Federal Intent to Local Execution

Preparing Rural Hospitals for the Rural Health Transformation Program (RHTP)

Jeff Grandia | Jan 2026

Federal Targeted Goals for RHTP

- Protect access to care

- Stabilize rural health systems

- Modernize care delivery

- Strengthen the rural workforce

- Use data to drive accountability & scale

Why the Federal Government Acted

Persistent rural access gaps

Fragile hospital economics

Workforce shortages

Fragmented care delivery

Limited scalability of prior programs

Dr. Oz's Direction at CMS

"Spark real change"

"Transform care delivery"

"Support the backbone of America"

"Find the best ideas and scale them"

"This is not about simply paying bills. It's about finding innovative solutions that actually work for rural communities and scaling them."

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RHTP is not a rescue plan for the past...It's an investment in a different rural health future.

Myth:
RHTP is a hospital bailout

Reality: RHTP is a rural health system redesign effort focused on sustainability, not rescue.

Myth:
Success is defined by how fast the money is spent

Reality: Success is defined by measurable improvements in access, quality, and coordination of care.

Myth:
RHTP funds individual facilities

Reality: RHTP prioritizes regional, networked models of care that serve entire rural communities.

Myth:
Technology is the goal

Reality:
Technology is an enabler—the goal is better care delivery and outcomes.

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Why CMS Chose a State-Led Model

States understand local variation

Flexibility over federal mandates

Alignment with Medicaid & public health

Accountability through cooperative agreements

Where Are We in the RHTP Process

Bill signed

NOFO released

State plans submitted

Federal awards issued

Implentation underway

Annual CMS monitoring & adjustment

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What CMS Expects Next

Measurable progress

Transparent reporting

Documented outcomes

Adjustments based on performance

"Accountability and public reporting are core design requirements...not post-award add-ons."

One Program, Many Approaches

States define priorities

States control distribution

States set reporting depth

Associations & Medicaid agencies involved

States act as operators — selecting vendors, defining services, and measuring outcomes

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Louisiana RHTP Themes

- Stabilize rural hospitals financially
- Protect access to local essential services
- Medicaid-aligned care models
- Telehealth & outpatient expansion
- Practical alternatives to inpatient care

"Stabilize hospitals, protect access, then transform."

Texas RHTP Themes

- Build statewide infrastructure
- Standardize access through state models
- Medicaid as the primary organizing driver
- Centralized services and platforms
- Audit-safe, scalable transformation

"Build infrastructure, standardize services, then allow participation."

Both approaches meet CMS intent — they just reflect very different state cultures.

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What Funders Are Willing to Pay For

- Clearly scoped projects
- Measurable outcomes
- Short execution cycles
- Sustainability beyond funding

Fundable Data Projects

- Establish Baselines
- Financial Sustainability
- Contracts-to-actuals analysis
- Provider performance

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Projects & Reporting

Why These Projects Hold Up Under Oversight

- Clearly scoped
- Time-bound
- Auditable
- Repeatable

Reporting Is a Design Requirement

- Baseline metrics
- Interim progress
- Outcome validation
- Documentation of fund use

