



Rural Health Transformation Program

Kathryn Costanza, Fellow, NCSL Health Program
March 12, 2026



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Source: NCSL

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Agenda

**RURAL HEALTH TRANSFORMATION
PROGRAM OVERVIEW**

CURRENT CONSIDERATIONS

THE STATE LEGISLATIVE ROLE

ADDITIONAL RESOURCES



NCSL does not take any position on state legislation related to the Rural Health Transformation Program including the legislation cited in this presentation.



Rural Health Transformation Program Overview

Rural Health Transformation Program (RHTP)

Enacted by Section 71401 of the One Big Beautiful Bill Act (also known as OBBBA, “Oh-Bah”, OB3, HR 1)

Appropriates \$50 billion in rural health transformation state grants over five years.

- 50% of funds allocated to approved states equally
- 50% of funds allocated to approved states based on rural factors and technical scoring criteria

\$10 billion allocated annually from 2026 to 2030.

Responsible Entities

Rural Health Transformation Program, Alaska Department of Health

Rural Health Transformation Program, CMS Office of Rural Health

STATE

RHTP applications must be submitted by a lead agency or office **designated by the state's governor.**

- **Lead Agency:** Alaska Department of Health

FEDERAL

U.S. Department of Health and Human Services

- Centers for Medicare & Medicaid Services (CMS), Office of Rural Health Transformation

Timeline

CMS Notice of Funding Opportunity – September 15, 2025

State Letters of Intent – September 30, 2025

Applications Due – November 5, 2025

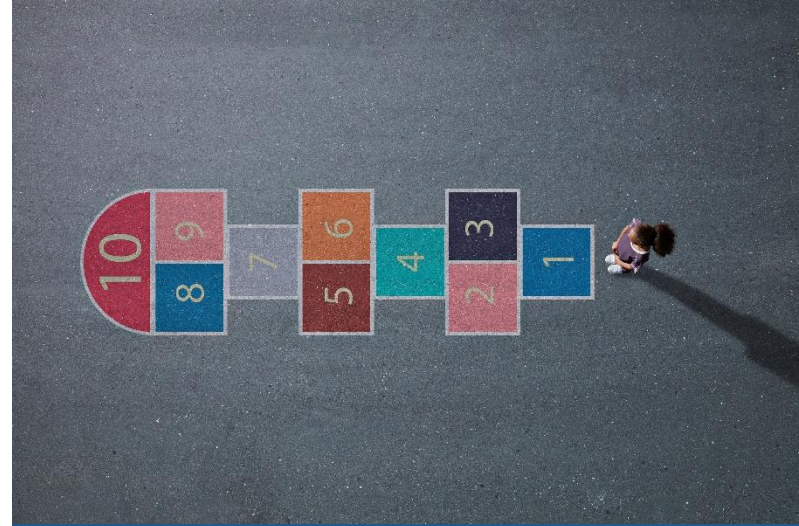
Award Amounts Announced – December 29, 2025

Budget Approvals & Appropriations – Early 2026

Money Distributed to States & Awardees – Early 2026

Quarterly and Annual Reporting to CMS - Ongoing

States Amend Plans - Ongoing



Approved Uses

State RHTP plans required to include **at least three** approved uses.



Prevention and
Chronic Disease
Management

Provider
Payments

Consumer-
Facing
Technology for
Chronic Disease

Technology-
Enabled Care
Delivery

Rural
Workforce

Information
Technology (IT)
Advances

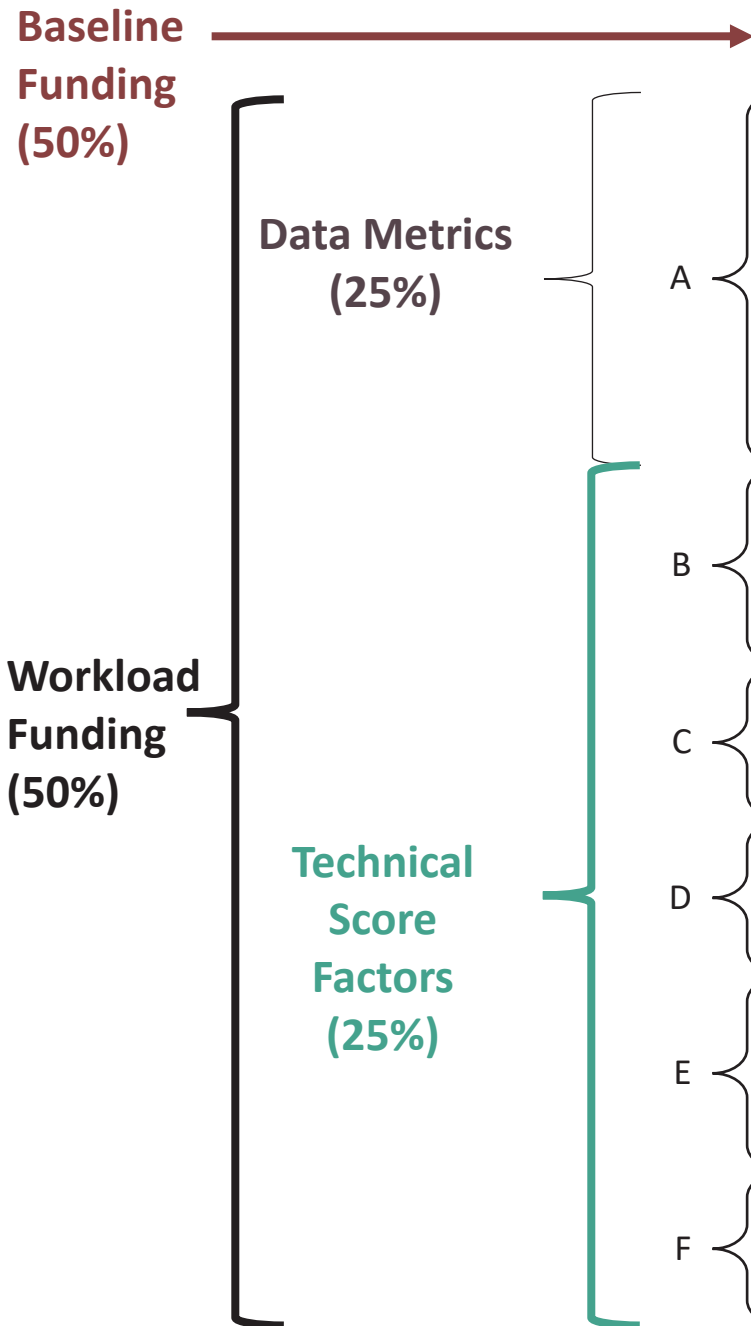
“Right Size”
Health Care
Delivery System

