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Rural Health Transformation Program Explained: Funding for 2025 and Beyond

Webinar Transcript • October 14, 2025

Presented by Chris LaPage and Amber Walker • Grants Office, LLC

Welcome and Introductions

Chris LaPage:
Welcome to today's session: the Rural Health Transformation Program Explained — funding for 2025 and beyond.

Housekeeping

Chris LaPage:
Before we get started, I've got a few housekeeping items for you. First and foremost, know that you may listen hands-free over your computer speakers or headphones. There is no need to dial in. If your audio does become disconnected, you can use the audio and video menu at the top of your screen to access the feed. This event is being presented in English; however, there is captioning available.

You may ask questions at any time during today's event using the question and answer interface on the right-hand side of your screen. Feel free to submit as many questions as you'd like. We'll get to as many as possible toward the end of the hour. If we run out of time and don't have a chance to get to your question, you can email us directly. If you don't see the Q&A box automatically in the bottom right portion of your screen, look for the three little dots or ellipses at the bottom of your screen and find more interface options. From there you can select to have the Q&A and other features pop up.

Finally, know that this session is being recorded. The recording will be available for download at the Grants Office website starting tomorrow. Our fabulous media coordinator Kate will drop that URL in the chat box for you now. The PowerPoint slides presented here today will also be available at the same location, or you can send us a quick email request to education@grantsoffice.com. Kate will also put that email in the chat now.

Again, today we'll be talking about the Rural Health Transformation Program, and with that, let's get on with the show.

Today's Speaker and Agenda

Chris LaPage:
We are joined today by our resident expert on healthcare funding, the amazing Amber Walker, a Grants Development Consultant here at Grants Office. Amber came to Grants Office after working on grants at a large health system, and has assisted numerous healthcare organizations with securing grant funding during her tenure here at Grants Office. We're thrilled to have her on board today to discuss this very important grant program and tap into our expertise on this new funding stream.

Again, if you have any questions throughout the event, please send those over to us using the question and answer interface on your screen. Don't be shy with those questions — we have budgeted plenty of time to answer your questions at the end of the presentation.

We've got a jam-packed session for you today that is going to cover a lot of wonderful information. This is the largest net-new funding stream contained in the One Big Beautiful Bill Act, investing $50 billion in rural healthcare over the next half decade. We'll start out with the critical details regarding the RHT program, which is currently open for state agencies that will be administering the program. Amber will go through the distribution mechanisms that will ultimately result in the funds making their way to rural healthcare providers. She will conclude with some commentary on what to expect to happen next as the five-year timeline of the program unfolds. I'll briefly discuss some Grants Office products and services that can help you maximize not only this funding opportunity, but assist you wherever you are in your grant-seeking journey. Now, enough from me. I'd like to introduce you now to Amber to discuss the Rural Health Transformation Program. Thank you.

Program Overview

Amber Walker:
Thank you, Chris. Amber here. Good afternoon, everybody. Thank you for joining us today to talk about the Rural Health Transformation Program, and I'll go ahead and get started right now.

The Centers for Medicare and Medicaid Services program was announced this summer, and essentially designed to help rural communities transform their healthcare delivery. We know there is $50 billion total anticipated dollars going through this program, that will be broken up over five years at $10 billion annually.

Eligibility

Amber Walker:
At this stage, the only eligible applicants are state governments or their designated agencies. DC and US territories, unfortunately, are not eligible. And local rural providers and healthcare facilities are not

eligible to apply for this funding opportunity. We expect them to come into play later on in the process, but for this November 5 deadline, that is for 50 state governments only.

Timeline of Events

Amber Walker:
Let's go a little bit more detailed into the timeline of events, since this is a brand-new program. Over the summer, the One Big Beautiful Bill Act was passed and this program was announced. There were a couple of things relating to rural health providers that were announced in that bill. One being a historically large cut to Medicaid and Medicare, and simultaneously a historically large funding opportunity for rural health. At the time it was announced, it really, from my perspective, created a lot more questions than provided answers. But it did give some general program guidance and it gave a chance for states to start thinking about this opportunity.

