

Rural Health Transformation Program

Overview of the California's Program Proposal
by the
Department of Health Care Access and Information

November 5, 2025

Overview

- Rural Health Transformation Program
- Program funding
- Stakeholder engagement
- California's grant proposal

RHTP program overview and 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

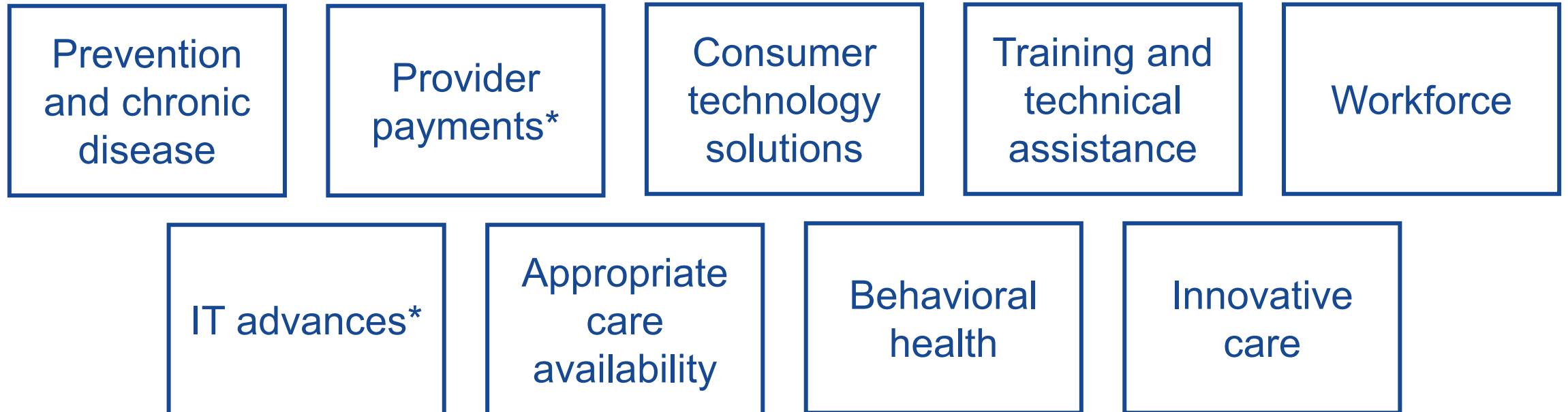
Workforce
development

Innovative
care

Tech
innovation

Permissible use of funds

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



*restrictions apply

Funding limits and exclusions

There are limits to how much funding can be used for certain activities, such as replacing EMR and administrative costs. Other activities, such as new construction, are unallowable.



**New
construction**



**Clinician's
salaries***



**Independent
R&D**



**EMR
replacement**



**Duplicate
billable services**

Illustrative. Additional restrictions and limitations apply.