Compliance, Audits, & Clawbacks

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Minimum Data Foundation

Required

- Claims
- Charges
- Clinical context
- Governance

Not required

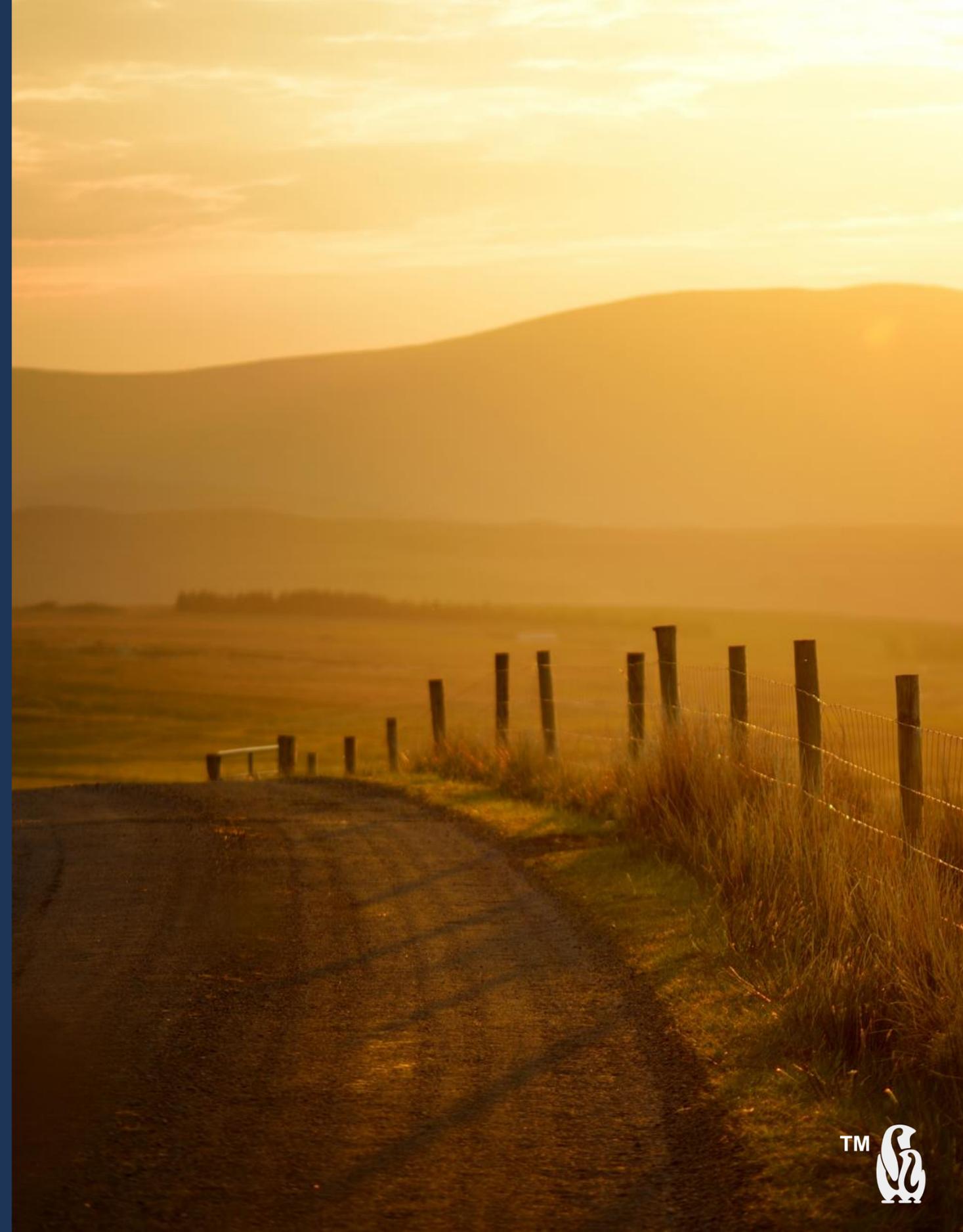- Perfect systems
- Massive rebuilds

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Peer Learning: CDC and OT-21

- Focused on revenue integrity

- Prioritized cash-flow projects

- Used data to defend existing services

- Built trust through execution

Readiness:

- Established defensible baselines

- Strengthened finances & payer conversations

- Hospital engage and sharing data

- Reduced year-two funding & audit risk

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Practical 90-180 Day Readiness Path

