Rural Health Transformation Program

Joint Policy and Appropriations Committees

January 21, 2026

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ND HHS North Star

- HEALTHIEST CITIZENS ON THE PLANET
- MODEL OF EFFICIENCY AND EFFECTIVENESS
- HEALTHIEST, HIGHEST PERFORMING TEAM

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North Dakota Rural Health Transformation Program (RHTP) Award

Year 1: **Federal Fiscal Year 2026**

Award Amount: **$198.9MM**

- Year 1 Award received on December 29, 2025.
- Future Awards determined by the Centers for Medicare and Medicaid Services (CMS) based on a state's progress in successful implementation.

LINKS:

ND Rural Health Transformation Website

Sign up for RHTP Announcements Here!

CMS Award Notice

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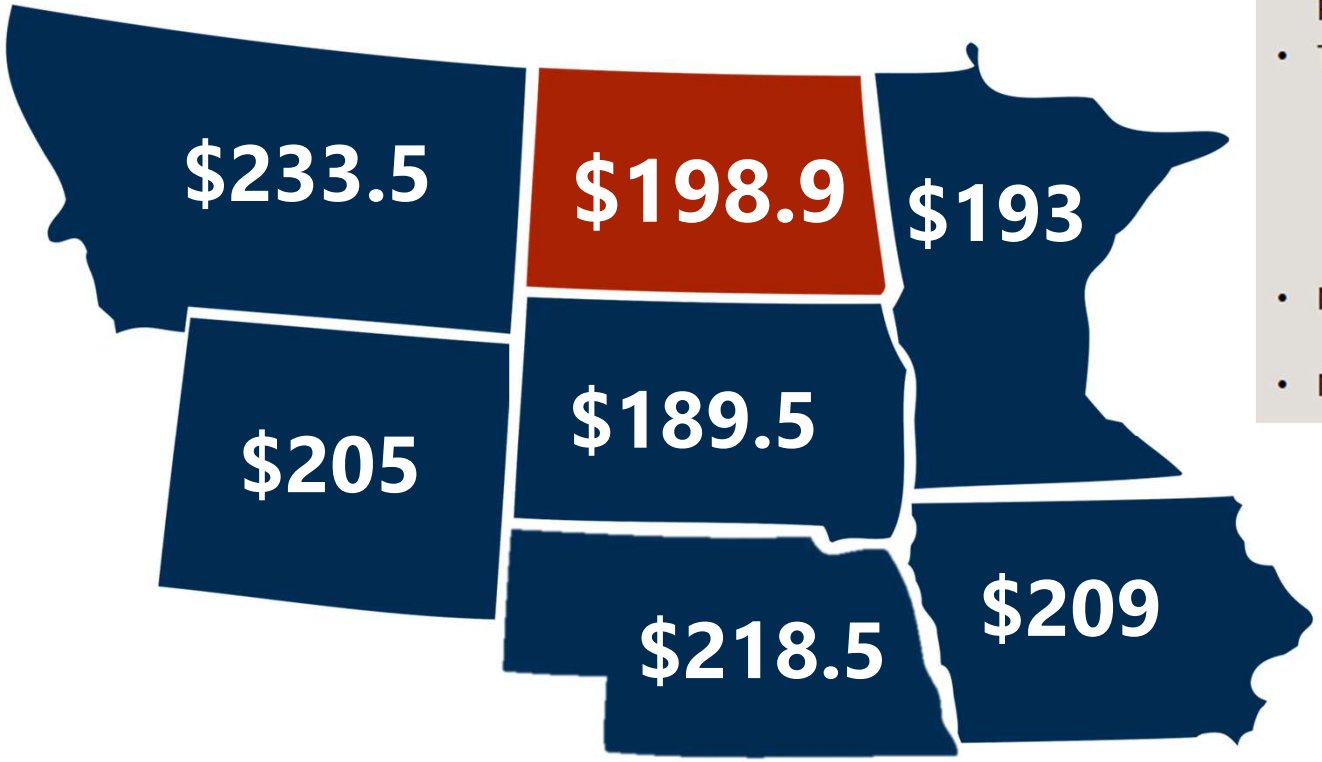
How does North Dakota's award compare?

in millions



National Context

- All 50 states awarded RHTP funds.
- Top Awards:
  - Texas | $281.3 Million
  - Alaska | $272.2 Million
  - California | $233.6 Million
  - Montana | $233.5 Million
  - Oklahoma | $223.5 Million
- Minimum Award Amount:
  - New Jersey | $147.3 Million
- North Dakota's Year 1 Award ranks 29 out of 50.

