California Rural Health Transformation (CalRHT) FAQs

July 1, 2026

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Section 1: Program Overview

1. What is the federal Rural Health Transformation Program and what is California's Rural Health Transformation program?

The Rural Health Transformation Program (RHTP) is a Centers for Medicare & Medicaid Services (CMS) program created in federal law and funded at $50 billion over five years to help states improve rural health access, quality, and outcomes through health system transformation. California's approach is the California Rural Health Transformation (CalRHT) program, led by the Department of Healthcare Access and Information (HCAI), and built around three interrelated initiatives: the Transformative Care Model, Workforce Development, and Technology & Tools.

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.

2. Where can I find CalRHT program materials?

Program materials, including the Project Narrative, Budget Narrative, webinar recordings, and additional resources, are available on the CalRHT webpage. Partners are encouraged to monitor the webpage and subscribe to updates for the most current information.

Section 2: CalRHT Initiatives

Transformative Care Model

3. What is the Transformative Care Model (TCM) and what will it do?

The Transformative Care Model (TCM) establishes regional care collaboratives using a hub-and-spoke model to strengthen partnerships across rural hospitals, clinics, and other health professionals, including Tribal partners. For more details, see the CalRHT Project Narrative.

4. Where can more information be found on the TCM?

Additional information on TCM, including accelerator partners, hub-and-spoke models, and implementation design, is available in the CalRHT Project Narrative and Budget Narrative.

Workforce Development

5. What is the Workforce Development initiative?

The Workforce Development initiative is designed to build, grow, and sustain a locally rooted healthcare workforce in rural communities by strengthening education pathways, expanding training opportunities, and improving the recruitment and retention of physicians, allied health professionals, and other health professionals.

The initiative focuses on creating long-term workforce capacity by:

- Connecting students to healthcare career pathways from K–12 through higher education
- Expanding clinical training, rotations, and rural placement opportunities
- Supporting current health professionals with ongoing training, upskilling, and certification
- Providing incentives such as recruitment, retention and relocation support to eligible organizations to retain health professionals already practicing in rural communities and to recruit or relocate eligible health professionals to qualifying rural sites

Partners are encouraged to monitor the CalRHT webpage for the most up-to-date information. More information may also be found in the CalRHT Project Narrative.

6. Who does the Workforce Development Initiative support?

Workforce Development supports a broad group across rural communities, including students, early-career professionals, and current health professionals. It focuses on individuals pursuing or advancing careers in primary care, maternity care, behavioral health, and allied health roles in organizations such as rural hospitals, clinics, and Tribal health programs that all rely on a stable workforce.

Technology & Tools

7. What is the Technology & Tools initiative?

The Technology & Tools initiative focuses on strengthening the technology infrastructure and digital capabilities of rural hospitals, clinics, and other health professionals so they can deliver high-quality, coordinated, and efficient care.

The initiative supports:

- Modernization of health technology systems
- Improved access to telehealth and digital care tools
- Stronger data sharing and interoperability
- Enhanced cybersecurity and system reliability

Partners are encouraged to monitor the CalRHT webpage for the most up-to-date information. More information may also be found in the CalRHT Project Narrative.

8. What types of technology investments are supported under this initiative?

Technology & Tools supports high-level investments in modern health technology systems and digital infrastructure that enable rural health professionals to deliver coordinated, efficient, and high-quality care. These include upgrades to core systems such as Electronic Health Records (EHRs) and practice management tools, expansion of telehealth and e-Consult capabilities, improvements to data sharing and interoperability, strengthened cybersecurity, and adoption of patient-facing digital tools. Investments are delivered through grants, shared services, and technical assistance to ensure health professionals can successfully implement and sustain these technologies.

9. What is the Rural Technical Assistance Center (RTAC)?

The Rural Technical Assistance Center (RTAC) is a centralized support hub that provides guidance, tools, and expertise to CalRHT applicants and subrecipients.

