



Agenda Item 10:

California's Rural Health Transformation Proposal

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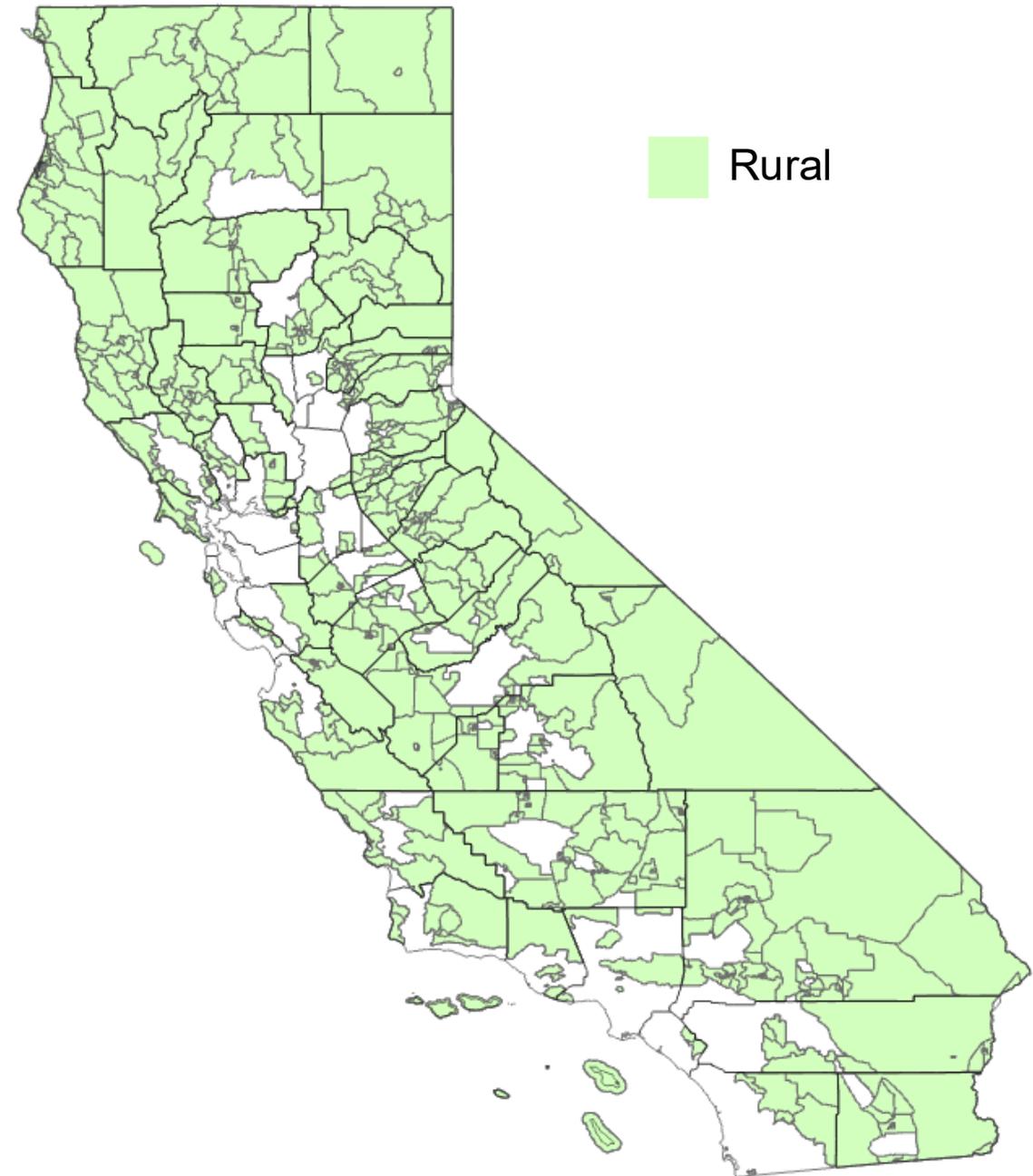
Overview

- Rural California
- CMS's Rural Health Transformation Program Overview
- Timeline to Funding
- Stakeholder Engagement
- CalRHT Proposal & Timelines
- Rural Health Policy Council
- Next Steps

The CalRHT program 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 \$233,639,308.46 with 100 percent funded by CMS/HHS, pending budget approval. The contents are those of CalRHT and do not necessarily represent the official views of, nor an endorsement, by CMS/HHS, or the U.S. Government.