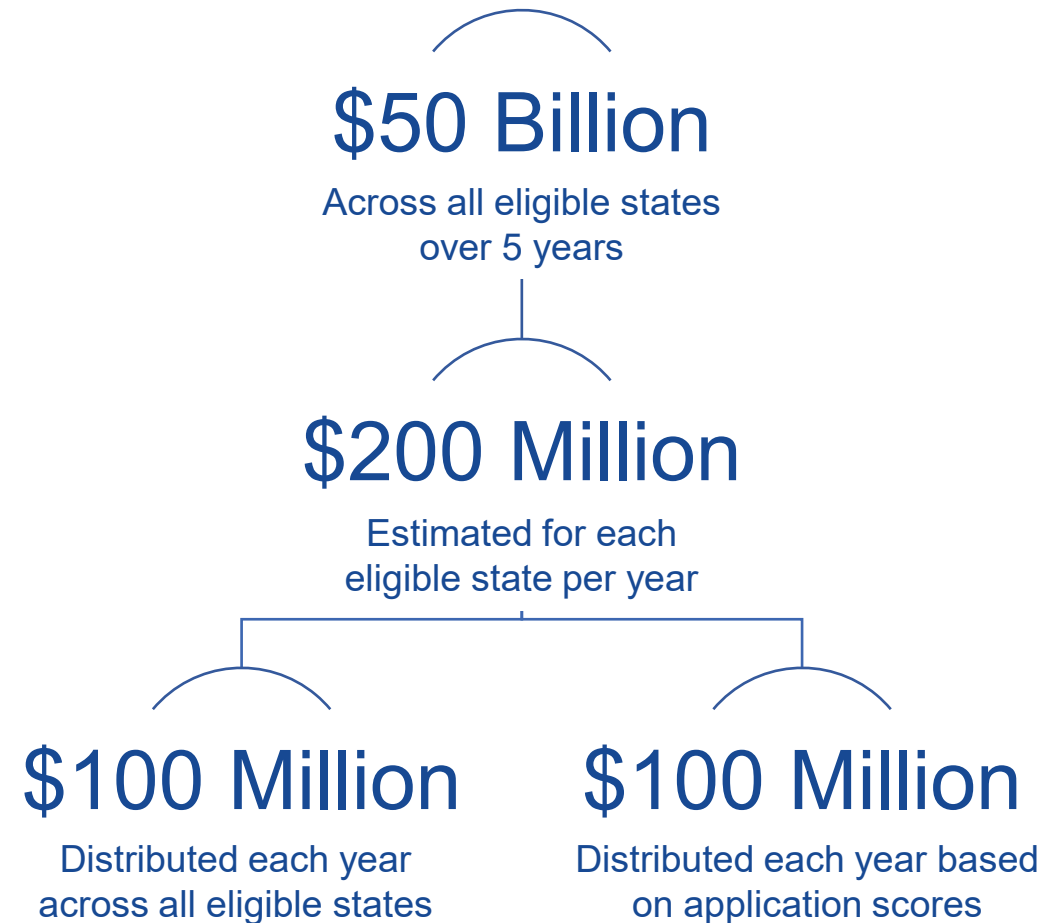
Noncompliance violations

- Unapproved/restricted activities
- Not finalizing proposed state policy actions
- Failing to benefit rural areas broadly
- Missing reporting deadlines/requirements
- Failing to follow through on commitments
- Violating award terms and conditions
- Mismanagement, fraud, waste, abuse, or criminal activity