September 15 rolled around — the Notice of Funding Opportunity (NOFO) came out, and it went into really great detail on what states would need to do, how they would need to compile their plans, and it gave the application due date, which was a big question mark. Because we knew through the guidance in the One Big Beautiful Bill that the funding allocations would be made by the end of the year, the anticipation was that turnaround was going to be rather quick for the application window. It was very kind of them to provide us with that date, because that gives the local providers and health systems in those rural communities at least an idea of when to start looking for funds to roll out within their states.

We're anticipating that no sooner than January, programs will begin to get underway. Shortly after the New Year starts, we should start to see programs going through. So right now that leaves us in the middle of the application window. By this point, most states have opened up a process for collecting information from stakeholders.

State Stakeholder Engagement

Amber Walker:
The exact process really has varied quite a bit state to state. Some states are taking a close-to-the-chest approach and only consulting with a select team of high-level stakeholders and experts. And some states are asking every provider, every patient, every person in their state what they should do with the funds. The majority of surveys and requests for information windows have closed at this time, and states are beginning to develop their proposals based on that feedback. But they've also been very forthcoming with information. So states are not only collecting information, they're also keeping their stakeholders informed of the process and how they're choosing their priorities. Some states have even begun to outline their chosen focus areas already.

That has been really reassuring — the more information that states provide about the process, the better reflected and the better represented the rural communities are actually going to be. As states have collected this feedback from their stakeholders, they're now beginning to develop their plans and their proposals.

The Five Strategic Goals

Amber Walker:
States need to keep in mind the five strategic goals that were outlined in the guidance. These are somewhat subjective, but I can provide a little more context.

Make Rural America Healthy Again

Amber Walker:
On what “Make Rural America Healthy Again” means, they were able to provide that it's really looking at evidence-based and outcome-driven interventions. There's a lot of focus on disease prevention as well as chronic disease management.

Sustainable Access

Amber Walker:
Sustainable access is a little more straightforward. They're really looking at how they can support rural providers to become long-term access. Improving efficiency and sustainability is a major focus with that goal.

Workforce Development

Amber Walker:
Workforce development, of course, is recruiting and retaining healthcare providers in those rural communities.

Innovative Care

Amber Walker:
Innovative care is really looking at alternative payment models, right-sizing healthcare delivery, and different ways that we can reduce the cost of care.

Tech Innovation

Amber Walker:
Tech innovation is wide open, and goes on to say it's really going to projects that are supporting access to remote care — which is a theme throughout — improving data sharing, and strengthening

cybersecurity, which really sticks out to a lot of healthcare providers because that is an ever-growing need. And funding in the healthcare space for cybersecurity specifically doesn't even match a portion of the need for that. So in addition to cybersecurity, investing in emerging technologies is another focus of that strategy. Pretty open-ended, but something for the states to keep in mind as they're building out their plans.

Eligible and Restricted Uses of Funds

Amber Walker:
In addition to the five strategic goals, states are also going to have to identify three different eligible expenses that they are going to base their proposals on. A state must identify at least three; of course there can be more. They are essentially meant to drive home the fact that this funding is not meant to supplement ongoing operating costs. It's really meant to provide sustainable investment in healthcare delivery.

You can see that in the provider payments, where that is capped at 15 percent. But you can also see it in innovative care and workforce, IT advances, and things like that — the states are really intending to transform healthcare.

Once the states have identified their permissible uses of funds, they're looking at making sure that they are not going against the restricted uses of funds. I'm not going to go into too deep of detail on the restricted funds, because that could be a whole webinar in itself, matched with the formula for the funding allocations. But the big takeaways here is that not only are the eligible uses of funds meant to drive home the fact that this is not meant to pay for operating costs or offset cuts to Medicaid and Medicare, but also that these funds are meant to really limit how much is going to waste. There are certainly exceptions — to “no new construction,” for example, they are allowing renovations and things like that.