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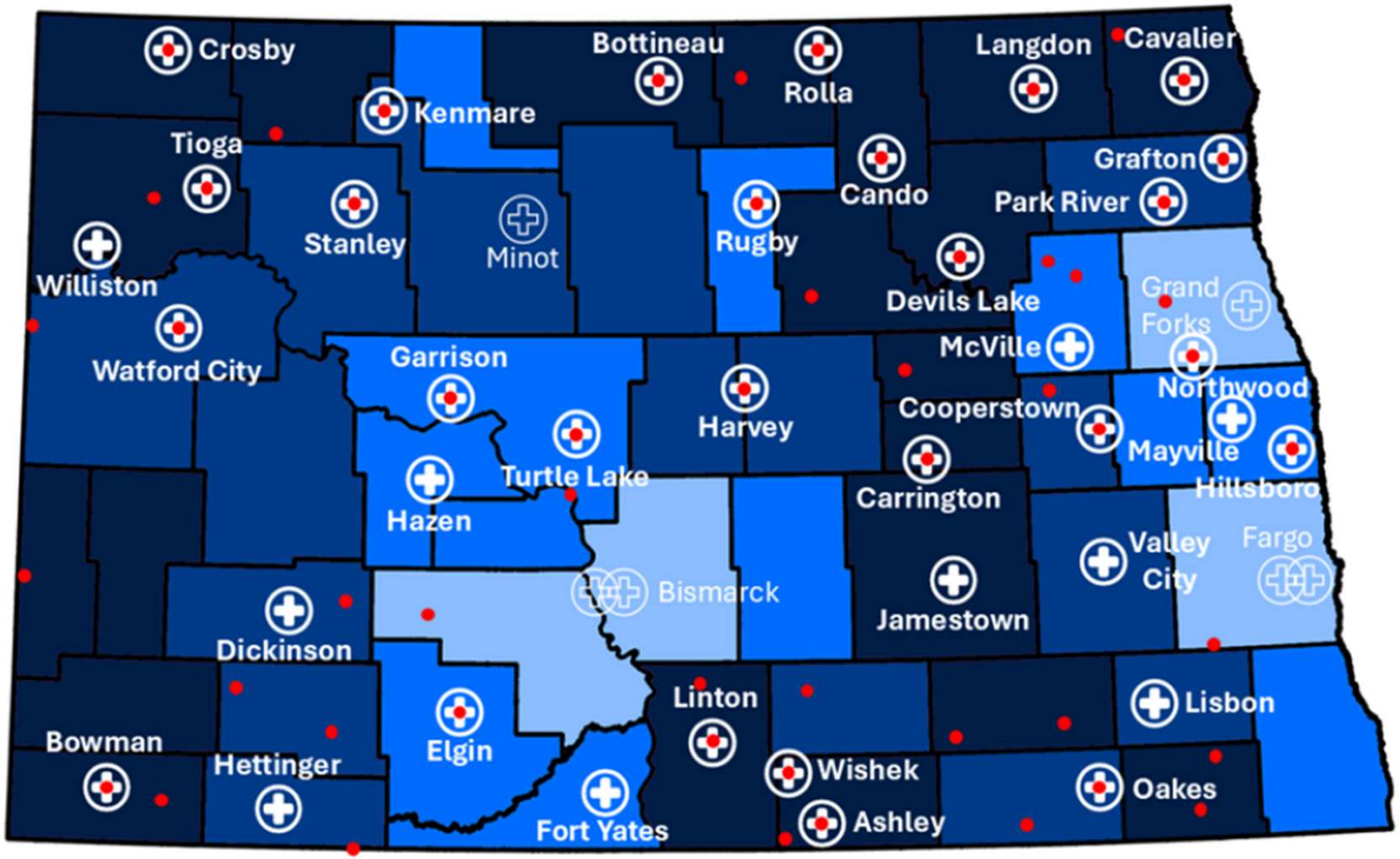
Critical Access Hospitals & Rural Health Clinics



- Partially Rural
- Entirely Rural
- Partially Frontier
- Entirely Frontier
- Critical Access Hospital
- Urban Referral Center
- Rural Health Clinic

Center for Rural Health
University of North Dakota
School of Medicine & Health Sciences