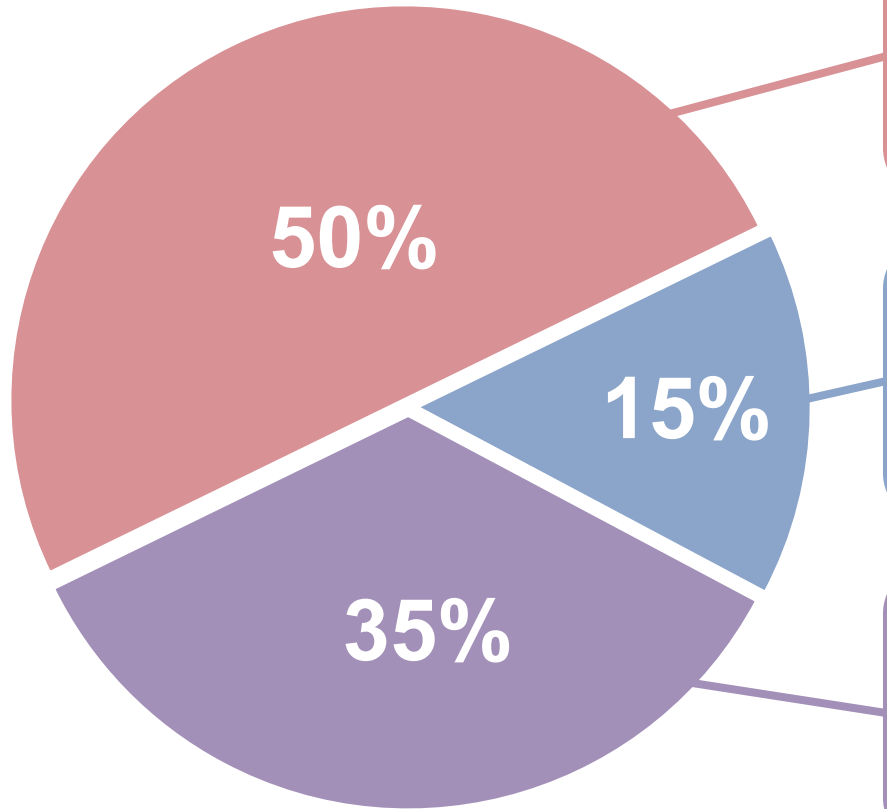


In cases of noncompliance, funds may be clawed back or withheld. All noncompliance must have a remedy or remediation plan within 90 days of notice.

RHTP funding overview



How will California's application be scored?



50% of the score looks at how **rural** California is compared to other states, based on data such as:

- Count of rural populations and area of the state
- Number of rural facilities

15% of the score looks at California's current and planned **policies** for supporting rural health care, including:

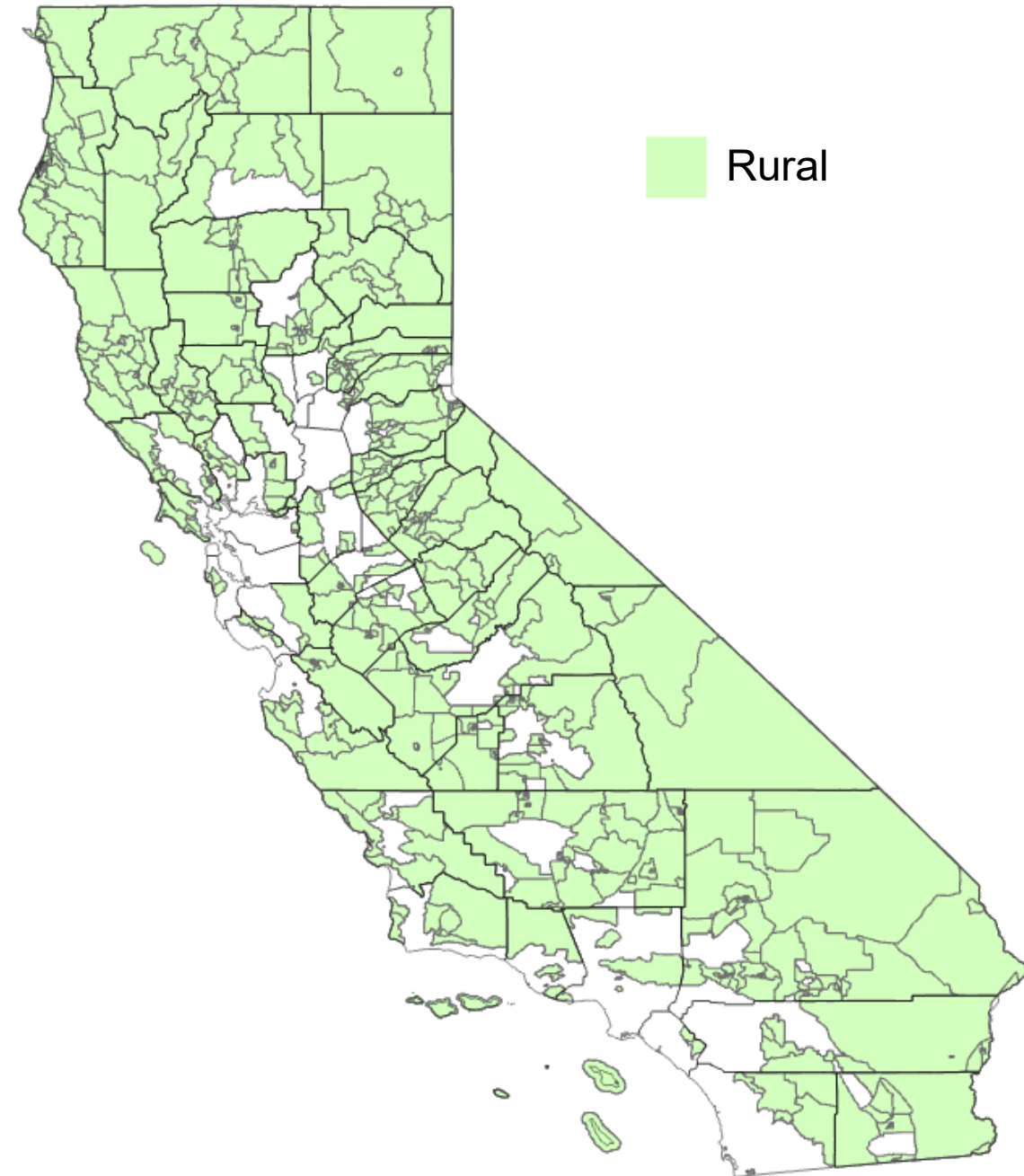
- Workforce flexibility and expansion of access