In addition to not offsetting costs that are lost, there's also another focus that any of the restrictions placed at the federal level are also going to be placed on any local applications as well. So if a state opens up a competitive grant, those funds will be subject to the restrictions that the state is subject to from the federal level, plus any additional restrictions that the state puts in place.

Scoring and Distribution of Funds

Amber Walker:
Once the plans are developed and submitted, then we're looking at scoring and distribution of funds, which is quite complex. As I mentioned a second ago, that literally could be its own webinar. There's a

lot of formula that goes into it. So I'm going to, for the purpose of this webinar, give a mid-level explanation on what that looks like.

Baseline Funding vs. Workload Funding

Amber Walker:
Essentially there is that $10 billion annually — $50 billion total — which is split in half at the start. There is baseline funding, and then there is workload funding.

Baseline funding will be split equally amongst approved applications. So if all 50 states are approved, that's $5 billion annually — they'll get a hundred million each. That will be equal amongst all approved applications.

The workload funding is going to be distributed unequally. It will be given to no less than one quarter of approved applications, and that will be based on a variety of factors. So it's quite possible that some states will receive no workload funding, but all approved applications will receive that baseline.

I'll go a little bit more in depth about the factors that go into the workload funding and how those awards are determined. But you can really think about a state's total award as these two combined to make one award. So it'll come out at the same time, and it's essentially from the same funds, but it's broken up in this way.

Workload Funding Factors

Amber Walker:
When we're looking at the workload funding factors, there are a number of things that go into it. The rural data is going to be scored once based on quantifiable factors like rural population, total square miles of the state, or number of facilities in a rural area. As I mentioned, that will be scored just one time for that initial application and then will not be reevaluated again.

The initiative-based score will increase as states meet application milestones that they identified in their plans. So that's going to be things that are a little more subjective, like data infrastructure or remote care services. It will be reevaluated each budget period, and states will receive higher scores as they complete their milestones and as they have that real-world impact.

The state action policy is the third factor that goes into the workload funding award amounts, and that is also another factor that's reevaluated each budget period. To give an example of what that looks like: the SNAP waiver that was talked about a lot over the summer, that essentially restricts what SNAP benefits can be used to pay for, like non-nutritional food — a state will receive points based on their state policy. So it'll be between zero and 100. A state who has no waiver and no plans for a waiver would receive zero, and a state that has already implemented it would receive 100 points. There's a scale in

between, so depending on where in the legislative process your state policy is would determine how many points you would receive. You can see how when that is reevaluated in the following year, if your process has moved along in the legislative process and become implemented, a state would receive more points for that.

What's Next and What to Expect

Amber Walker:
Now that we know how much there is and what goes into making an award, what is next, and what are some things that we can look forward to? As we know, each state is going to be unique. They've all outlined their own priorities. They have all been allotted a different award amount.

Transparency Between States

Amber Walker:
We're already seeing transparency between states be varied. Some states have been doing an excellent job, and I would even say the majority of states have been really forthcoming with information. Some states are definitely playing a little closer to the chest, which is somewhat understandable. I'm sure they don't want to paint themselves into a corner, but obviously the more information that is provided to the stakeholders, I think, is certainly appreciated.

Distribution Plans Will Vary

Amber Walker:
The distribution plans are going to vary quite a bit from state to state. On the national trends, we're starting to see some states hinting at open grant competitions, which I think is really helpful in planning, and for the possibilities from 2026 moving on when those funds start to come out. But each state is going to be quite varied, so it'll be important to keep up to date on what your state is doing.

When we're looking at what looks like post-New Year, so January 1 going forward, we know that some states are most likely going to have open grant competitions, some states are going to have non-competitive sub-awards, and we know that states have to spend these funds by the end of the subsequent fiscal year. So the expectation is plans and projects and grant competitions kind of get moving pretty quickly after states receive these funds, because they don't want to pay back any of the award amount. Of course, with the amount of need that is in the rural communities, every dollar from these awards is going to count.