Behavioral
Health

Innovative
Models of Care

Award Methodology

Source: Rural Health Transformation Program, Notice of Funding Opportunity



Each state approved as an awardee receives equal amount.

10% - A.1. Absolute size of rural population.
 10% - A.2. Proportion of rural health facilities.
 10% - A.3. Uncompensated care.
 6% - A.4. Percentage of population located in rural areas.
 6% - A.5. Metrics that define being frontier.
 5% - A.6. Area in total square miles.
 3% - A.7. Percent of hospitals that received Medicaid DSH payments.

3.75% - B.1. Population and health clinical infrastructure.
 3.75% - B.2. Health and lifestyle.
 3.75% - B.3. SNAP waivers.
 1.75% - B.4. Nutrition and continuing medical education.

3.75% - C.1. Rural provider strategic partnerships.
 3.75% - C.2. Emergency medical services.
 1.75% - C.3. Certificate of need.

3.75% - D.1. Talent recruitment.
 1.75% - D.2. Licensure compacts.
 1.75% - D.3. Scope of practice.

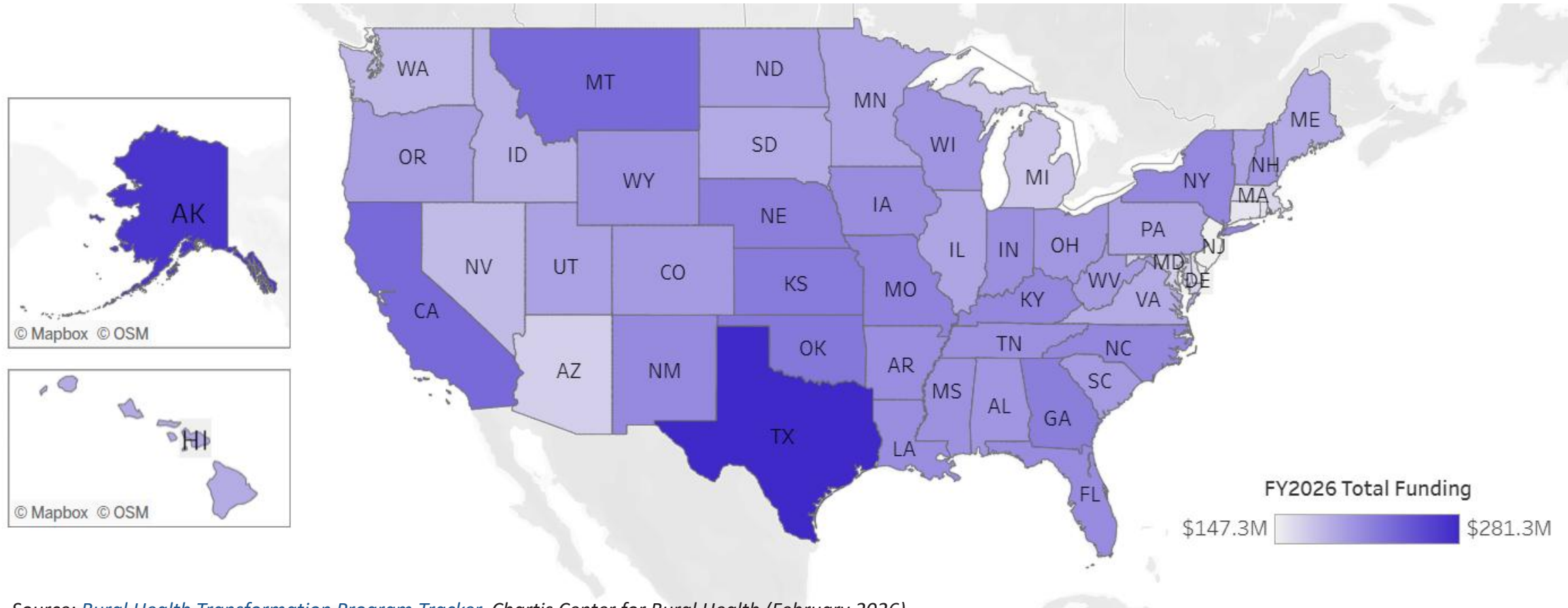
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 3.75% - E.2. Individuals dually eligible for Medicare and Medicaid.
 1.75% - E.3. Short-term, limited-duration insurance.

3.75% - F.1. Remote care services.
 3.75% - F.2. Data infrastructure.
 3.75% - F.3. Consumer-facing technology.

Award Amounts

Alaska awarded \$272,174,856 in 2026.