35% of the score looks at California's **planned activities** for improving rural health care, including:

- Programs and partnerships supporting healthy living in rural areas
- Expanding access to care in rural communities

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)
 - 20 Tribal Health Clinic Systems
 - 296 Federally Qualified Health Centers (FQHC)
 - 108 rural hospitals



RHTP Timeline



Stakeholder Engagement

In just over 8 weeks, HCAI heard from over **1600** stakeholders about priorities for strengthening California's rural healthcare

1125 Participants over 6 listening sessions

368 Stakeholders participated in survey

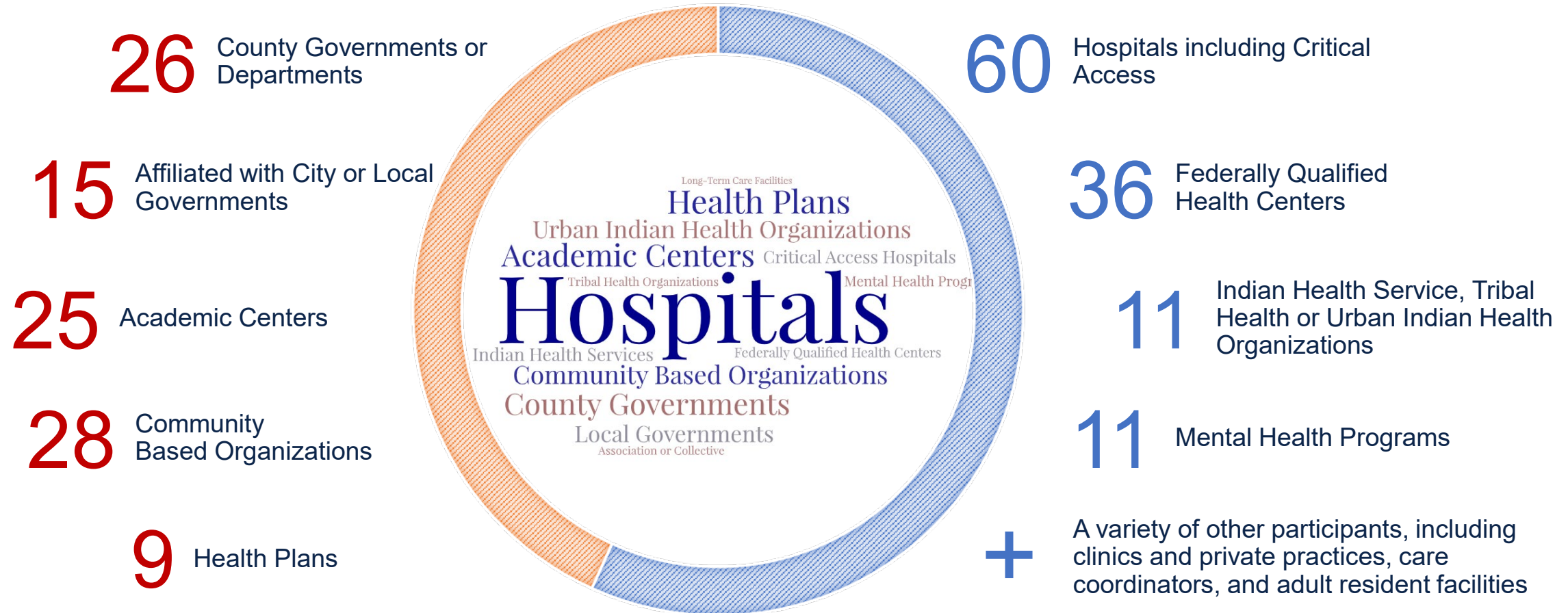
37 Small group interviews

19 Tribal and urban health leaders

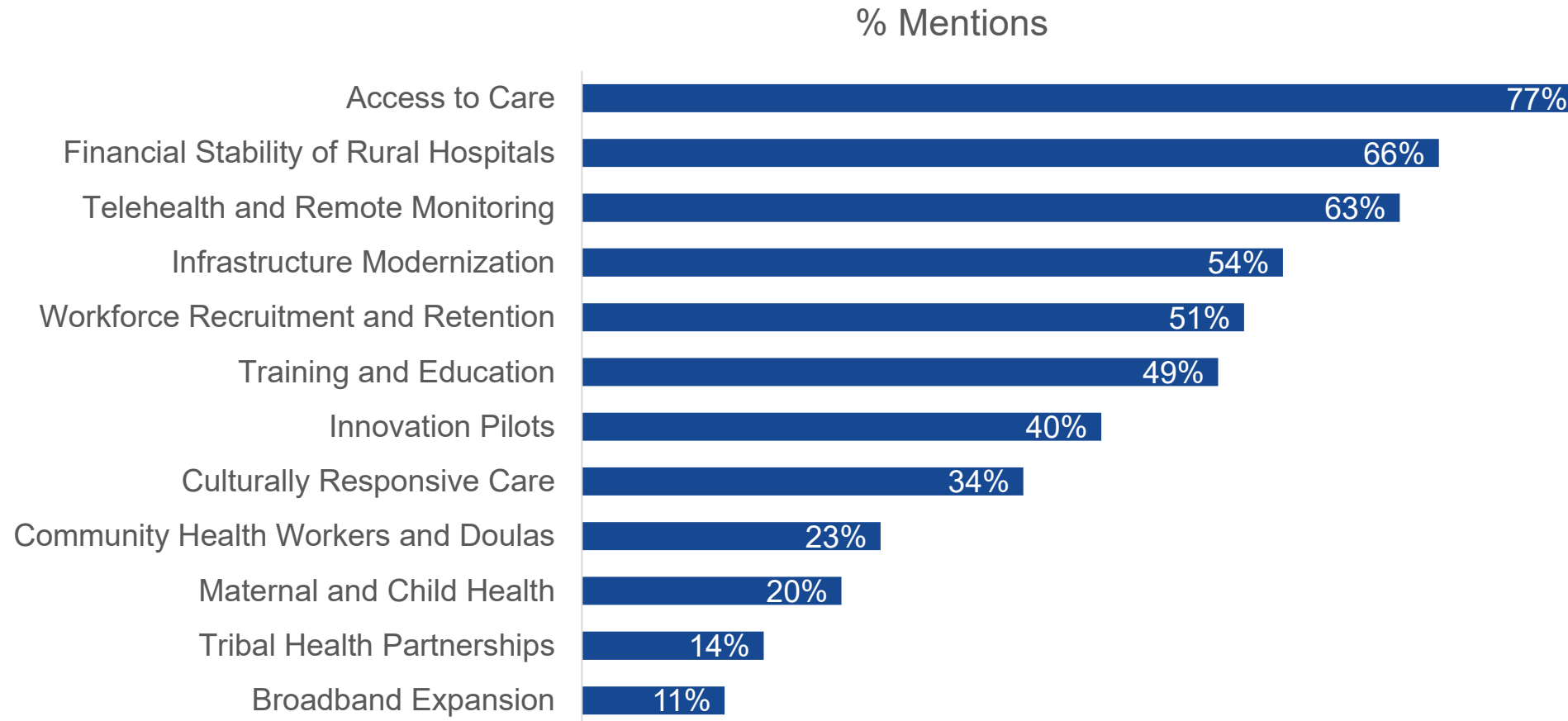
15 Tribal health organizations

Stakeholder survey participants

Of the 368 respondents, 57% were health care providers and 43% were non-providers.