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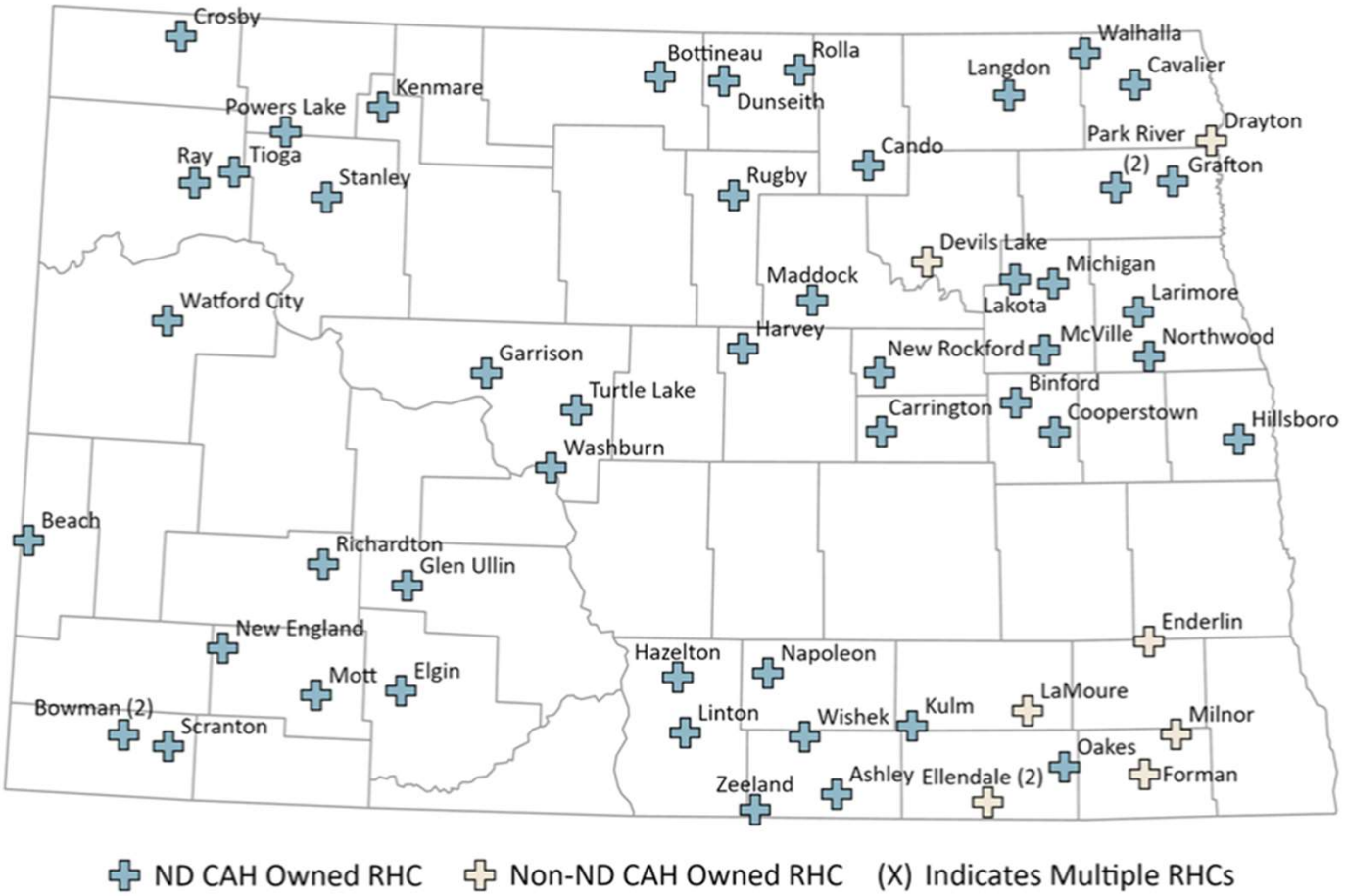
North Dakota Rural Health Clinics, 2025



NORTH DAKOTA Rural Health Clinic NETWORK

Center for Rural Health
University of North Dakota School of Medicine & Health Sciences

Sources: HHS.ND.gov, data.HRSA.gov, June 2025.
Created by the North Dakota Healthcare Workforce Group
June 2025

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Locations with North Dakota Critical Access Hospital-Owned Rural Health Clinics:

- Ashley
- Beach
- Binford
- Bottineau
- Bowman (2)
- Cando
- Carrington
- Cavalier
- Cooperstown
- Crosby
- Dunseith
- Elgin
- Garrison
- Glen Ullin
- Harvey
- Hazelton
- Hillsboro
- Kenmare
- Kulm
- Lakota
- Langdon
- Larimore
- Linton
- Maddock
- McVille
- Michigan
- Mott
- Napoleon
- New England
- New Rockford
- Northwood
- Oakes
- Park River (2)
- Powers Lake
- Ray
- Richardton
- Rolla
- Rugby
- Scranton
- Stanley
- Tioga
- Turtle Lake
- Walhalla
- Washburn
- Watford City
- Wishek
- Zeeland

Locations with Non-North Dakota Critical Access Hospital-Owned Rural Health Clinics:

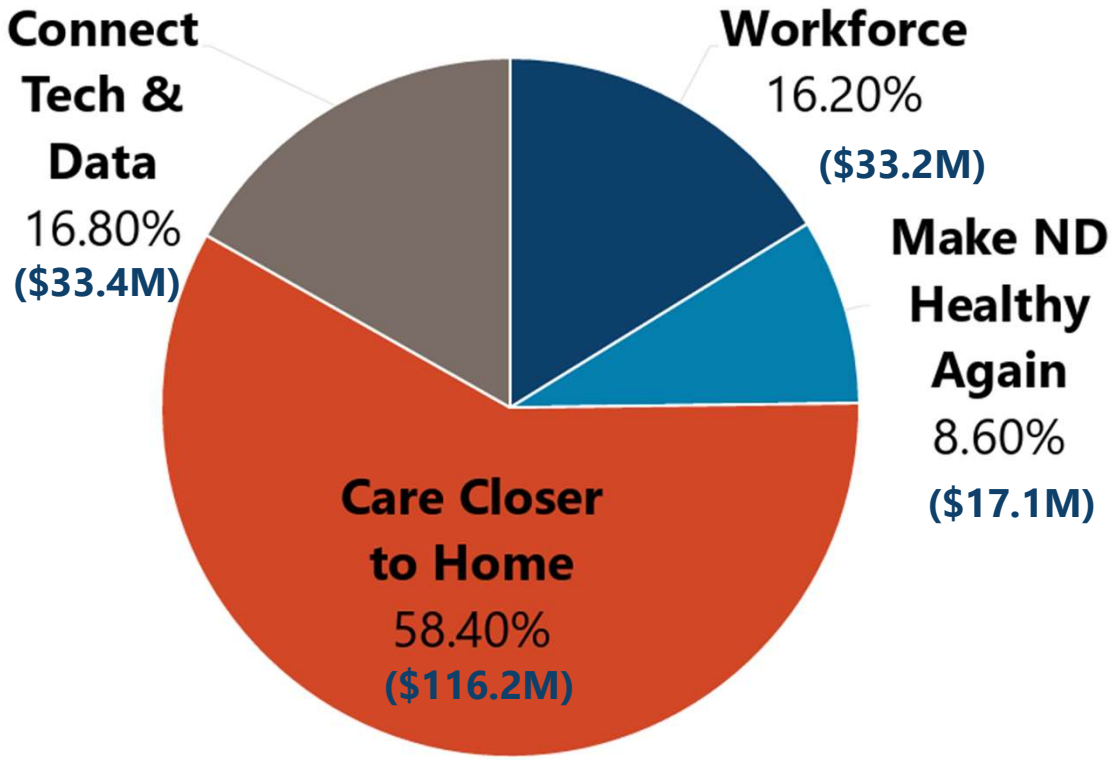
- Devils Lake
- Drayton
- Ellendale (2)
- Enderlin
- Forman
- LaMoure
- Milnor

Guaranteeing Success

- RHTP Leadership
- Coordinators for each initiative
- RHTP Tribal Liaison
- Accounting / Procurement
- Compliance / Legal
- Behavioral Scientists
- Data Analysts
- Consultants / Technical Assistance
- Communication / Education Specialists
- Evaluators
- Diet, Exercise and Workforce Experts

Note: Dedicated full-time employees, temporary staff, or contracted resources as needed to ensure timely delivery, accountability, and completeness. HHS will not increase the number of FTE in the block grant.

Preliminary Funding Allocations By Initiative



Note: Initiative allocations above reflect **estimates** which will vary based upon provider readiness, project implementation guidelines, and CMS approval.

Strategic Priorities and Key Themes

Strengthen and Stabilize Rural Health Workforce

- Expand Rural Healthcare Training Pipelines
- Improve Retention in Rural and Tribal Communities
- Use Tech as Extender for Rural Providers
- Provider TA and Training for Existing Workforce

Bring High-Quality Health Care Closer to Home

- Rightsizing Rural Health Care Delivery Systems for the Future
- Coordinating and Connecting Care
- Clinics without Walls
- Sustaining Revenue
- Ensuring Safety Net Service Delivery
- Ensuring Transportation