Rural California

- The state has over 2.7 million rural residents
- Of California's 58 counties, 57 contain rural areas
- 82.1% of California is a rural census tract
 - Approximately 76% of rural census tracts are in a Primary Care Health Professional Shortage Area
- The state has:
 - 279 Rural Health Clinics (RHC)
 - 45 Indian Health Service clinics
 - 296 Federally Qualified Health Centers (FQHC), including dual funded tribal clinics
 - 65 hospitals meeting HRSA or CMS's definitions of rural



CMS's RHTP Strategic Goals

H.R.1 created the \$50 billion Rural Health Transformation Program (RHTP) with the following strategic goals:

Make rural
America
healthy again

Sustainable
access

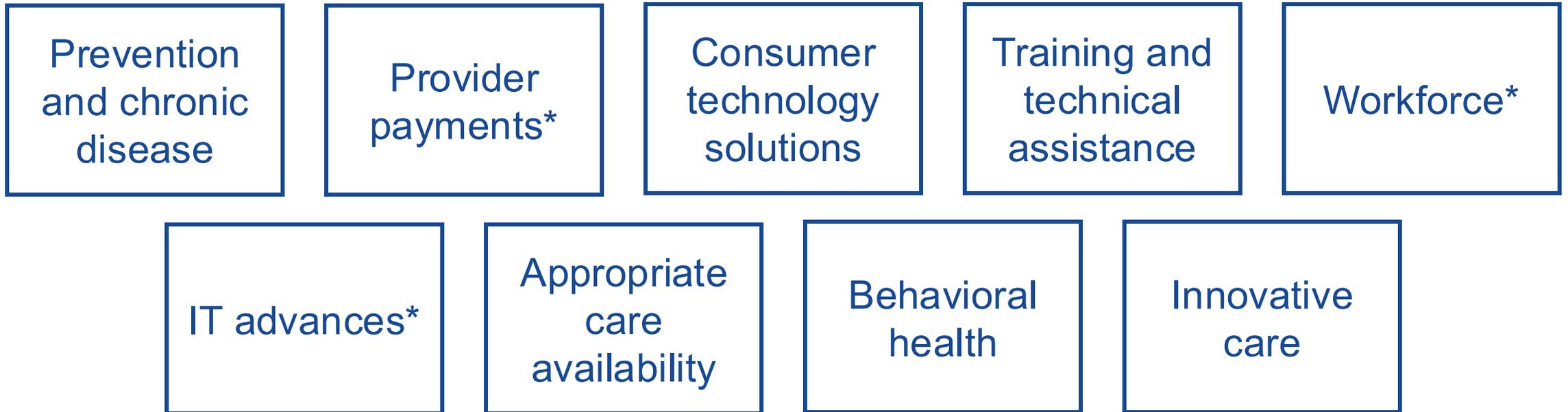
Workforce
development

Innovative
care

Technology
innovation

Permissible Use of Funds

Funds must be used for at least three of the CMS-designated categories:



*restrictions apply

Overview of CMS RHTP Award Process

- California was awarded the 3rd highest award in the nation
- **\$233,639,308*** for Budget Period 1 (Jan – Oct 2026) of the RHTP



Stakeholder Engagement

In just over 8 weeks through the application process, HCAI heard from over 1600 stakeholders about priorities for strengthening California's rural healthcare.

Stakeholders included hospitals, including Critical Access Hospitals; Federally Qualified Health Centers; Indian Health Service, Tribal health, or Urban Indian health organizations; mental health programs; academic centers; health plans; community-based organizations; county and local governments and departments.

Stakeholders mentioned the following priorities:

- **Access to care (77%)**
- **Financial stability of rural hospitals (66%)**
- **Telehealth and remote monitoring (63%)**
- Infrastructure modernization (54%)
- Workforce recruitment and retention (51%)
- Training and education (49%)
- Innovation pilots (40%)
- Culturally responsive care (34%)
- Community health workers and doulas (23%)
- Maternal and child health (20%)
- Tribal health partnerships (14%)

CaIRHT Program Proposal

2026 - 2031



The California Rural Health Transformation (CaIRHT) program vision is a **connected, resilient rural health system** in which every rural and frontier Californian can access timely, person-centered primary, maternal, specialty, chronic condition, and behavioral health care close to home, **supported by a sustainable workforce, modern technology and data infrastructure.**

CaIRHT will expand regional care collaboratives, networks, and partnerships; apply evidence-based care; deploy tools that work in low resource settings; and invest in local workforce readiness and health care services.

CalRHT Initiative: Transformative Care Model



Establish regional hub-and-spoke networks

To create or strengthen rural primary and maternity regional care collaboratives, networks, and partnerships that elevate rural health care by connecting regional hospital system hubs with local healthcare facilities and other providers to improve access to local, high-quality care.

Implement evidence-based models

Through Extension for Community Healthcare Outcomes (Project ECHO), OB Nest, California Child and Adolescent Mental Health Access Portal (CAL-Map), and Perinatal Psychiatry Access Program (PPAP) to extend workforce and improve quality of care.