FY 2026 RURAL HEALTH TRANSFORMATION PLAN FUNDING BY STATE



Source: [Rural Health Transformation Program Tracker](#), Chartis Center for Rural Health (February 2026)



Current RHTP Considerations

Timeline – Where Are States Now?

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States Amend Plans - Ongoing



States and CMS are currently navigating budget approvals, appropriations, and awards.

Federal Budget Approvals and State Appropriations

Federal Budget Approvals

- **CMS** and the **Office of Acquisition and Grants Management (OAGM)** are responsible for approving state RHTP budgets and lifting funding restrictions.
- **Three steps**
 - State receives RHTP award approval (50 states)
 - Federal approval of state RHTP budget
 - Federal lifting of funding restrictions

State Appropriations

- Legislative or executive branch appropriations of RHTP funding

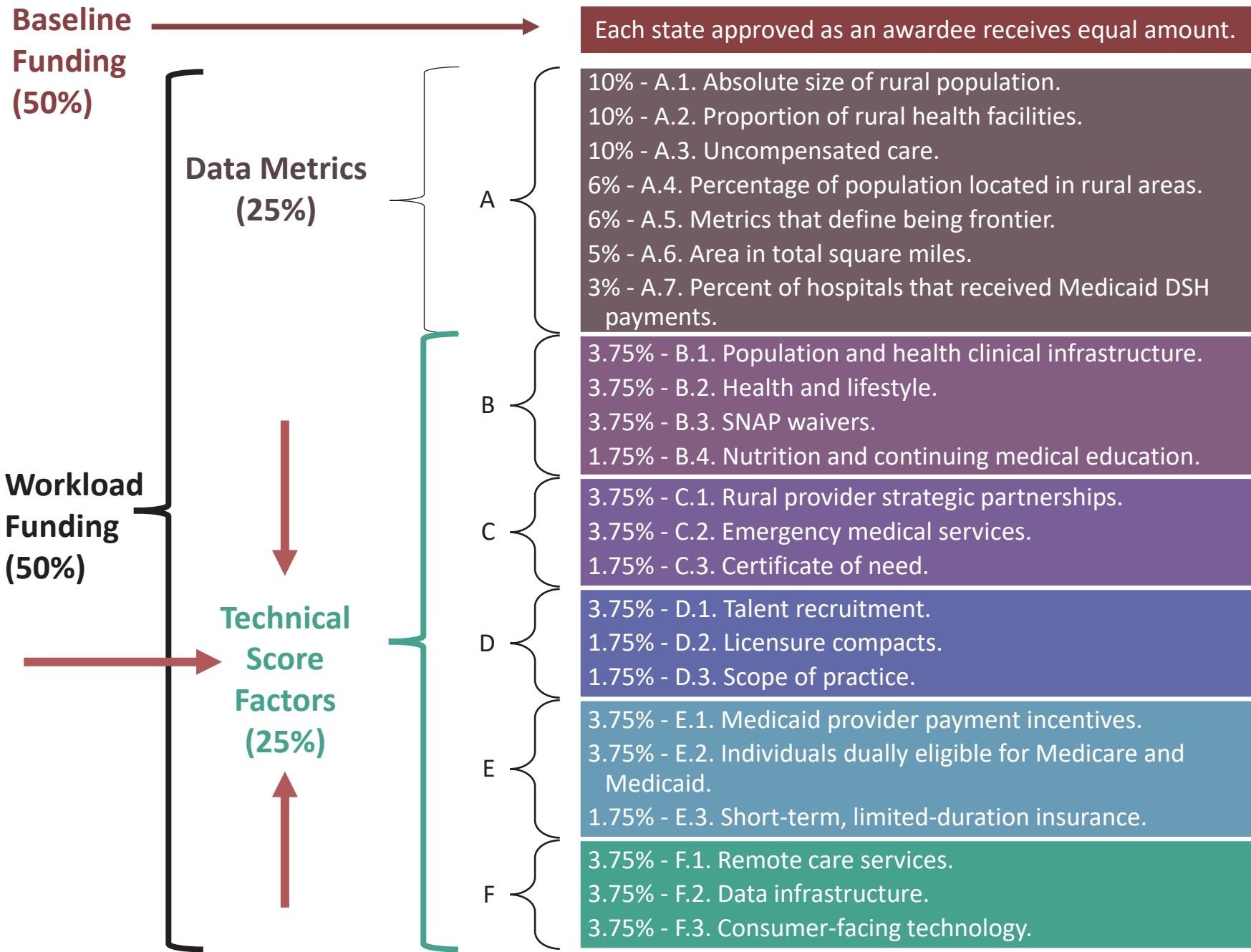


CMS Grants and Cooperative Agreements Resources

- [Notice of Award](#)
- [Post-Award Reporting Requirements](#)

State initiatives and policy actions accounted for 25% of award amount

Source: [Rural Health Transformation Program, Notice of Funding Opportunity](#)



State Policy Action

Source: [Rural Health Transformation Program, Notice of Funding Opportunity](#)

