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Department of Health Care Access and Information

Agenda Item 8:

California's Rural Health Transformation Program Update

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CALIFORNIA
RURAL HEALTH TRANSFORMATION

California's Rural Health Transformation Program Update

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July 22, 2026

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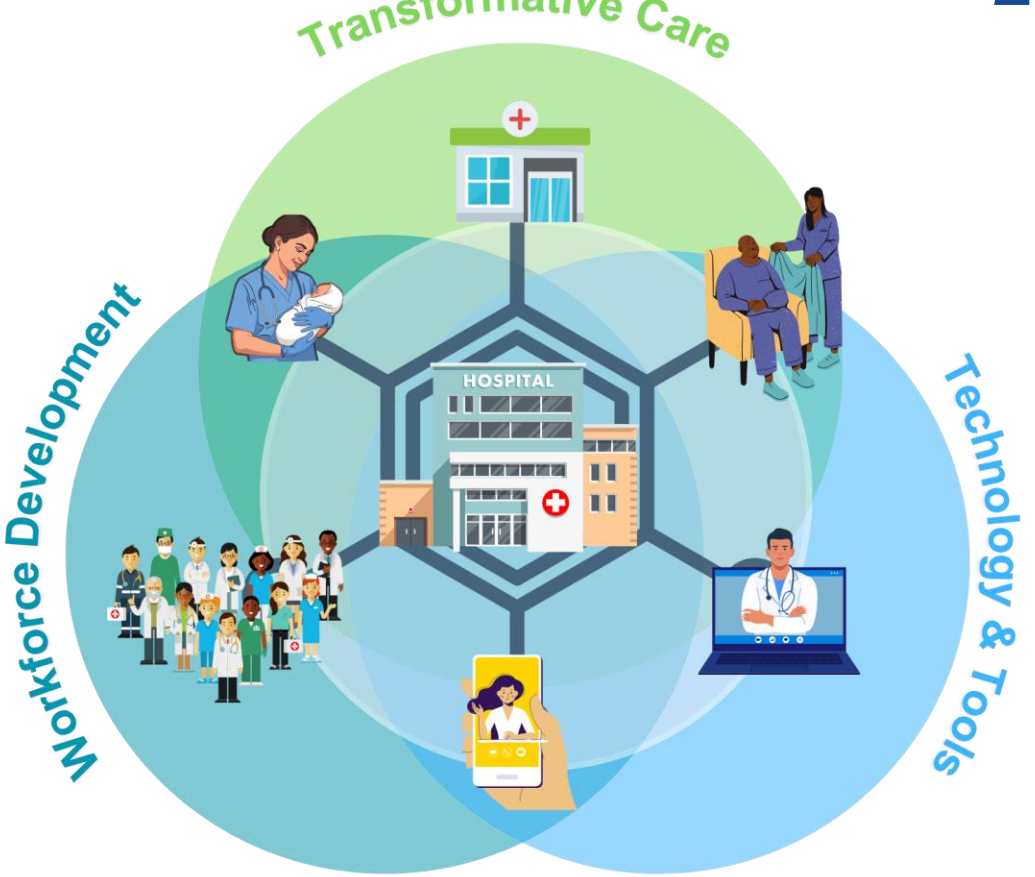
Agenda

- CalRHT Overview
- Workforce Development Initiative
  - Initiative Updates
  - Recruitment and Retention Overview
- Looking Ahead
- Rural Health Policy Council

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. 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.

CalRHT Program Vision/Goals

2026 - 2031



The California Rural Health Transformation (CalRHT) program vision is a **connected, resilient rural health system** in which every rural 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**.

