



Rural Health Transformation Program

Budget Section

Representative Vigesaa, Chairman

Sarah Aker | Executive Director | Medical Services

September 24, 2025



Health & Human Services

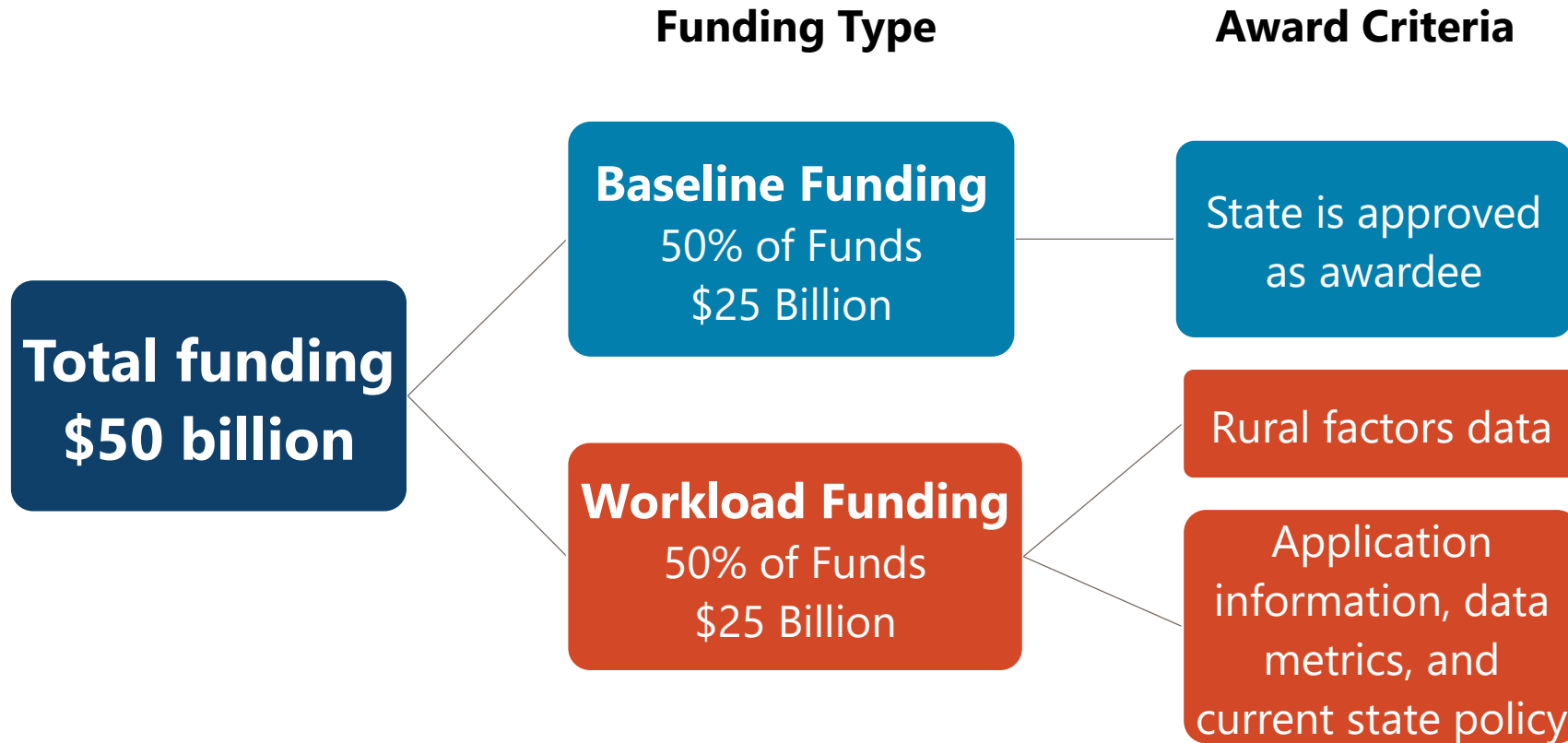
What is the Rural Health Transformation Program?

The Rural Health Transformation (RHT) Program was authorized by the One Big Beautiful Bill Act (OBBBA - Section 71401 of Public Law 119-21) and empowers states to strengthen rural communities across America by improving healthcare access, quality, and outcomes by transforming the healthcare delivery ecosystem.

- OBBBA appropriates \$50 billion to a Rural Health Transformation Program from Federal Fiscal Year 2026 – 2030.
- One time application for all 5 years. Applications must be approved by CMS before December 31, 2025.