B.2
Health &
Lifestyle

B.3
SNAP
Waivers

B.4
Nutrition
CME

C.3
Certificate
of Need

D.2
Licensure
Compacts

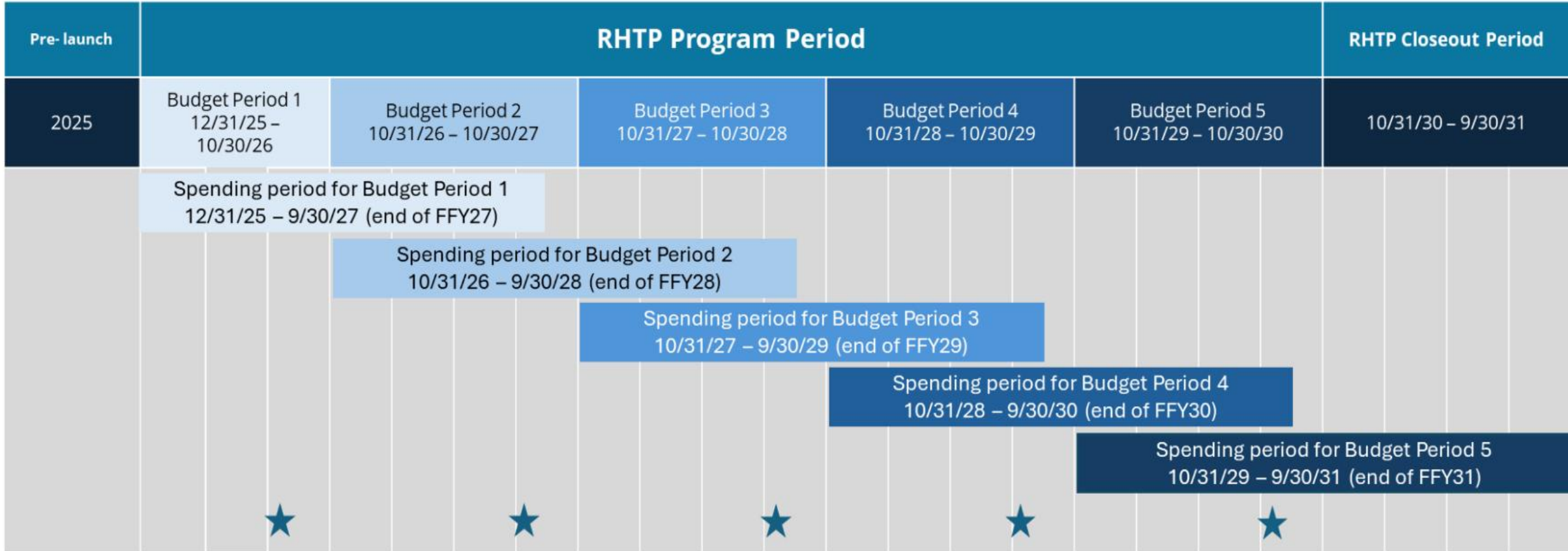
D.3
Scope of
Practice

F.1
Remote
Care

- State Policy Action
 - Current State Policy (at time of application)
 - ***Policy Commitments***
- Scoring partially based on current state policy action or commitment to pursue state policy
- State policy action explicitly tied to scoring in specific policy areas
- Different from initiatives included in the state's application / plan

Spend Down Requirements

Source: *Rural Health Transformation Program, Oregon Health Authority (January 2026)*



★ Metric milestone/target reporting

Potential Funding Claw Backs

Source: CMS Rural Health Transformation, Frequently Asked Questions



Future years RHTP funding may be impacted by states' ability to meet policy commitments, spend funds and complete initiatives.



Claw backs related to technical score (initiatives and state policy actions) will be “proportional to incremental award funds based on the technical score points” awarded (per CMS)



Unexpended funds may be redistributed to other states in the next fiscal year.



The State Legislative Role in RHTP

Appropriations



ALASKA
HB 289
(PENDING, 2026)



ARIZONA
SB 1316
(PENDING, 2026)



ILLINOIS
HB 5700
(PENDING, 2026)



INDIANA
SB 1
(ENACTED, 2026)



IOWA
SB 619
(PENDING, 2026)



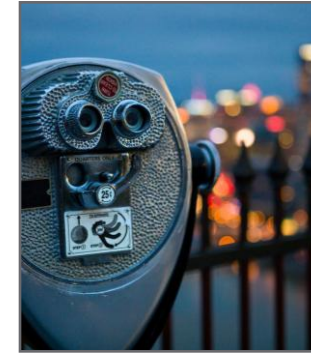
MICHIGAN
HB 4706
(ENACTED 2025)



NEBRASKA
LB 1229
(PENDING, 2026)



NORTH CAROLINA
HB 389
(PENDING, 2026)



PENNSYLVANIA
SB 160
(ENACTED, 2025)



UTAH
HJR 101
(ADOPTED 2025)

ARIZONA SB 1316 (PENDING, 2026)

- Requires submission of state plan to Joint Legislative Budget Committee for approval.

INDIANA SB 1 (ENACTED, 2026)

- Requires a written report by June 1 and December 1 each year.

IOWA STUDY BILL 619 (PENDING, 2026)

- Requires a report each quarter on financial and performance reports.

MICHIGAN HB 4706 (ENACTED, 2025)

- Requires notice of any modifications to the application and plan.

NEBRASKA LB 1229 (PENDING, 2026)

- Requires an annual report on beneficiaries, outcomes and metrics.

OKLAHOMA HB 3975 (PENDING, 2026)

- Requires quarterly public progress reports and an annual report on expenditures, programs and outcomes and changes.

WEST VIRGINIA SB 995 (PENDING, 2026)

- Requires legislative oversight, including detailed reporting and accountability.



Reporting and Evaluation

Payment and Purchasing Processes



ALASKA **HB 133 (PENDING, 2026)**

- Would establish a 30-day deadline for the payment of contracts.
- Permits the Department of Health to implement new requirement using RHTP funding.



MISSISSIPPI **SB 2477 (PENDING, 2026)**

- Would require competitive bidding process for vendors, subcontractors or other entities under RHTP.



WEST VIRGINIA **HB 4740 (ENACTED, 2026)**

- Exempts the Department of Health from purchasing restrictions for implementation of RHTP.