What HCAI heard from stakeholders



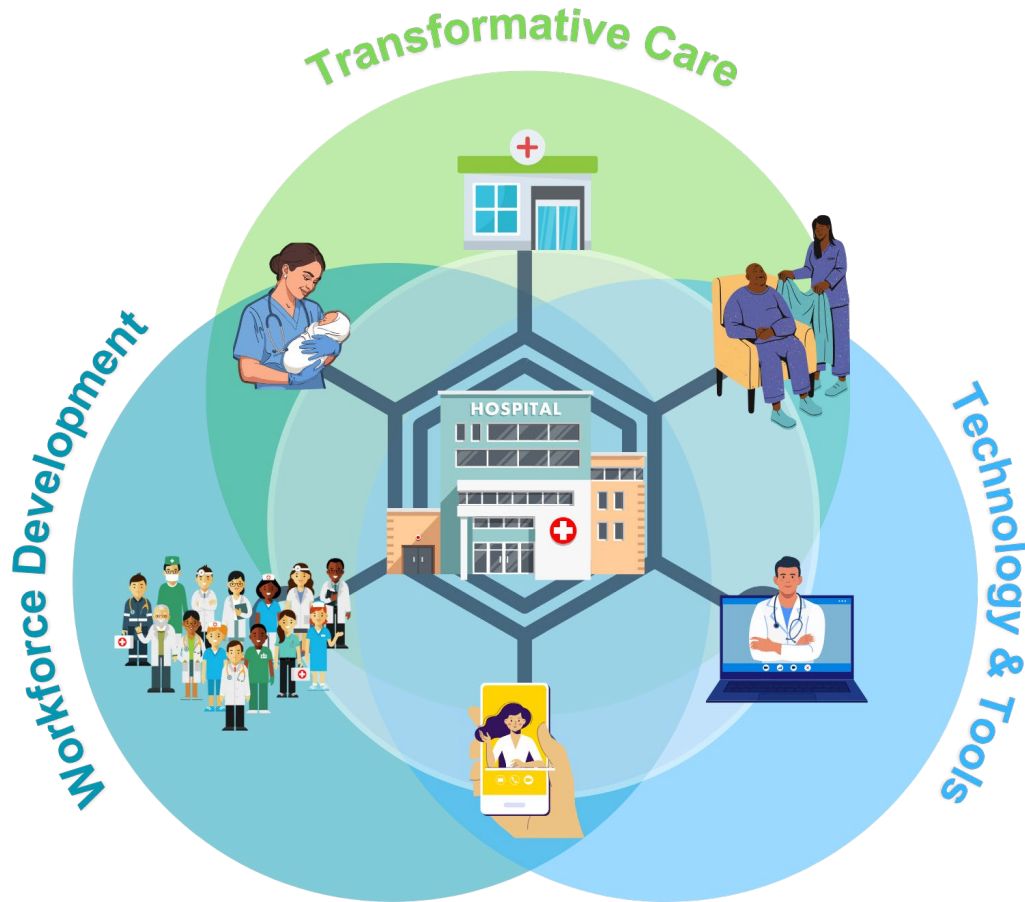
Rural Health Policy Council (RHPC)

The RHPC will be established as a statewide advisory body to HCAI. Meeting quarterly, the Council will **review RHTP program progress, ensure policy alignment, and guide financing reform efforts.** The RHPC will act as a convener and facilitator, **fostering collaboration among state and local partners,** promoting open dialogue, and supporting successful implementation.