Leverage technology

That will expand telehealth primary, maternity, specialty and chronic condition care; e-Consults; remote patient self-monitoring; and other tailored technology solutions.

Expand and support rural workforce capacity

To reduce rural bypass by offering obstetrics training fellowships, supporting development of CHWs, LVNs, doulas, midwives, and other allied health professions.

CalRHT Initiative: Transformative Care Model

Expand and support rural workforce capacity



Train-the-trainer programs

To support clinicians in integrating behavioral health into primary and maternal care.

Obstetrics training fellowship opportunities

To allow family medicine physicians and advanced practitioners to train in obstetric care.

Developing non-physician clinical roles

By supporting the development of CHWs, LVNs, doulas, midwives, entry level health providers and other allied health professionals to strengthen frontline care.

Incentivizing CHW training

For allied health professionals to enhance collaborative care or chronic conditions, care coordination, and transport support.

Building skills

Within entry-level and allied roles, aligning with system priorities like telehealth and remote monitoring, integrating these capabilities into clinical workflows.

CaRHT Initiative: Workforce Development



Develop a rural workforce mapping and planning tool

To identify primary care and maternal health workforce demand trends and pinpoint county- and sub-county level workforce capacity gaps across clinicians and team-based care support roles to guide a strategic, data-informed approach to workforce planning.

Strengthen training pathways and clinical placement networks

By creating a sustainable pipeline of rural students pursuing careers in health professions; connecting students from local high schools, community colleges, and universities with rural health facilities; investing in opportunities for educational awards, stipends, apprenticeships, and upskilling; and developing a clinical placement network to create training opportunities.

Retention and relocation

To keep existing health workforce in rural communities and support recruitment through incentives tied to service commitments, shared regional staffing pools, temporary housing and relocation supports that strengthen stability and fit.

CaRHT Initiative: Technology & Tools

Infrastructure enhancement

To help rural health entities meet baseline technology needs, tailored to facilitate reliable connection to and participation in regional care collaboratives, networks, and partnerships.

Grant funding

To support providers in a variety of needs including modernizing electronic health records, practice management, screening tools, population health systems, telehealth and e-Consult platforms, optimizing interoperability, and improving revenue cycle management.

Expand regional collaboration

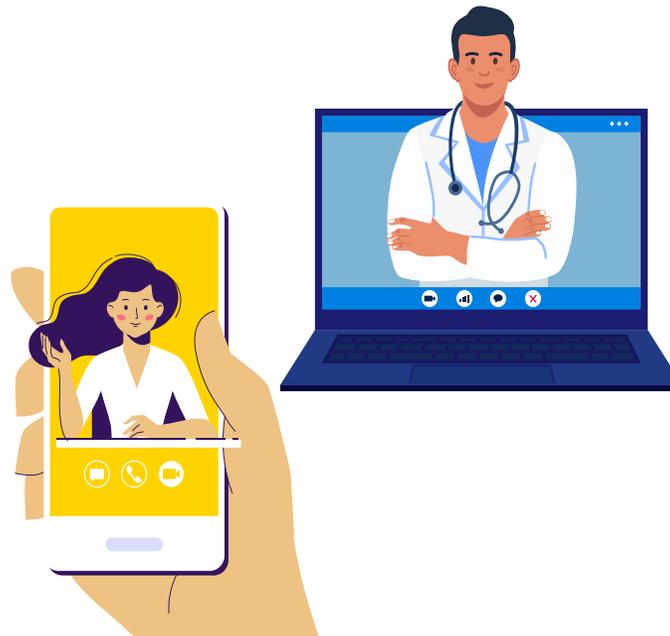
By leveraging the Rural Technical Assistance Center to coordinate efforts to reduce technology costs and staffing burden for rural providers and create opportunities for group purchasing and shared management of tech services.

Technical assistance

Through the Rural Technical Assistance Center which provides expert advice and hands-on support to transformative care model participants and other grantees.

Technology & tools to empower consumers

By promoting development of accessible digital tools and technologies and educating consumers on self-monitoring and reporting.