0-90 Days

Readiness assessment

Select 1-2 fundable projects

Establish baselines

90-180 Days

Execute

Measure

Document

"States that moved fastest focused first on stabilization, not transformation theater."
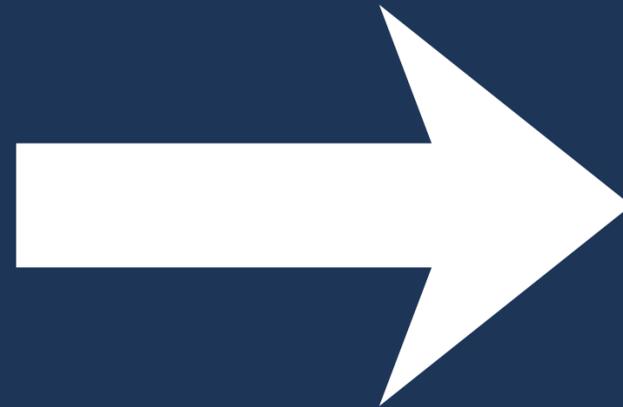
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Aligning with Federal Intent

Can this scale?

Are outcomes measurable?

Will this survive oversight?

Is it sustainable after funding?

Start with outcomes

Design fo accountability

Build sustainability early

Treat RHTP as a transformation engine

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Rural Health Transformation Phases

Assess

The foundations phase consists of a comprehensive assessment of transformation readiness. Assessment includes:

- **Community Leakage:** Identify care leaving the community that could be retained with deployment of resources and capabilities

- **Revenue Cycle:** Review current revenue cycle operations and opportunities

- **Technology and Infrastructure:** Assess current technology infrastructure.

Enhance

The framing phase focuses on implementing capabilities to enhance rural health capabilities as identified in Foundations Phase

- **Virtual and Tele Capabilities:** Implement virtual and telehealth capabilities to keep care local and support rural providers

- **Revenue Cycle:** Implement revenue cycle improvements to ensure appropriate payments to rural facilities

- **Technology and Infrastructure:** Implement key technology and infrastructure capabilities (e.g. cyber security)

Transform

The transform phase implements key structures to support new payment and care delivery models while ensuring financial sustainability

- **Rural Health ACO:** Locally governed entity for managing new payment and care model deployment

- **Data Interoperability:** Implements interoperable data structure and analytics resources to support new payment and care models

Elevate

The elevate phase connects the Rural Health ACO with key partners to deploy new care models and support community health

- **Home-based Services:** Provides appropriate care in the home and remote patient monitoring

- **Food and Nutrition Support:** Clinical nutrition coaching and food support

- **Community Networks:** Connection to key community and other support resources

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CMS RHTP NOFO Requirements

Rural Health Rising Alignment

CMS RHTP NOFO Requirement	How Rural Health Rising Meets the Requirement
System-Level Rural Health Transformation	Multi-phase framework (Assess → Enhance → Transform → Elevate) that moves beyond single projects to durable care, payment, and governance models
State- & Region-Led Implementation	Regional alliance model preserving local control while enabling state-level aggregation and coordination
Measurable Outcomes & Accountability	Assess phase establishes baseline metrics, comparative reporting, and logic normalization for ongoing CMS and state reporting
Interoperable Data Infrastructure	Secure, multi-tenant platform integrating clinical, financial, payer, and public health data with semantic data models
Financial Sustainability Beyond Grant Dollars	Embedded focus on revenue integrity, denials, contracts-to-actuals, and leakage reduction to stabilize operations
Pathway to New Care & Payment Models	Transform & Elevate phases support Rural Health ACOs, telehealth, RPM, home-based services, and value-based readiness
Scalability & Shared Learning	Comparative analytics, regional benchmarking, and collaborative RHTP shared learning without loss of local autonomy

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Assess Phase: Mapping RHRA to UT RHTP Initiatives

Preventive Action and Transformation for Health (**PATH**)

Aligned actions

1.4. Improve coordinated care for prevention and disease management through a community care hub model.

1.5. Support integrated behavioral health and primary care services using a stepped-care approach.

Initiative #7—Leveraging Interoperability Networks to Connect Services (**LINCS**). **Key actions**

7.1. Support rural providers in modernizing interoperability capabilities.

7.3. Build a statewide, cloud-based, interoperable data platform that harmonizes information from EHRs, claims, and public health systems into a consistent, computable structure.