RHPC Participants

HCAI
Sibling Departments
Rural Hospitals
Rural Clinics
Tribal Leaders
Provider Offices
Health Plans
Community-Based Organizations
and other community stakeholders

California's RHT Proposal



The CA-RHT 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.**

The program will develop regional coordination and partnerships, apply evidence-based care, deploy tools that work in low resource settings, and align sustainable payment to fund local readiness and health care services.

Initiative: Transformative Care Model



Establish regional hub-and-spoke networks

To strengthen rural health care by connecting regional hospital hubs with local clinics and telehealth “spokes” to expand specialty access, and enhance care coordination

Create a digital “nervous system” of telehealth

To enable real-time telehealth specialty access, e-Consults, remote patient self-monitoring and workforce extension, supporting evidence-based models¹

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.

Transformation payments

To financially distressed rural hospitals located in strategically important areas for building hub-and-spoke care networks and the effective delivery of regional care

¹ Evidence based models include, but are not limited to: 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)

A diverse group of healthcare professionals, including doctors, nurses, and medical students, standing together. They are wearing various uniforms like lab coats, scrubs, and nursing caps, and some are holding medical equipment like stethoscopes and clipboards.

To identify demand trends and pinpoint county-level capacity gaps across clinicians and team-based care support roles.

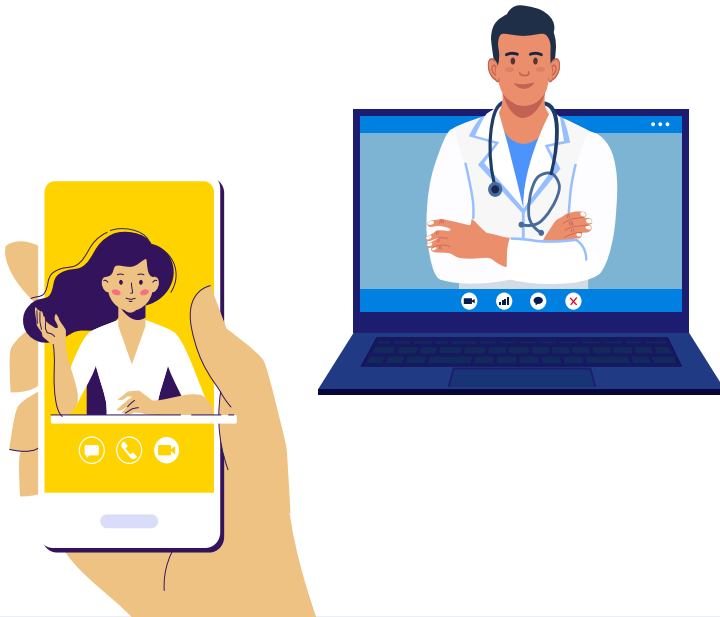
To create a sustainable pipeline of rural students pursuing careers in health professions and build pathways for them to train, stay, and practice in rural communities.

To keep talent in rural communities and make recruitment practical when needed through incentives and wrap around supports that strengthen stability and fit.

Initiative: Technology & Tools

Infrastructure enhancement

to assess and support rural health entities meet baseline technology to participate effectively in regional care models.



Grant funding

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

Technical assistance

Through a Rural Technical Assistance Center that provides expert advice and hands-on, on-site support to TCM participants and other grantees.

Expand regional collaboration

By leveraging the RTAC 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.

Technology & tools to empower consumers

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

What's next?

- November 4, 2025
 - HCAI submitted the grant application to CMS
- November through December
 - Continue stakeholder engagement
 - Begin building workplans and implementation
- December 31, 2025
 - CMS will notify states about approval and fund allocation

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