CaIRHT Program Timeline

2026

2027

**Transformative
Care Model**

**Pending CMS
approval**



Hub & Spoke, Regional Collaborative Networks

Leverage Technology

Rural Workforce Capacity

Launch Workforce Mapping Tool

Recruitment & Retention Programs

Clinical Placement Networks

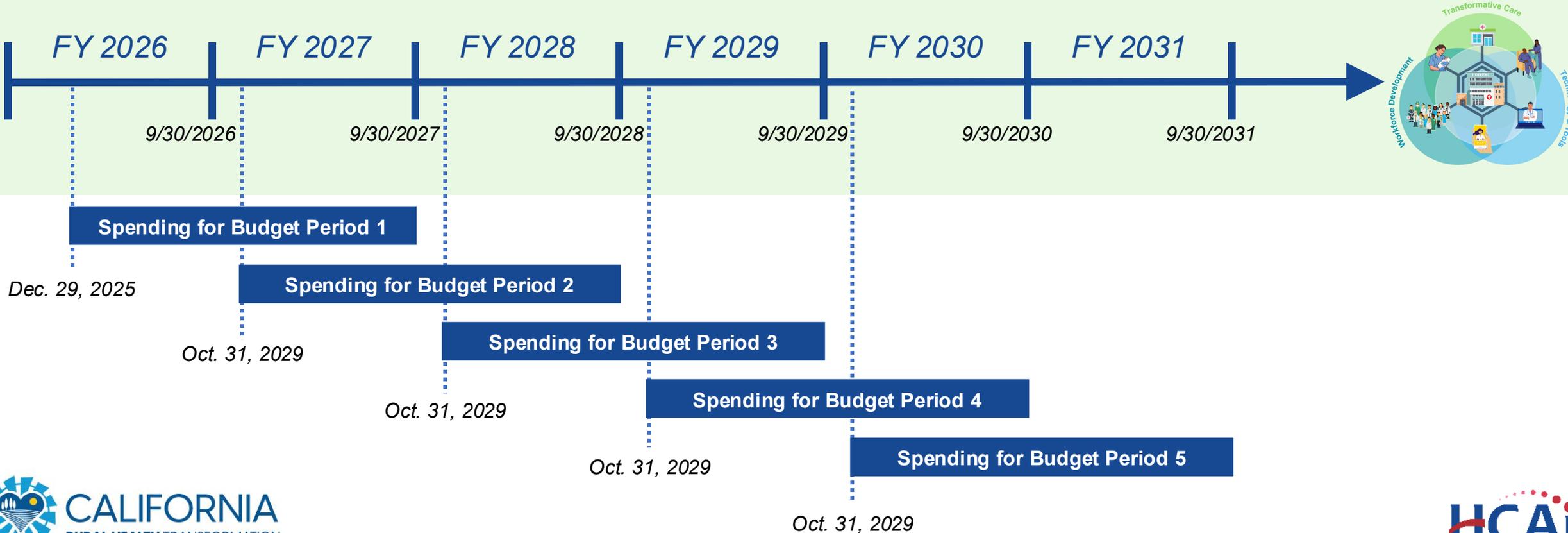
Establish Rural Tech Assistance Center

T&T Grant Program

CaIRHT Budget Period Timeline

Program funding is appropriated from FY2026 through FY2030

- The Federal Fiscal Year's funding aligns with the five Budget Periods. Funds for each period need to be obligated by the end of the Budget Period.
- Expenditures obligated during each Budget Period may extend to the end of the following Federal Fiscal Year, as shown below.



CaIRHT Stakeholder Engagement

Key Dates



Information & Communications

March 2026.

- *FAQs published*
- *Website updated*



CaIRHT Webinars

Spring – Fall 2026.

- *Webinars will be scheduled to align with launch of new programs*



Rural Health Policy Council

Spring – Summer 2026.

- *RHPC council members announced*
- *RHPC convenes for first meeting*

CalRHT Program Grants

Key Dates



Applications

Spring 2026

- *Begin release of request for applications*
- *Submission deadlines*



Selection

Summer 2026

- *HCAI announcements of CalRHT awardee selection*
- *CalRHT awardees submitted for CMS review*



CMS Review

Summer – Fall 2026

- *CMS will approve, amend, or deny CalRHT subaward decisions*
- *CMS authorizes fund use for grant subawards*



Grant Funding

Summer – Fall 2026

- *CalRHT begins disbursement of grants*
- *Awardees must use funds by Sep 30, 2027*

CalRHT Rural Health Policy Council

will convene a broad group of stakeholders representative of California's rural health providers, including rural hospitals, clinicians, health plans, patient representatives, Tribal leaders, and state departments.

RHPC will be a public forum for rural health stakeholders to discuss the CalRHT program implementation, including:



Addressing policy questions from the CalRHT team



Proposing ideas for CalRHT consideration



Providing subject matter expertise



Helping communicate CalRHT policy to the community



Sharing program performance feedback from rural California communities

What's next for CaIRHT?

- Complete discussions with CMS to gain approval on the use of funds
- Program design and standing up grants administration



Look out for:

- FAQs to be released March 2026
- Rural Health Policy Council to convene in Summer 2026
- Upcoming CaIRHT Program webinar notifications

Questions?

For CaIRHT program updates and FAQs, go to the HCAI-CaIRHT webpage
[California State Office of Rural Health - HCAI](#)

OR

Please email
CaIRHT@hcai.ca.gov