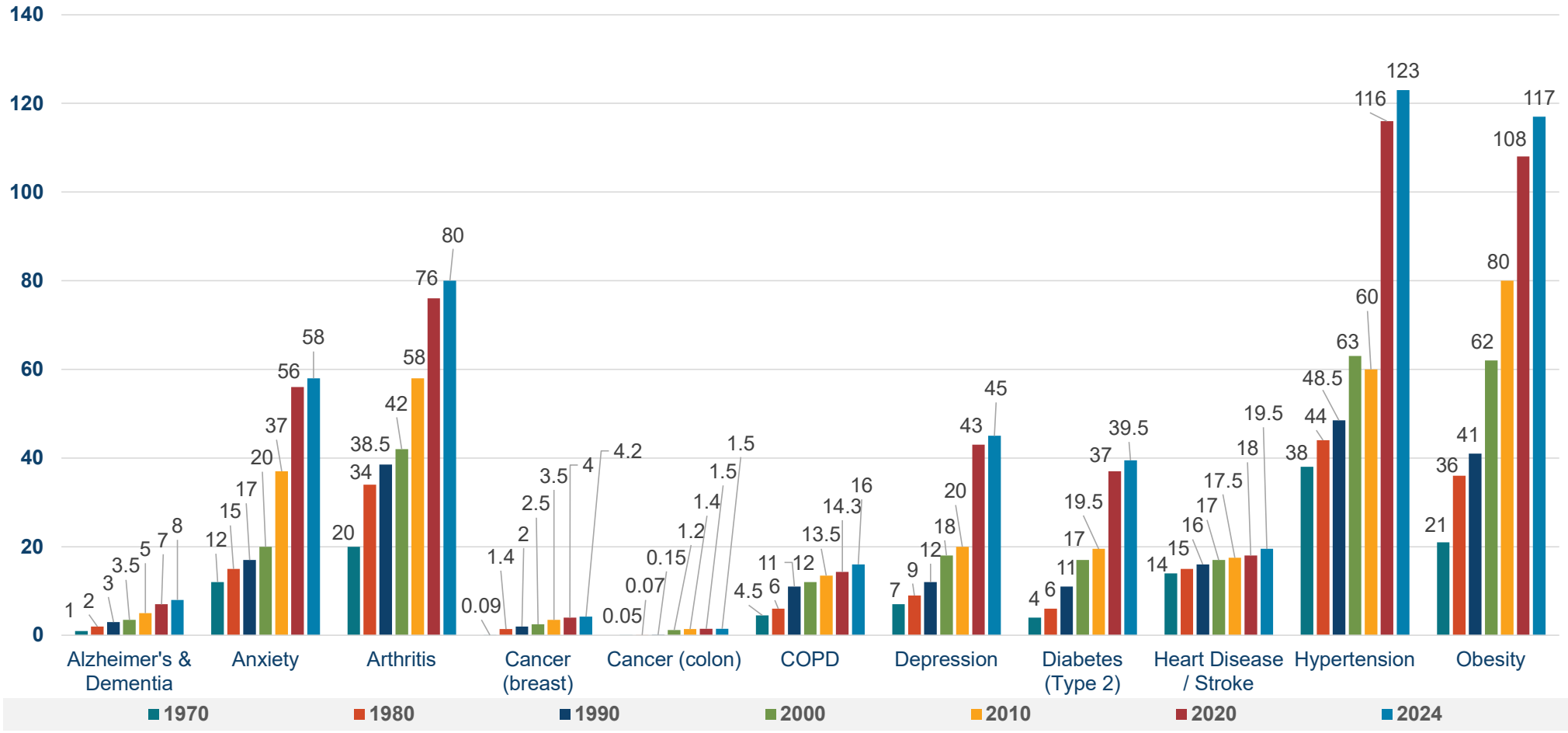
Make ND Healthy Again

- Building Connection and Resiliency
- Eat Well North Dakota
- Investing in Value
- ND Moves Together

Connect Tech, Data and Providers for a Stronger ND

- Cooperative Purchasing for Tech and Other Infrastructure
- Breaking Data Barriers
- Harnessing AI and New Tech