RHTP Fund Distribution



- North Dakota expected to receive at least \$100 million per year from FFY 2026-2030 in Baseline Funding.
 - \$500 million total funds will go to North Dakota in Baseline Funding.
- Workload Funding will be determined based on a state's application and rural factors data.

Workload Funding Factors

Rural Facility and Population Score Factors 50% of score

Absolute size of rural population in a state – 10%
Proportion of rural health facilities in the state – 10%
Uncompensated care in a state – 10%
Percentage of state population located in rural areas – 6%
Metrics that define a state as being frontier – 6%
Area of a state in total square miles – 5%
Percentage of hospitals in a state that receive Medicaid Disproportionate Share Hospital (DSH) payments – 3%

Technical Score Factors 50% of score

Population health clinical infrastructure – 3.75%
Health and lifestyle – 3.75%
SNAP waivers – 3.75%
Nutrition Continuing Medical Education – 1.75%
Rural provider strategic partnerships – 3.75%
Emergency Medical Services (EMS) – 3.75%
CON – 1.75%
Talent recruitment – 3.75%
Licensure compacts – 1.75%
Scope of practice – 1.75%
Medicaid provider payment incentives – 3.75%
Individuals dually eligible for Medicare and Medicaid – 3.75%
Short-term, limited-duration insurance (STLDI) – 1.75%
Remote care services – 3.75%
Data infrastructure – 3.75%
Consumer-facing technology – 3.75%

Use of Funds

- Funding may only be used in areas described in the bill.
- Application must invest in a minimum of three permissible uses.