Advisory Groups and Task Forces

IDAHO SB 1253 (PENDING, 2026)

Establishes the Rural Health Transformation Committee.



OKLAHOMA HB 3066 (PENDING, 2026)

Creates the Health Care Workforce Training Commission and the Rural Health Transformation Revolving Fund.

KENTUCKY HCR 113 (PENDING, 2026)

Establishes the Rural Health Transformation Task Force.



SOUTH DAKOTA SB 89 (PENDING, 2026)

Establishes an Emergency Medical Services Funding Task Force.

NEW YORK SB 5854 (PENDING, 2026)

Establishes a Rural Health Zone Board to administer a rural health zone pilot program.



WYOMING HB 122 (ENACTED, 2026)

Creates the Rural Health Transformation Advisory Committee

State Legislation Addressing RHTP Policy Commitments and Initiatives



- SNAP waivers
- Presidential Fitness Test
- Nutrition continuing medical education
- Certificate of need
- Interstate licensure compacts
- Scope of practice
- Telehealth
- Technology
- Provider payments

Alaska's State Policy Commitments

Source: [CMS 50-State Spotlights](#)

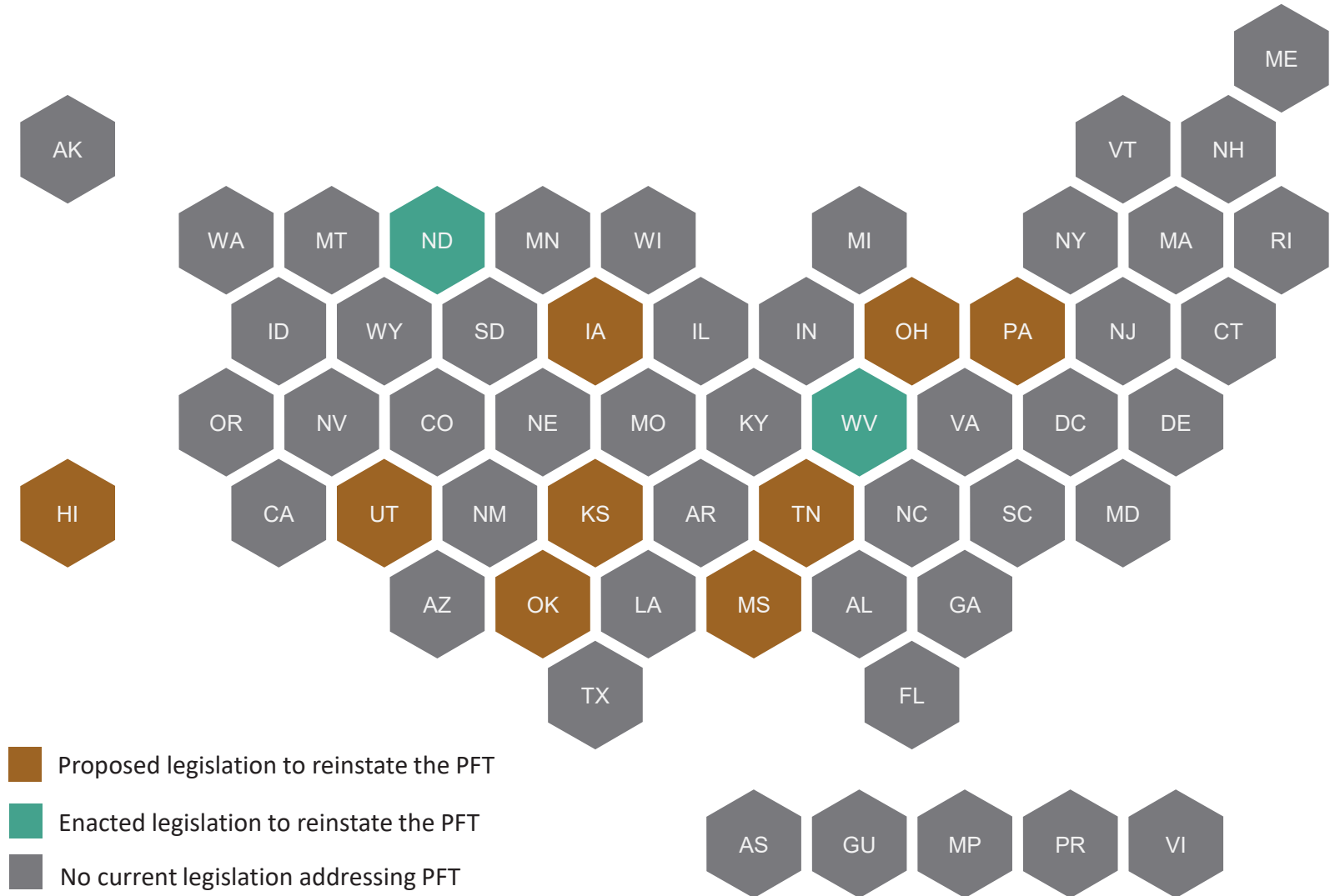


- Certificate of need restrictions for ancillary services
- Physician, nursing, emergency medical services, psychology and physician assistant licensure compacts
- Pharmacist and dental hygienist scope of practice
- SNAP waiver
- Presidential fitness test
- Nutrition continuing medical education
- Medicaid payment for remote patient monitoring

State Examples: Presidential Fitness Test

STATE LEGISLATION:

- Iowa [HB 2676](#) (Pending, 2026)
- Kansas [SB 339](#) (Pending, 2026)
- North Dakota [HB 1621](#) (Enacted, 2026)
- Ohio [HB 322](#) (Pending, 2026)



State Examples: Nutrition Continuing Medical Education

ENACTED:

- LOUISIANA [SB 14](#) (2025)
- NORTH DAKOTA [SB 2401](#) (2026)
- TEXAS [SB 25](#) (2025)

2026 PENDING:

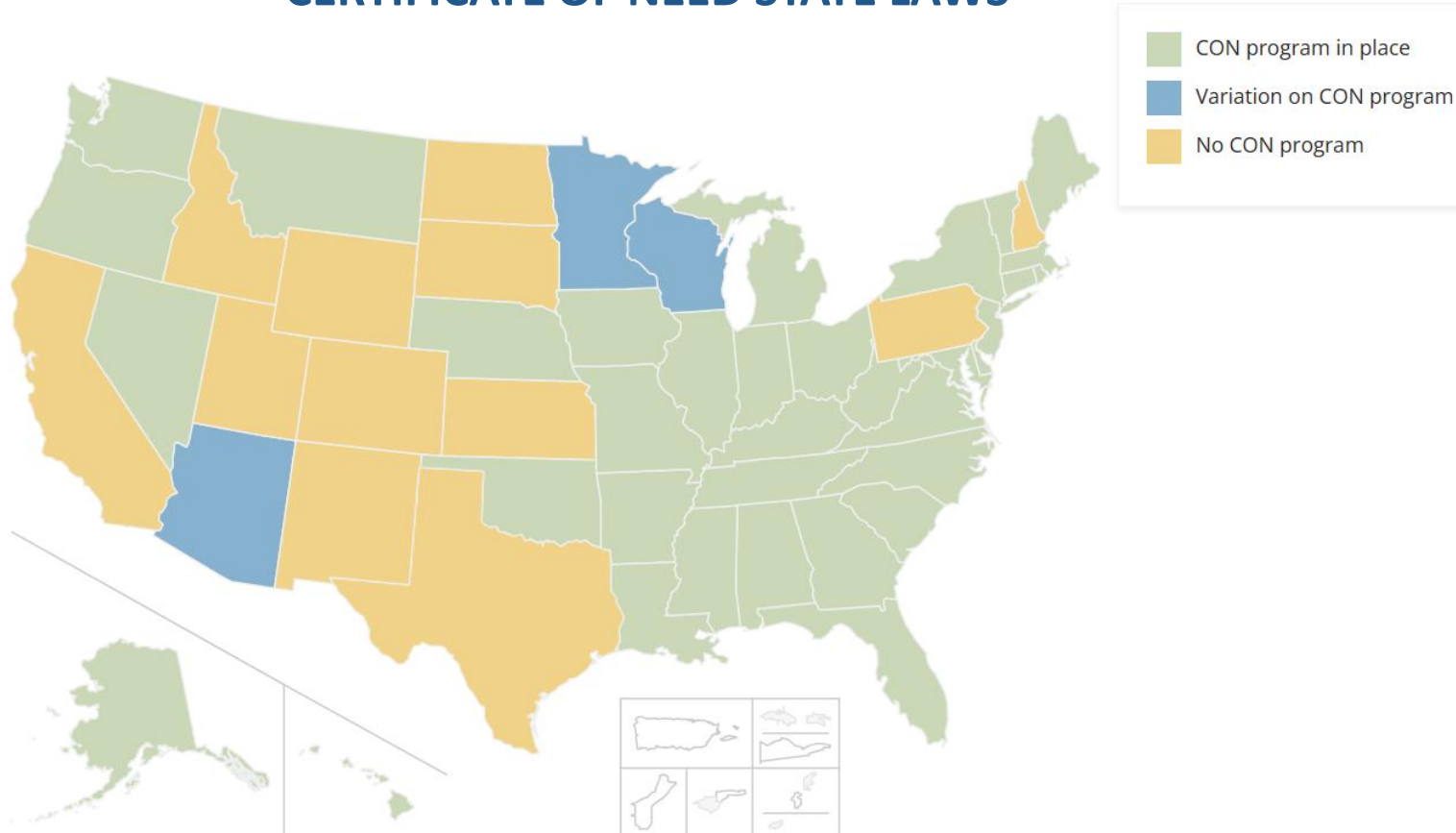
- HAWAII [HB 2305](#)
- IOWA [HB 2676](#)
- IDAHO [HB 505](#)
- MISSISSIPPI [SB 2395](#)
- NEW YORK [AB 6107](#)
- WEST VIRGINIA [HB 4951](#)



State Examples: Certificate of Need

Source: [Certificate of Need State Laws](#), NCSL (April 2025)

CERTIFICATE OF NEED STATE LAWS



2026 PROPOSED LEGISLATION:

- Kentucky [SB 171](#), North Carolina [SB 370](#), Rhode Island [HB 7143](#) and West Virginia [HB 4917](#) (All Pending) would repeal all state CON requirements.
- New Jersey [SB 4816](#) (Enacted) expands the state's CON exemption list.
- Tennessee [HB 2100](#) (Pending) would remove requirements for non-residential SUD treatment centers.
- Vermont [HB 771](#) (Pending) would exempt ambulatory surgical centers.
- Washington [SB 5448](#) (Pending) would exempt certain dialysis centers.

