health care clinicians through enhanced recruitment and training;
- to prioritize data and technology driven solutions that help rural hospitals and other rural health care providers furnish high-quality health care services as close to a patient's home as is possible;
- that outlines strategies to manage long-term financial solvency and operating models of rural hospitals in the State; and
- that identifies specific causes driving the accelerating rate of stand-alone rural hospitals becoming at risk of closure, conversion, or service reduction;

As part of the plan, states must use funds for at least three of the following activities:

- 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, as specified by the Administrator.
- Promoting technology-driven solutions for the prevention and 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, artificial intelligence, and other advanced technologies.
- Recruiting and retaining clinical workforce talent to rural areas, with commitments to serve rural communities for a minimum of 5 years.
- Providing technical assistance, software, and 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 (as defined in section 1861(jjj)(1)), 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, as determined by the Administrator.