7.4. Support applications of the semantic data model.

Initiative #3—Sustaining Health Infrastructure for Transformation (**SHIFT**).
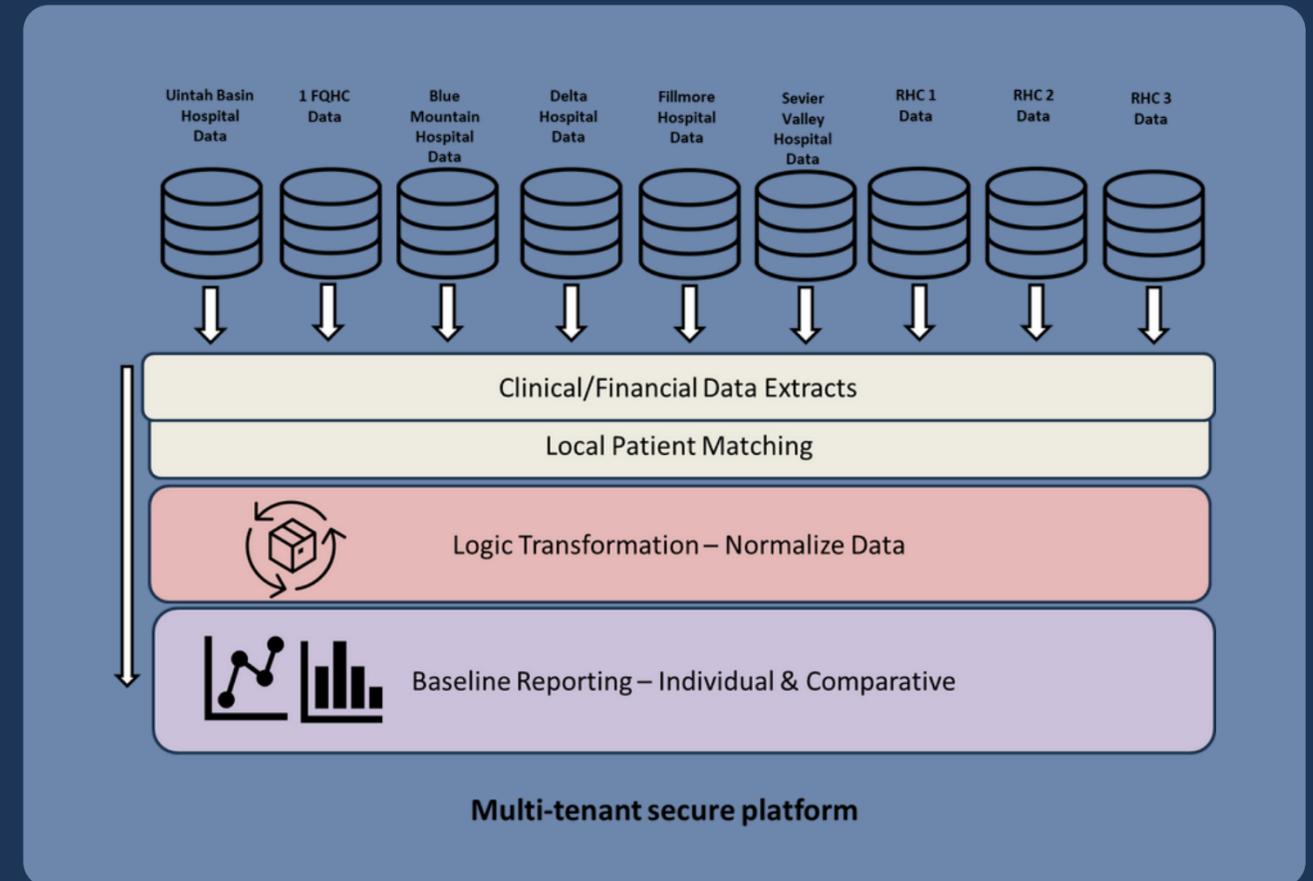
Key actions

3.1. Support capital infrastructure improvements to improve care delivery, keep care local, and improve the quality of care in rural

3.2. Expand services and resources through rural health provider networks such as a rural health clinic network, pediatric trauma network, or community health worker network.