State Examples: Interstate Licensure Compacts

COMPACT	PROFESSION	PARTICIPATION
Advanced Practice Registered Nurse Compact	APRNs	3 states
Audiology and Speech Language Pathology Compact	Audiologists and speech-language pathologists	36 states and the Virgin Islands
Counseling Compact	Professional counselors	38 states and D.C.
Dentist and Dental Hygienist Compact	Dentists and dental hygienists	12 states
Dietician Licensure Compact	Dietitians	15 states
EMS Personnel Licensure Interstate Compact	Emergency medical technicians and paramedics	24 states
Interstate Medical Licensure Compact	Physicians and osteopathic physicians	42 states, D.C. and Guam
Interstate Podiatric Medical Licensure Compact	Podiatric physicians.	n/a
Massage Therapy Compact	Licensed massage therapists	5 states
Nurse Licensure Compact	Registered nurses and licensed practical nurses, including psychiatric nurses	41 states, Virgin Islands and Guam
Occupational Therapy Licensure Compact	Occupational therapists and occupational therapy assistants	31 states
Physical Therapy Compact	Physical therapists	39 states and D.C.
Physician Assistant Licensure Compact	Physician assistants or associates	19 states
Psychology Interjurisdictional Compact (PSYPACT)	Psychologists	40 states, D.C. and Commonwealth of the Northern Mariana Islands
Respiratory Therapists Compact	Respiratory therapists or respiratory care practitioners	5 states
Social Work Licensure Compact	Social workers	At least 22 states

Source: NCSL (March 2026)

State Examples: Telehealth

ACCORDING TO THE CENTER FOR CONNECTED HEALTH POLICY:

- At least [17 states, Puerto Rico and the Virgin Islands](#) have a telehealth registry or special licensure process.
- At least [40 states](#) (including Alaska) reimbursed for store-and-forward under Medicaid.
 - At least [8 states](#) only reimburse for store-and-forward under Medicare Community Technology-Based Services codes.
- At least [41 states](#) (including Alaska) reimburse for remote patient monitoring under Medicaid.
 - At least [5 states](#) only reimburse for remote patient monitoring under Medicare Community Technology-Based Services codes.



- Hawaii [HB 2558](#) (Pending) would authorize out-of-state professionals to provide services via telehealth.
- Maryland [HB 1483](#) (Pending) would exempt state licensure requirements for professional licensed in another state.

State Examples: Technology

ALABAMA HB 280 (PENDING, 2026)

Establishes the Alabama Health Command as an independent agency to develop a virtual AI-assisted health care platform for rural health care services.

References federal funds made available through the RHTP or other grants from CMS, HRSA or HHS in creating “a uniform, interoperable avatar-based virtual encounter program available to providers in rural communities.”

MISSISSIPPI HB 534 (PENDING, 2026)

Establishes the Mississippi Health Information Exchange Fund to support participant connection to, subscription for and ongoing participation in the Mississippi Health Information Exchange.

Includes costs associated with:

- Initial connectivity.
- Interface development.
- Cybersecurity.
- Required system upgrades.
- Annual or milt-year subscription fees.

References federal RHTP funds being deposited into the Mississippi HIE Fund.

KENTUCKY SB 175 (PENDING, 2026)

Establishes the Kentucky Health Command and charges it with the development and operation of an artificial intelligence-assisted virtual health platform.

References federal funds made available through the RHTP or other grants from CMS, HRSA or HHS in creating “a uniform, interoperable avatar-based virtual encounter program available to providers in rural communities.”

State Examples: Provider Payments

NEW YORK SB 5854 **(PENDING, 2026)**

- Requires Rural Health Zone Boards to evaluate options for establishing global budgets for safety net providers, including federally qualified health centers, rural health clinics and rural hospitals as part of their duties.

RHODE ISLAND SB 2363 **(PENDING, 2026)**

- Establishes a 10% enhancement rate for providers to send a direct care employee to a Medicaid beneficiary that resides in a community that has a population density of under 1,000 and a population size of under 25,000 in accordance with federal Rural Health Transformation funding.

TENNESSEE HB 2597 **(PENDING, 2026)**

- Requires TennCare to create a methodology to make Medicaid facility fee reimbursement rates for birthing centers comparable to rates for similar services provided at a hospital.
- Requires the department of health to give priority to allocating federal rural health transformation program grant funds to birthing centers in rural counties and Urban counties that serve residents of rural counties.



Additional Resources

State Contacts

- **Governor's Office**
- [Alaska's Rural Health Transformation Program Initiatives](#)
(last updated November 7, 2025)
- [Alaska's Rural Health Transformation Program Summary](#)
(last updated November 6, 2025)
- **Lead Agency:** Department of Health



NCSL Resource: RHTP State Legislative Resources

Rural Health Transformation Program State Legislative Resources



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Resource

Rural Transformation Program State Legislative Resources

Updated October 20, 2025

Related Topic: HEALTH

What is the Rural Health Transformation Program?

The [2025 Federal Reconciliation Bill](#) includes a Rural Health Transformation Program (RHTP), which provides \$50 billion in funding for states to dedicate to rural health. The [Notice of Funding Opportunity](#) was released on Sept. 15. States have until Nov. 5, 2025, to submit their applications. State governors' offices are responsible for completing and submitting applications.

State Approaches to the RHTP Application

What Can States Use RHTP Funds For?

Chronic Disease Management

Health Workforce Strategies

Emergency Medical Services

Health Technology

Behavioral Health Services

Payment Models



Web-Based Resources:

- [Overview of Rural Health \(2025\)](#)
- [Supporting Rural Health Facilities \(2025\)](#)
- [Certificate of Need State Laws \(2025\)](#)

Databases

- [Prescription Drugs Legislation Database](#)
- [Injury Prevention Legislation Database](#)
- [Substance Abuse Disorder \(SUD\) Treatment Legislation Database](#)
- [Maternal and Child Health Legislation Database](#)
- [Public Health Legislation Database](#)
- [Economic Mobility Legislation Database](#)
- [Emergency Medicaid Services Legislative Database](#)
- [Health Workforce Legislation Database](#)
- [Health Costs, Coverage and Delivery Legislation Database](#)
- [Artificial Intelligence Legislation Database](#)
- [Health Costs, Coverage and Delivery Legislation Database](#)

B

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NCSL Databases & Resources

Scope of Practice Policy

This resource provides nonpartisan, unbiased and objective policy information about the scope of practice laws in the 50 states, District of Columbia and territories.