U.S. Adults (18+) Living with Major Chronic Conditions, 1970-2024 (in Millions)*

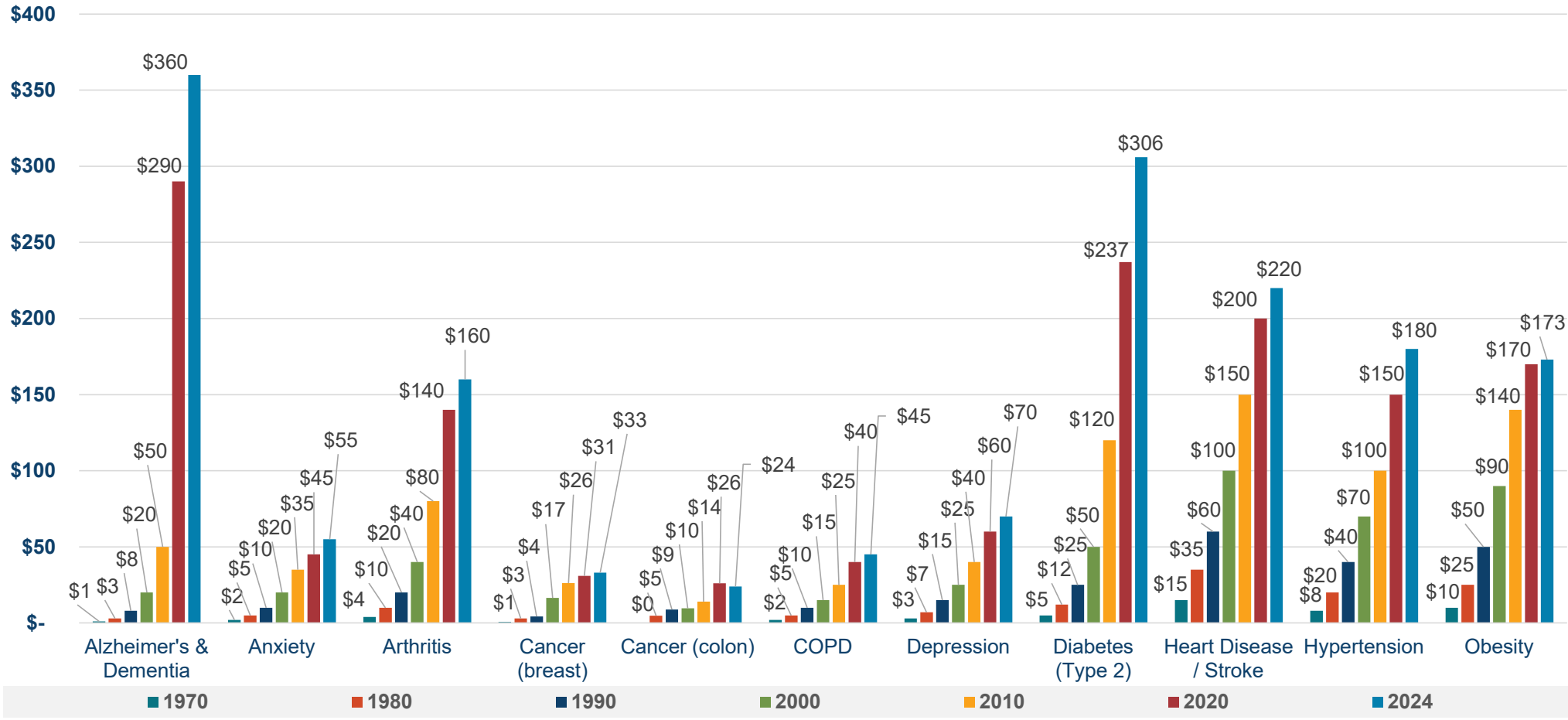


Source Citation

The figures are primarily derived from data collected through national health surveys, specifically the **National Health Interview Survey (NHIS)** and the **Behavioral Risk Factor Surveillance System (BRFSS)**, which are analyzed and published by the Centers for Disease Control and Prevention (CDC) and the National Institutes of Health (NIH).

***DRAFT** – Under review of ND DHHS, December 2025.*

Annual Direct Healthcare Costs by Chronic Condition for U.S. Adults (18+), 1970-2024 (in Billions)*



Source Citation

These figures are primarily based on analyses from the National Cancer Institute (NCI) and data from the Centers for Disease Control and Prevention (CDC).

***DRAFT** – Under review of ND DHHS, December 2025.*

North Dakota Stats

Deaths and Chronic Disease in ND:

- Heart disease and cancer are the leading causes of death in North Dakota.
- About 71% of North Dakota adults are classified as overweight (BMI ≥ 25-29.9; 35% of those classified are considered obese (BMI ≥ 30).
- 240,000 North Dakotans have high blood pressure.
- Approximately 1 in 5 in North Dakota are affected by heart disease and stroke risk factors
- 58,000 North Dakotans have Type 2 Diabetes; 183,000 have pre-diabetes.
- There are almost 4,000 new cases of cancer diagnosed in ND each year.

***DRAFT** – Under review of ND DHHS, January 2026.*

ND MOVES TOGETHER

The single most impactful thing Americans could do to prevent chronic diseases:

Become and stay physically active – specifically, meet the full Physical Activity Guidelines (150+ minutes moderate aerobic plus 2+ days strength training per week).

OUTCOME	RISK REDUCTION FROM REGULAR PHYSICAL ACTIVITY	SOURCE
Diabetes (Type 2)	30-58% reduction	CDC, Diabetes Prevention Program
Heart Disease / Stroke	30-40% reduction	AHA, NHS England meta-analysis
Hypertension	30-50% lower incidence	ACSM position stand
Obesity	30-50% lower risk of obesity	NIH / WHO
Colon Cancer	24-40% reduction	NCI / IARC
Breast Cancer	12-30% reduction	ACS
Depression	20-35% reduction	JAMA Psychiatry
Anxiety	25-35% reduction	Lancet Psychiatry
Dementia / Alzheimer's	28-45% reduction	HHS Physical Activity Guidelines
All-cause Mortality	19-35% reduction	Multiple studies

If every Americans did only one thing, getting 30-40 minutes of brisk walking (or equivalent) most days plus two short strength sessions per week would prevent more heart disease, diabetes, cancer, depression, and dementia than any drug, diet, or policy ever invented.