3.4. Build new models for innovative care that expand access to mobile services, enhance transportation for medical appointments, and support prevention and management of chronic diseases, cancer, behavioral health, and maternal and child health in rural communities.
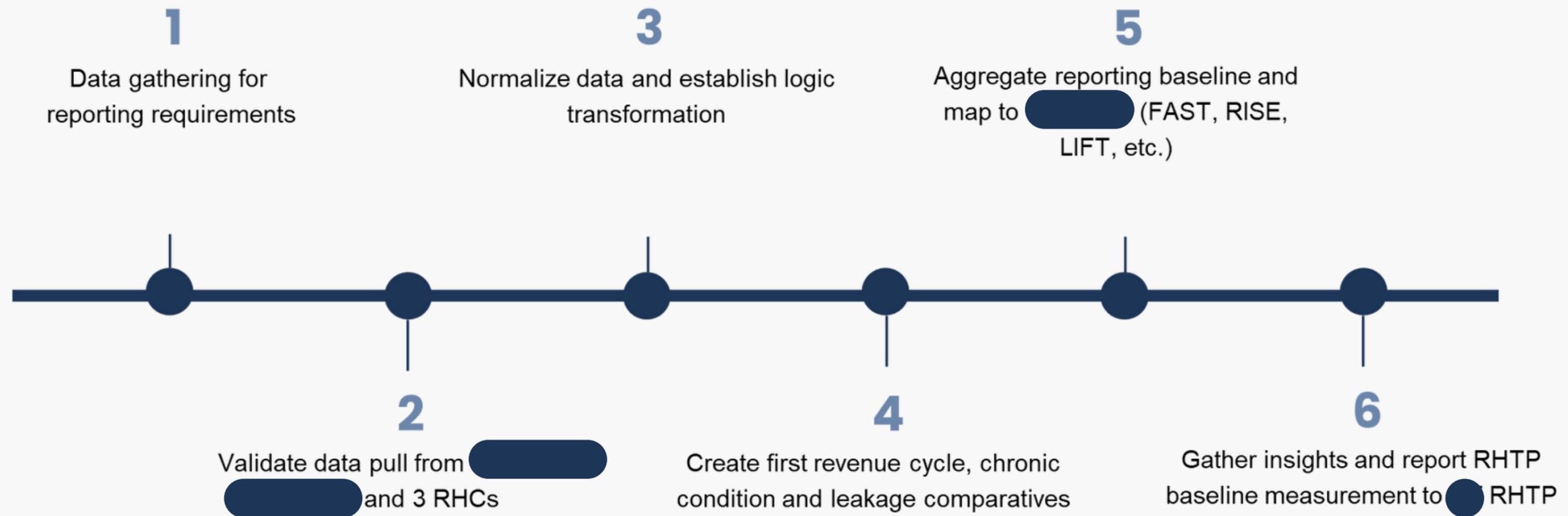
Initiative #4—Financial Approaches for Sustainable Transformation (**FAST**).

Key actions

4.1. Support rural providers in transitioning to value-based care models.

4.2. Develop infrastructure for revenue cycle optimization.

4.3. Implement a pilot for an alternative payment model to increase specialty care access.

Assess Activity Timeline

1 Data gathering for reporting requirements

2 Validate data pull from ██████ ██████ and 3 RHCs

3 Normalize data and establish logic transformation

4 Create first revenue cycle, chronic condition and leakage comparatives

5 Aggregate reporting baseline and map to ██████ (FAST, RISE, LIFT, etc.)

6 Gather insights and report RHTP baseline measurement to ██ RHTP

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Questions or Comments?

Get In Touch!

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RHRA Data Foundations