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

CMS's RHTP Strategic Goals

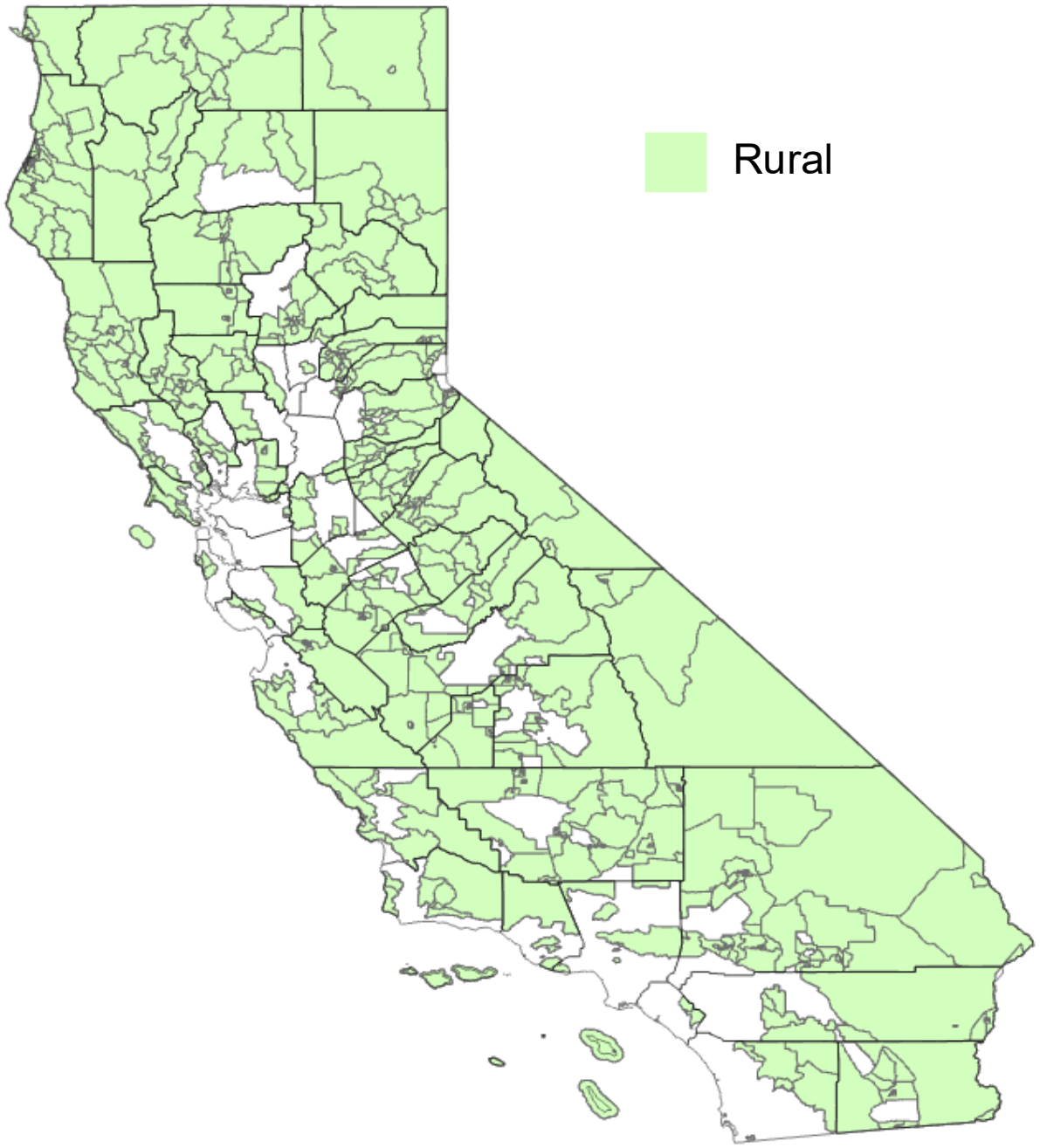
H.R.1 created the $50 billion Rural Health Transformation Program (RHTP) with the following strategic goals:

- Make rural America Healthy Again
- Sustainable Access
- **Workforce Development**
- Innovative Care
- Technology Innovation

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

Data based on 2020 U.S. Census American Community Survey estimates and CMS guidelines and may be subject to change.
www.hrsa.gov/rural-health/about-us/what-is-rural



CalRHT Program Grants

Key Dates

Applications

Summer 2026

- Begin release of Request for Applications

Selection

Summer 2026

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

CMS Review

Summer – Fall 2026

- CMS authorizes fund use for grant subawards
- HCAI verifies award eligibility

Grant Funding

Summer – Fall 2026

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

CalRHT Initiative: Workforce Development Updates

Recruitment and Retention

- Program design complete
- RFA testing in progress

Statewide Clinical Placement Tool

- Planning and design underway

Train-the-Trainer

- UCI: I-HOPE Fellowship (Geriatric Behavioral Health Track), Maternal Behavioral Health (MBH) Fellowship
- UCSF: Dementia Care Aware

Clinical Pathways

- Connect local students to health professions through career education and counseling, mentorships, internships, and fellowships

Workforce Mapping Tool

- Minimum Viable Product development Oct-Dec 2026,Release Jan-Mar 2027

CalRHT Initiative: Workforce Development

Expand Rural Provider Recruitment and Retention

Program Goals

- Support regional collaborations, facilities and organizations with their existing health workforce and with recruiting new health professionals.
- Support for faculty and preceptors to increase clinical training capacity at rural sites.
- Support a responsive and sustainable healthcare workforce to support rural California communities.
- Improved recruitment and retention of rural health professionals as evidenced by increased number of licensed health professionals in rural areas.
- Reduced vacancy rates and improved continuity of care as illustrated by reduction in turnover and increase in average tenure in rural service.

Rural regions of California, are defined by the Health Resources and Services Administration (HRSA).

CalRHT Initiative: Workforce Development

Expand Rural Provider Recruitment and Retention

Funding Categories

- Recruitment bonuses for eligible health professionals accepting employment or a binding offer of employment at qualifying rural sites.
- Retention bonuses to help clinics maintain and support eligible health professionals that are already practicing at qualifying rural sites.
- Program-costs allowance of up to 10% of the total award for documented grantee staff time coordinating WDRR at the facility, consortium, collaborative, or system level.
- Tribal health programs implementing organization-based recruitment and retention efforts, subject to Tribal set-aside requirements and consultation outcomes.

Some bonuses are tied to a five (5) year rural service commitment.

Request for Applications (RFA)

The Recruitment and Retention RFA is targeted to be released late July 2026.

Application period will be open for 30 days.

Awards will begin to be announced in Summer–Fall 2026.

All awards require CMS review.

Current awards are limited to Year 1 budget funds.

Quarterly and annual reporting to HCAI will be required for all awardees.

Rural Health Policy Council

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

First meeting is July 28, 2026

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

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Looking Ahead....

- What kinds of incentives and support can enable successful expansion of clinical training capacity for team-based primary care and maternal health providers?
- What kinds of investments beyond education capacity expansion and scholarships can help expand the supply of primary care and maternal health professionals in rural settings?
- Are there specific metrics that we should consider collecting to assess near-term (2-3 year) pathway program success?

Questions?

For CalRHT program updates, FAQs and more, visit the

HCAI CalRHT webpage

OR

Please email
CalRHT@hcai.ca.gov

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Thank You!