Prevention and
chronic disease

Provider
payments

Consumer tech
solutions

Training and
technical
assistance

Workforce

IT advances

Appropriate care
availability

Behavioral health

Innovative care
models

Capital
expenditures and
infrastructure

Fostering
collaboration

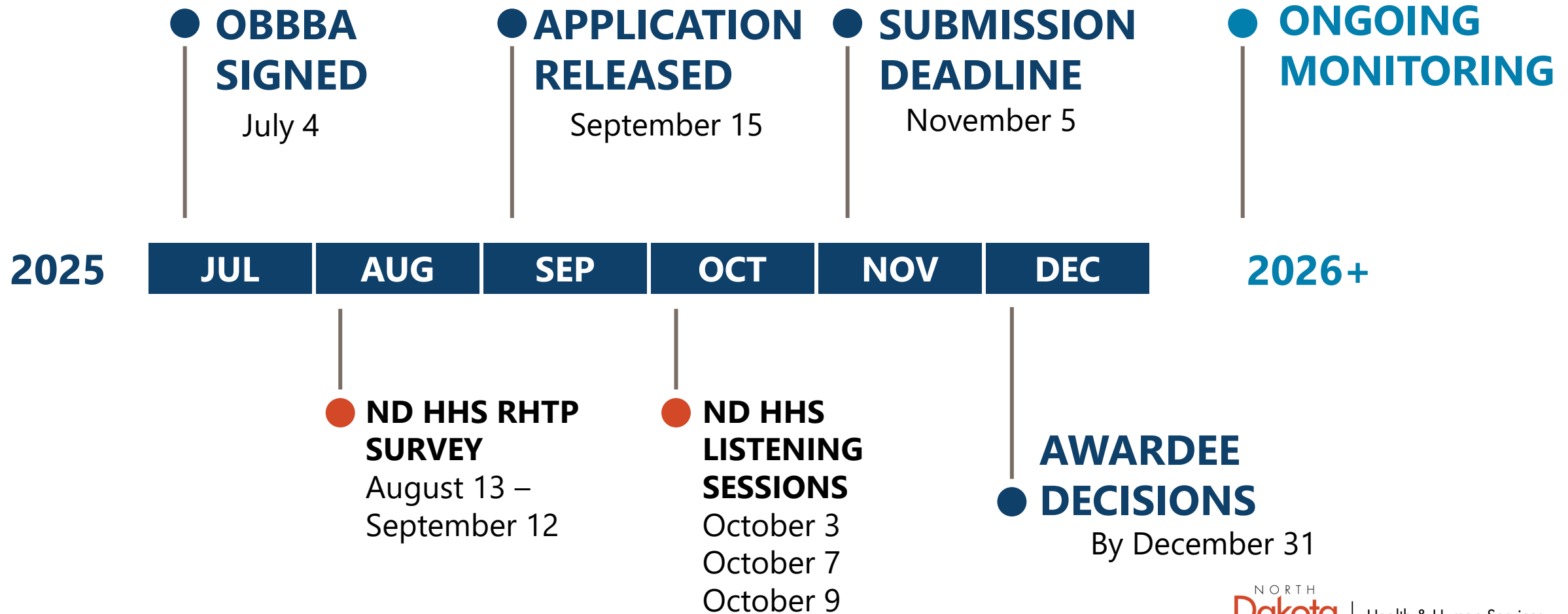
Unallowable Costs and Limits

10% 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 (ex. Staff Salaries).
- 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 alternations cannot exceed 20% of total funding in a 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 cannot exceed 15% of total funding in a budget period.
- No more than 5% of total funding in a budget period can support funding the replacement of an EMR 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% 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.

Program Timeline

Rural Health Transformation Program

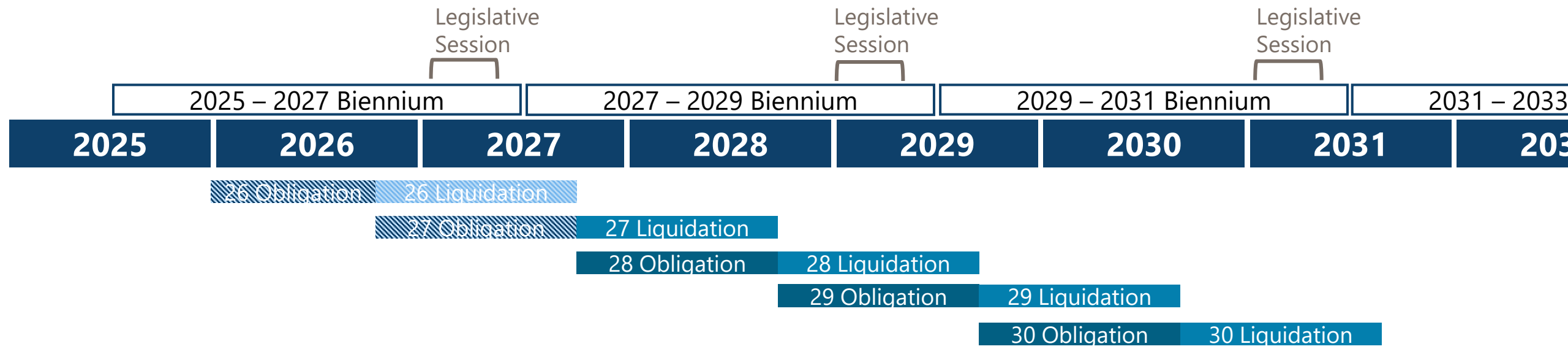


Funding Timeline

Grant Year	Baseline Funding Amount	Workload Funding Amount	Award Year Start Date	Obligation Deadline	Liquidation Deadline
FFY 2026	\$100,000,000	TBD	Based on Award Date	9/30/2026	9/30/2027
FFY 2027	\$100,000,000	TBD	10/1/2026	9/30/2027	9/30/2028
FFY 2028	\$100,000,000	TBD	10/1/2027	9/30/2028	9/30/2029
FFY 2029	\$100,000,000	TBD	10/1/2028	9/30/2029	9/30/2030
FFY 2030	\$100,000,000	TBD	10/1/2029	9/30/2030	9/30/2031

Authorization of Funding

- Funding will span 4 bienniums.
- HHS will request authority through regular legislative appropriations process in future bienniums.
- HHS will seek authority for grant application through Emergency Commission.



North Dakota Application Approach

- Address Priority Areas Identified by North Dakotans in HHS Survey and Listening Sessions
- Measurable Impact on Access or Health Outcomes for Rural North Dakotans
- Maximize Scoring for Workload Funding Factors
- Sustainable Investments: Limit Future Funding Obligations for State after Grant
- Align to Strategic Goals set by CMS in application:

Make Rural America
Healthy Again

Sustainable Access

Workforce
Development

Innovative Care

Tech Innovation

A photograph of a bison standing in a grassy field under a cloudy sky. The bison is dark brown with a thick, shaggy coat. It is facing right, with its head slightly lowered. The background shows rolling green hills and a sky with scattered white and grey clouds.

Contact information

Sarah Aker

Executive Director, Medical Services
saker@nd.gov

hhs.nd.gov