The expectation is plans are going to be rolling out pretty quickly. There are no specific restrictions on if a state must open an award or not open an award; however, they have to provide a rationale in their plan if they intend to do funding allocations through a grant competition or a sub-award. They need to

provide the methodology and the processes and specific criteria that they're going to use for the selection of who receives these funds. And again, conditions of the federal funds are going to flow down to any sub-awarded funds as well.

What You Can Do Now

Amber Walker:
I want to first start off by saying that there are no specific restrictions in the NOFO on what provider organizations can effectuate impact on rural communities. So there is a place for every healthcare system, provider, and entity in the state to be paying attention to how this funding is shaping up, and also potentially participate in receiving some funding as well.

Urban Providers Can Participate Too

Amber Walker:
I'll use a pretty basic example of telehealth. You can imagine a hub-and-spoke model where an urban health center is providing that specialty service out into rural areas, so there's certainly potential for urban hospitals to participate in this funding as well — as long as the end recipient and the end beneficiary of the funds are those rural communities. That's going to include all kinds of hospitals, federally qualified health centers, behavioral health, mental health, opioid use — the list goes on and on of the types of providers that can be wrapped up into these programs.

Review State Webinars and Resources

Amber Walker:
Secondly, review the webinars that are being made available. By this point in time, most states have designated their lead agency. It's overwhelmingly the Departments of Health. There are a couple of state exceptions out there, but most states are going with Department of Health. So that would be my first recommendation to look at. Most states are creating listservs, posting their webinars, holding town halls, and creating pages on their state government websites to keep track of this information. So I definitely encourage you all to keep a really close eye on what your state is doing and how much information they are providing for their constituents.

Still-Open Requests for Information

Amber Walker:
As far as I know, a couple of states do still have their requests for information open, including Arkansas, Hawaii, North Carolina, Ohio, Vermont, and Wyoming. So if we have any attendees from any of those states, definitely check out your websites and, if you haven't had a chance, provide your feedback. That opportunity is open. If you're not from one of those states, double-check, because some states have

opened back up their surveys or left them open longer than they had initially intended, so there's always a possibility there as well.

All that to say is: stay engaged. There's room for everybody within this program who is delivering healthcare. Before we break for questions, I'm going to pass the mic back to Chris LaPage, our Chief Services Officer, and he's going to talk a little bit about how you and your organization can stay engaged with Grants Office and some of the resources that we have available. Back to you, Chris.

Grants Office Communities and Services

Chris LaPage:
Thank you so much for that great information, Amber, really appreciate it. One of the questions we actually had come in was: how can we stay updated on when the funding opens to providers that are not under the state? And obviously you did a great job here of talking about staying engaged, signing up for state listservs, and other information. But I think that dovetails quite nicely into our discussion here around Grants Office Communities.

About Grants Office Communities

Chris LaPage:
Grants Office Communities is an exciting new platform we recently launched. It's a comprehensive grant search and collaboration platform. Several types of subscriptions are available through this: individual users, if you're looking for a group-based license for small teams up to five folks — which could be a department or folks who serve in a function in an organization — or you're looking for access across your entire organization. I encourage anyone interested to scan the QR code or go to communities.grantsoffice.com to learn more about the platform. We had a launch party on September 10, and that recording is still available on our website for anyone interested to view it.

Key Benefits of the Platform

Chris LaPage:
Communities puts our extensive database of funding opportunities — federal, state, and foundation grants — at your fingertips. You can use our advanced filters and search functionality to find any, and even share, funding opportunities with your colleagues. The platform allows you to seamlessly manage all your projects and grant proposals in one place to set you up for success. And the best part is, you can invite as many collaborators as needed within or external to your organization to view and work on your projects, grants, and proposals. Finally, you can hit the easy button if you need help tapping into the experts here at Grants Office to support you along the way.