The Tragedy: Only ~24% of U.S. adults currently do it – and it's essentially free.

ND EATS WELL

Below is a clear, evidence-based breakdown of how diet (*independent of physical activity*) impacts the top chronic health conditions in America. A healthy diet impacts risk reduction, prevention, or disease progression.

OUTCOME	RISK REDUCTION CONSUMING A HEALTHY DIET	SOURCE
Diabetes (Type 2)	30-50% reduction	The Lancet, NHS | HP Follow-up Study
Heart Disease / Stroke	20-40% reduction	NEJM
Hypertension	25-50% lower incidence	NEJM
Obesity	30-60% lower risk of obesity	Cell Metabolism
Colon Cancer	30-40% reduction	WCRF/AICR
Breast Cancer	9-14% reduction	WCRF/AICR
Depression / Anxiety	20-30% reduction	BMC Medicine
Dementia / Alzheimer's	20-35% reduction	Alzheimer's & Dementia
Chronic Kidney Disease	20-40%	CJASN
All-cause Mortality	23-30% reduction	NHANES

Important framing: Diet affects chronic disease through inflammation, insulin sensitivity, blood pressure, cholesterol, gut microbiome, and body weight. For several conditions, diet is one of the strongest modifiable risk factors.

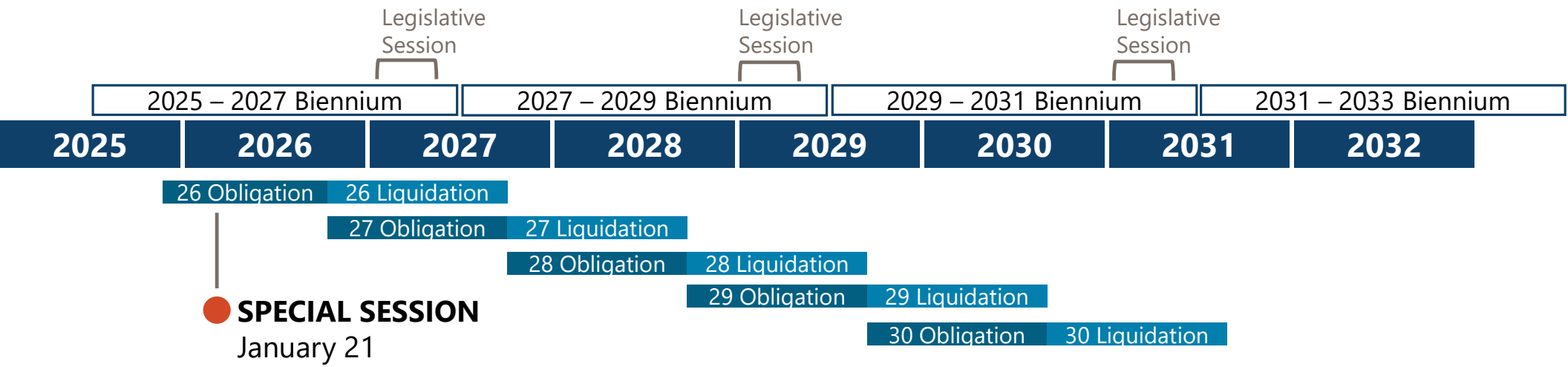
Above ranges commonly cited by the CDC, NIH, American Heart Association, American Cancer Society, and large cohort studies.

Funding Timeline

Grant Year	Baseline Funding Amount	Workload Funding Amount	Award Year Start Date	Obligation Deadline	Liquidation Deadline
FFY 2026	$100,000,000	$98,936,970	12/29/2025	10/30/2026	9/30/2027
FFY 2027	$100,000,000	TBD	10/31/2026	10/30/2027	9/30/2028
FFY 2028	$100,000,000	TBD	10/31/2027	10/30/2028	9/30/2029
FFY 2029	$100,000,000	TBD	10/31/2028	10/30/2029	9/30/2030
FFY 2030	$100,000,000	TBD	10/31/2029	10/30/2030	9/30/2031

Authorization of Funding

- Funding will span 4 biennia.
- HHS will request authority through regular legislative appropriations process in future biennia.