10. When is Rural Technical Assistance Center (RTAC) expected to launch?

HCAI expects to launch the RTAC in late 2026 or early 2027. Additional details on timing will be shared on the CalRHT webpage as they become available.

Section 3: Eligibility

11. How do I know if my organization is eligible to apply for a CalRHT grant opportunity?

Applicants should review CalRHT grant guides for specific RFA eligibility criteria and the CMS Notice of Funding Opportunity (NOFO) allowable uses to confirm your organization type, service area, and proposed activities meet the program requirements. If they align, your organization, project, or program is eligible to apply.

Applications are open to a range of provider and non-provider organizations, including but not limited to nonprofits and community-based organizations and state/local agencies, on the condition that services are delivered or support the coordination of service delivery to rural communities as defined by Health Resources and Services Administration (HRSA) and advance the goals of rural health transformation outlined by the CalRHT programs approved CMS.

12. How is "rural" defined for eligibility?

CalRHT uses the federal definition of rural established by the Health Resources and Services Administration (HRSA). Applicants can determine whether their service areas qualify by using the HRSA Rural Health Grants Eligibility Analyzer, which is the standard tool referenced by both CalRHT and CMS.

13. Do organizations need to be located in rural areas?

Any organization who provides program services in rural communities in California may be eligible to apply for CalRHT funding. Services must be in a rural location, but an organization's headquarters can be based in non-rural locations. Traveling services may be eligible if their proposed activities clearly serve rural populations and meet program requirements as approved by CMS. Partnering with a rural California organization is not required but is encouraged.

Applicants who are located in a rural community, such as a clinic or hospital, may include in their proposals the use of services from a non-rural organization.

Section 4: Application Process

14. How do I apply for funding?

Applications will be submitted through Request for Applications (RFAs) posted on the CalRHT webpage. These materials will guide applicants in preparing complete and competitive proposals aligned with program expectations.

15. Who is the primary contact person for the CalRHT grant application process?

HCAI will serve as the primary point of contact for the CalRHT application process. A general program contact and application support information will be provided with each RFA, and some initiatives may identify additional or initiative specific contacts as appropriate. All official points of contact will be clearly listed in the RFA materials. CalRHT will offer technical assistance to answer grant application questions.

16. Are applicants expected to apply for longer five (5) year projects due to the funding approach from the Centers of Medicare and Medicaid Services (CMS)?

Applicants should focus on the period of performance defined in each RFA. CMS funding is for single Budget Year increments. CalRHT first year awards will be structured in phased milestone-based allotments, with an emphasis on the subrecipient successfully administering the first grant award by September

2027. Applicants can include their planning and strategy for long-term impact and sustainability. Applicants may include anticipated budgets for additional program years, but the initial grant determination will be based on 2026-2027 program plans and related budget.

17. What are the evaluation and reporting requirements? Is it expected that organizations work with an external evaluator?

Evaluation and reporting requirements will be defined in each RFA and grant agreement. Subrecipient requirements will align with CMS and HCAI reporting expectations. Subrecipients will be required to meet federal grant reporting expectations. Proposals should demonstrate a clear and feasible approach to performance measurement, monitoring, and reporting. Specific evaluation expectations will be outlined in the RFA.

Subrecipients are not required to partner with an external evaluator but may choose to do so. Post-award, the Rural Technical Assistance Center (RTAC) will assist and support subrecipients in meeting the grant reporting requirements.

Section 5: Grant Funding

18. When will CalRHT subrecipients receive their funding?

Prior to receiving any funding, every applicant will undergo a review of the submitted proposal and budget. An HCAI review panel will conduct this review and either:

a) approve the CalRHT award,

b) request modifications from the subrecipient or negotiate the CalRHT grant award, or

c) deny the CalRHT award.

CalRHT will notify the subrecipient of the final award amount and the terms for disbursement.