This is an example right here of the RHT program that's within the platform. As you can see, it gives you all the critical information you need: program details, award information, eligibility, allowable use of funds, links to application materials, key deadlines, and so much more. You have all that in the platform.

But even more than that, I wanted to also show you this screenshot of the search functionality, which includes a keyword search along with filters for specific types of project categories, grant eligibilities, geographic focus, funder type, et cetera. You can use the platform to track the RHT program. You see the yellow star there indicating that it's been added to your favorites. This is critically important for the RHT program, and it really gets to the question that was asked, because there are going to be 50 different states administering the program and they may develop several programs under the RHT umbrella. You will be able to track all these state pass-through grant opportunities within the platform.

Other Funding to Withstand Medicaid Cuts

Chris LaPage:
More than that, as you can see, you can find a lot of other funding opportunities to support your important healthcare projects, which are going to be crucial for rural healthcare providers. While this opportunity is providing $50 billion over the next five years, the Medicaid cuts that were included in that bill are expected to hit rural healthcare providers to the tune of about $150 billion estimated over the next decade. So, to Amber's point about using these funds to set yourself up for success and to withstand those cuts, you also should be looking for all sorts of external funding you can find in terms of the grants landscape to support your critically important projects.

More than that, again, you can add these grants to projects, which is critical so you can align specific grants to specific projects that can support your organization, and then you can have all the grants, projects, and grant proposals all in one place for the collaborators to work on.

Hands-On Services from Grants Office

Chris LaPage:
As I mentioned, while Communities provides you all the tools you need on your self-directed grant-seeking journey, Grants Office is available to provide a more hands-on approach to support your grant-seeking journey as well. We're a full-service provider of grants intelligence, consulting, and proposal development. So if you're ever feeling out of your element or overwhelmed, or you need any type of support, we're here and happy to help — whether it's prospecting research, whether it's a proposal review, full grant writing. We even have annual support programs that cover you for the full year for all your grant-seeking needs.

If you ever want to engage with Grants Office, you can get started by filling out the contact us form on our website. From there, we'll set up a meeting to discuss your goal and determine next steps. That

could include a detailed funding opportunity report, one-on-one with our experts, draft application review, full narrative grant writing, or even comprehensive annual support. Whatever you need, we'll work with you to right-size our assistance.

Q&A Session

Chris LaPage:
With that, let's see what other questions we have. I know we're just about at time here, but I think we do have another question or two in the queue we might be able to do.

Q1: How will the government shutdown affect the RHT program?

Chris LaPage:
How will the government shutdown affect the RHT program? Amber, could you address that?

Amber Walker:
Yeah, absolutely. That's a great question, because I know that is top of mind for a lot of folks right now. What we do know is that the Centers for Medicare and Medicaid Services has indicated there will be no adjustment to the application deadline of November 5, so expect that to remain the same. The helpdesk for the Rural Health Transformation Program run by CMS is still operating. They are expecting delays in reply, so if you have a question, don't wait, because there may be a delay. But they are still checking and they are still operating moving forward. I hope that helps.

Closing

Chris LaPage:
Thank you so much, Amber. And that is all the questions we have time for today. If your question didn't get answered or if you think of them later, please email us at education@grantsoffice.com. Again, that is in the chat for anyone looking for that address, and someone will be in contact shortly.

Thank you to Amber for sharing your expertise with everyone in attendance today and watching this recording sometime in the future. And speaking of recording: remember today's session has been recorded, and along with the slides, will be available on the events resource page within the next 24 hours. So if you missed anything, want to share this event with a colleague or acquaintance, or even want to come back later for a refresher on something we covered today, you can always go back and review today's content at your convenience. We hope you found today's event to be a valuable use of your time, and we look forward to seeing you on future Grantscasts. Have a great rest of your day and thank you for joining us.

— End of Transcript —

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