Continued / Future Funding Guidelines

- Conditional on recipient satisfactory performance
  - Process in implementing initiatives approved by CMS
    - Adherence to the implementation plan and timeline
    - Process on self-imposed performance metrics
  - Progress in implementing State policy actions
  - Accurate, complete, comprehensive, and timely submission of quarterly and annual progress report
  - Quality and timely communication with CMS
  - CMS will recalculate recipient's technical score and corresponding workload funding amount for subsequent budget periods
- CMS can decrease, recover funding or terminate an award if requirements not met.
- CMS will redistribute unexpended or unobligated funds in the nearest following fiscal year using the same structure to recalculate technical score
- HHS is allowed to seek prior approval to revise budget and program plans throughout the award year

Unallowable Costs and Limits

10% - $19.89MM Cap on Admin Costs Across All Funding

- Pre-award costs.
- Meeting matching requirements for any other federal funds or for local entities.
- Services, equipment or supports that are the legal responsibility of another party under federal, State or tribal law.
- Supplanting existing State, local, tribal, or private funding of infrastructure or services.
- New construction, building expansion, or purchasing of buildings.
  - Renovations or alterations are allowed if they are clearly linked to program goals. Cannot include cosmetic upgrades or significant retrofitting of buildings.
  - Renovation or alterations cannot exceed **20% - $39.8MM** of total funding in budget period.
- Replacing payment(s) for clinical services that could be reimbursed by insurance.
  - Direct health care services may be funded if not currently reimbursable, will fill a gap in care coverage, and/or may transform current care delivery model.
  - Provider payments can't exceed **15% - $29.8MM** of total funding budget period.

Unallowable Costs and Limits
(continued…)

10% - $19.89MM Cap on Admin Costs Across All Funding

- No more than **5% - $9.9MM** of total funding in a budget period can support funding the replacement of an electronic health record (EHR) system if a previous HITECH certified EMR is in place as of September 1, 2025.
- Funding toward initiatives similar to the "Rural Tech Catalyst Fund Initiative" cannot exceed the lesser of **10% - $19.89MM** of total funding or $20 million of total funding awarded in a budget period.
- Financial assistance to households for installation and monthly broadband internet costs.
- Clinician salaries/wages for facilities that subject clinicians to non-compete clauses.
- Meals and food.

Anticipated Implementation Challenges

- Provider/Vendor readiness and ability to successfully deploy investments in RHT priorities
- Short timeframe for funding obligation and liquidation
- Detailed Federal review and approval of all awards
- Length of procurement, grant and contracting process
- Federal reporting
- IT Resources
- Communication of opportunities

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Processes

HHS anticipates using several mechanisms to award funds:

Direct Contracts	Grants	Requests for Bid (RFB)	Requests for Proposal (RFP)

- Ensure funding is prioritized to benefit citizens in rural communities.
  - Internal/external subject matter expert collaboration.
- HHS intends to limit administrative burden as much as possible within the award process.

Note: Funding awards must be made in compliance with all federal award guidance and requirements. All sub-awards will be approved by CMS.

Investment & Award Process Example

***Note:** Application & implementation technical assistance will be offered when necessary

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Anticipated Funding Opportunities in Q1 2026

Subaward opportunities released on a rolling basis.

- Create workforce recruitment/retention grant opportunities for rural providers.
- Technical assistance, training, equipment and remodeling grants for providers filling a gap in the current service delivery system or expanding outreach and telehealth supports to underserved communities.
- Rightsizing service delivery for rural hospitals utilizing technical assistance and analytical consultants.
- Explore structure for a unified electronic health record (EHR) option for providers.

Policy Provisions Related to RHTP Funding

***for the 5-year award period**

Currently working with CMS to verify award allocations per state policy action

- **Presidential fitness test**
  - Estimated 0.93% of total award **($9M)**
  - https://ndlegis.gov/sites/default/files/resource/miscellaneous/25.1383.01000.pdf
- **Nutrition continuing medical education**
  - Estimated 1.75% of total award **($17.5M)**
  - https://ndlegis.gov/sites/default/files/resource/miscellaneous/25.1384.01000.pdf
- **Physician assistant compact**
  - Estimated 0.35% of total award **($3.5M)**
  - https://ndlegis.gov/sites/default/files/resource/miscellaneous/25.1385.01000.pdf
- **Scope of practice for pharmacists**
  - Estimated 0.4% of total award **($3.9M)**
  - https://ndlegis.gov/sites/default/files/resource/miscellaneous/25.1386.01000.pdf

How will HHS communicate about subaward opportunities?

- RHTP Webpage
- Email groups
  - RHTP Email Distribution
  - Tribal Consultation Email
- HHS Committees/Councils
  - Tribal Consultation
- Listening Sessions
- Legislative Committees

Links:

- ND Rural Health Transformation Website
- Sign up for RHTP Announcements Here!

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