Scope of Practice Policy Home

Related Topic: **HEALTH**

Behavioral Health Providers

This resource was designed by the National Conference of State Legislatures to educate state policymakers about scope of practice issues related to a range of non-physician health care practitioners who provide important services and can enhance access to care.

Advanced Practice Registered Nurses

Optometrists

Non-physician health care practitioners are increasingly being used to render services in rural and underserved areas to make up for provider shortages. A practitioner's scope of practice refers to what a health professional can and cannot do to or for a patient, and is defined by state professional regulatory boards — typically with the guidance or instruction of the state's legislature. State legislators and other policymakers consider a broad range of issues related to scope of practice, including supervision requirements, prescriptive authority and other requirements for practice.

Oral Health Providers

Pharmacists

Physician Assistants

DENTAL
HYGIENISTS

NURSE
PRACTITIONERS

PHYSICIAN
ASSISTANTS

PHARMACISTS

CMS Resources



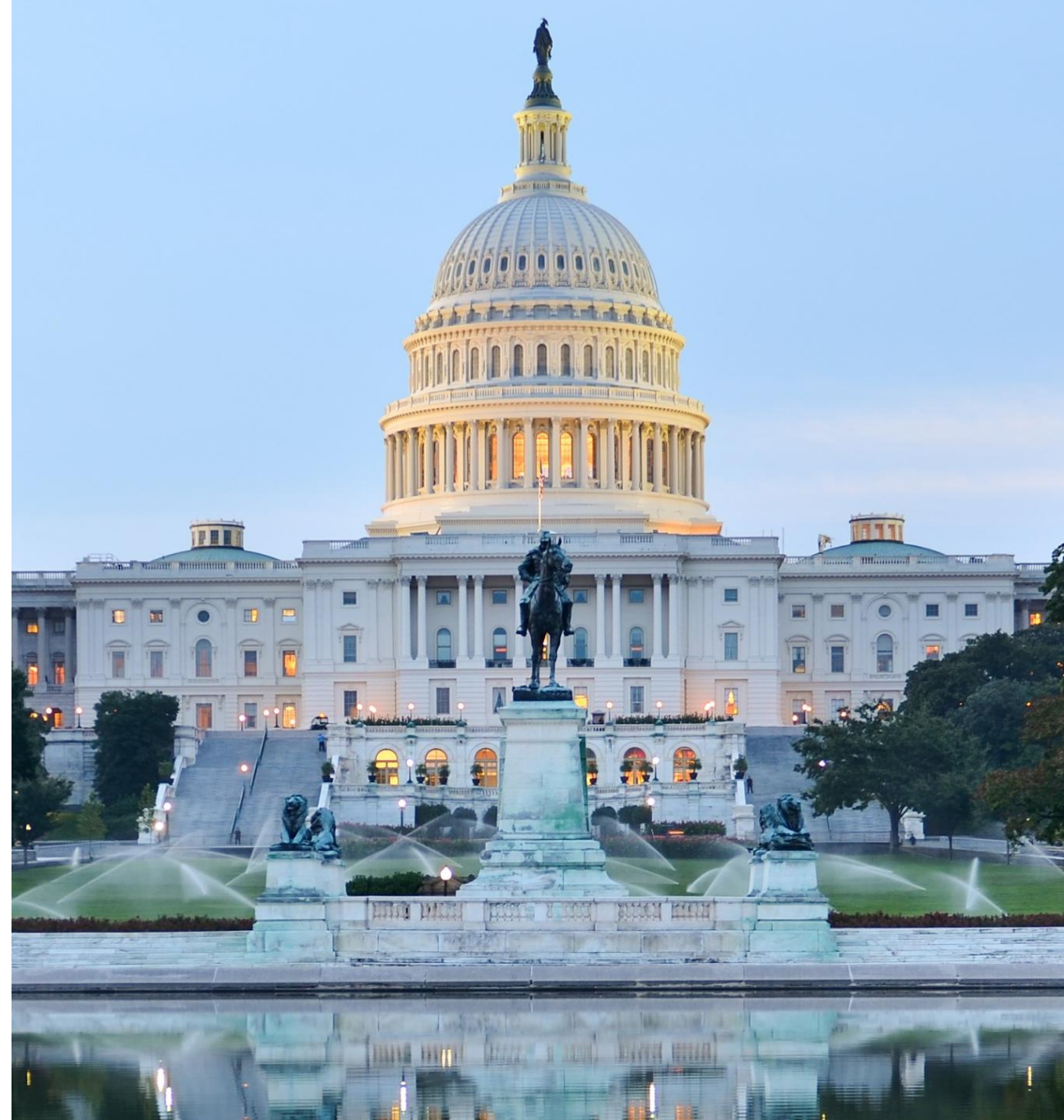
- [Rural Health Transformation Overview and Request for Proposals](#)
- [RHT Program State Project Abstracts](#)
- [Rural Health Transformation 50 State Spotlights](#)
- [Rural Health Transformation Program Scoring Calculation Fact Sheet](#)
- [Rural Health Transformation Frequently Asked Questions](#)
(last updated October 31, 2025)
- [Rural Health Transformation Program Applicant Webinars](#)
(September 19, 2025)

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states on Capitol Hill.



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NCSL L E G I S L A T I V E

SUMMIT

CHICAGO ★ ★ ★ ★ JULY 27-29 | 2026





Thank you for joining today!

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