19. How will the funding be allocated?

Funding decisions are based on the merit of each application, including alignment with CalRHT goals, readiness for implementation, and the overall availability of funds. CalRHT may award full, partial, or no funding depending on the strength of the proposal.

20. When and how is funding distributed?

Funding is distributed after CMS approval and completion of the contracting process. Because timelines may vary by applicant, funds are typically released on a rolling basis rather than all at once.

21. What can funds be used for?

CalRHT funds may be used to support activities such as evidence-based care, care coordination, rural collaboration, regional collaboration, workforce development, and technology implementation that improve rural health care. However, funds cannot be used to pay for direct patient care or to duplicate existing funding sources, in accordance with CMS rules. For a complete list of allowable uses and funding restrictions, please refer to pages 18–22 of the CMS Notice of Funding Opportunity (NOFO) and review the CMS FAQ.

22. What are the restrictions as to how funds can be used?

CalRHT grants cannot be used to pay for direct patient care from clinicians, allied health professionals, hospitals, and other health professionals. The CMS NOFO states that any use of funds is non-duplicative and non-supplanting of any existing federal program funding. For a complete list of restrictions, see pages 18-22 of the NOFO and the CMS FAQ.

23. Does the application review include considerations for Tribal communities?

Yes. CalRHT will allocate at least 5% of program funds to support rural Tribal communities. In accordance with CMS guidance, Tribal operated IHS facilities may be subawardees of Rural Health Transformation Program (RHTP) funds, while federally operated IHS facilities may not.

24. How flexible will budgets be once awarded (e.g., reallocation across workforce, IT, care models)?

Subrecipients may propose reallocation of their budgets which CalRHT will review on a case-by-case basis and request CMS approval if CalRHT concurs with the proposed reallocations.

Section 6: Rural Health Policy Council (RHCP) & Partner Engagement

25. What is the Rural Health Policy Council (RHPC)?

The Rural Health Policy Council (RHPC) is an advisory council for rural health partners to discuss the CalRHT program implementation. The Council will consider and discuss questions from the CalRHT team, propose ideas for CalRHT consideration, provide subject matter expertise, help communicate CalRHT program updates to their community, and share program performance feedback from California's rural communities.

26. How are partners identified for the Rural Health Policy Council? Is there an interest form or other application opportunity?

The HCAI Director began appointing members to the RHPC in June 2026 with public announcements in July 2026. The Council will have partners with rural health experience and subject matter expertise to ensure a qualified, representative Council. If you are interested in being considered for future Council

appointments, you can email your resume and an expression of interest to CalRHT@hcai.ca.gov.

27. How will you include community input to ensure change meets the needs of the community and honors their voice?

CalRHT incorporates partner input through multiple channels. Ongoing engagement includes the CalRHT webpage as the central hub for program information, updates, timelines, plus a dedicated email inbox (CalRHT@hcai.ca.gov) for questions. The CalRHT webpage and emails will also offer an opportunity to subscribe to a CalRHT mailing list for updates. In addition, the RHPC will be a public forum for rural health partners to discuss CalRHT program implementation.

The first RHPC public meeting is scheduled for July 28. More details are available on the CalRHT webpage.

28. How will partners engage with CalRHT?

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29. Who is the day-to-day program lead and best contact information for the CalRHT program?

The CalRHT program is led by the Director for California Rural Health Transformation. For CalRHT questions, please email CalRHT@hcai.ca.gov.

Section 7: Reference Links

Please review the resources below for any further questions, and if not found there, contact the email below.

- HCAI CalRHT Page
- Centers for Medicare & Medicaid Services (CMS) RHT Program webpage
- CMS RHT Program FAQs - April 2026
- CMS RHT Program FAQs - October 2025
- CMS Notice of Funding Opportunity (NOFO)
- Health Resources and Services Administration (HRSA) Rural Health Grants Eligibility Analyzer
- Email: CalRHT@hcai.ca.gov