Rural Health Transformation (RHT) Program Overview Webinar

Friday, September 19th, 2025

>> Alina Czekai, CMS: The program is a historic opportunity for states, rural communities, and their residents. We look forward to supporting the states throughout the application process for this program. Again, thank you for joining us today, and we look forward to the collaboration to come. I'll now turn it back to my colleagues for the rest of the program.

>> Janice Adams, CMS: Thanks, Alina. I'm gonna now introduce our three speakers today. Kate Sapra, Deputy Director, Office of Rural Health Transformation. Emily Chen, Senior Advisor, Office of the Administrator, and Christopher Clark, Grants Management Officer, Office of Acquisition and Grants Management. I will now turn... I will now hand over the presentation to Kate. Kate?

>> Kate Sapra, CMS: Thank you, Janice.

And good afternoon or morning to those on the west side of our nation.

Let's turn to the background. With approximately 60 million Americans living in rural areas, the Rural Health Transformation, or RHT, program represents a unique opportunity to deliver dependable care to rural communities across the country. The funding awarded by Congress enables the RHT program to ensure every American has access to affordable, high-quality care through sustainable healthcare innovation.

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The Rural Health Transformation Program was established in Public Law 119-21, Section 71401. Its purpose is to help state governments support rural communities by improving healthcare access, quality, and outcomes. Our strategic goals include making rural America healthy again, improving sustainable access, supporting rural workforce development, innovative care, and tech innovation. This program affords states the flexibility to address the unique challenges facing their rural communities. The catalytic funding provided by this program creates an opportunity to implement transformative change through new initiatives that have a sustainable impact.

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This program includes $50 billion in funding over 5 budget periods, with $25 billion distributed evenly amongst all approved states, and $25 billion allocated based on rural factors, application initiatives, state policies, and the quality of a state's application. Other highlights include that there will be up to 50 awards for the 50 states. This is a one-time application opportunity. That means states must submit an application by the deadline of

November 5th to be considered. For each budget period, the recipients will have until the end of the following federal fiscal year to spend the awarded funding.

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All 50 states are encouraged to apply. The primary recipient of an award must be a single state. This means that while states may coordinate with other states when developing their initiative, states cannot submit joint or consortium applications. The governor may designate a lead agency to develop and submit the application. The application must include a letter of endorsement signed by the governor. Please note, the District of Columbia, U.S. Territories, and all other entities and individuals are not eligible to apply.

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The RHT program has five strategic goals, which are aligned with approved uses of funds. The strategic goals for the RHT program in summary are, first, to make rural America healthy again, to focus on preventative care, behavioral health, chronic disease management, and the root causes of disease. Second, sustainable access. Focus on how providing the necessary range of healthcare services to rural Americans in an efficient and sustainable way. Third, workforce development. This is a significant upstream pain point. We need to build a strong pipeline of local healthcare talent in rural America. Fourth, innovative care. As a healthcare system, we want to move from a focus on quantity to quality in a way that makes sense for rural communities. And finally, tech innovation. Leveraging advances in technology, such as remote care services, consumer-facing tech and enhanced interoperability, to improve access, quality, and cost of care in rural communities.

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Many of the uses of funds outlined for this program center on the transformation of care delivery to improve access and quality and cost of care. Funding could be used for developing stronger workforce pipelines, investing in tech and infrastructure modernization, and testing innovative care models. Certain costs, such as new construction and payment for services that are already reimbursed by insurance, are unallowable. On the next slide, we cover more on program-specific funding limitations, but we want to note that other funding limitations are specified within the NOFO. As noted on this slide, Capital expenditures and infrastructure cannot exceed 20% of total funding awarded to a state. Allowable provider payments are capped at 15% per budget period. No more than 5% of total awards in a given budget period can be used to replace EMR systems if a high-tech certified EMR was already in place. No more than 10% of the amount allotted to a state for a budget period may be used for administrative expenses, including both

indirect and direct costs. Funding for initiatives like the Rural Tech Catalyst Fund cannot exceed the lesser of 10% of awarded funding, or $20 million. Again, please see the NOFO for specific requirements and limitations.

Next slide, please.

I will now turn the floor over to my colleague, Christopher Clark, to discuss the application process.

>> Christopher Clark, CMS: Good morning and good afternoon.

Next slide, please.

For the application submission process, please note that all application materials are available via the NOFO, posted on Grants.gov, under the funding opportunity listed in this slide.

To begin the process for application, start by registering and visiting SAM.gov entity registration. Some important due dates are the optional Letter of Intent is due by September 30th, 2025, at 11:59 PM Eastern Standard Time, to the email that is listed on this slide. Submit completed applications via the NOFO posted on Grants.gov. by the deadline of November 5th, 2025, 11:59 PM, Eastern Time. CMS strongly recommends that you do not wait until the application due date to begin the application submission process.

Next slide, please.

Submission criteria and formatting. Formatting criteria. Apply correct font size, formatting, and adhere to the page limitations that are listed in the NOFO. Ensure required forms are attached to be an eligible applicant. Building your application. Please remember to review the criteria carefully for completeness and responsiveness. That will be used by the merit review panel in their application review.

Next slide, please.

To be considered, the state must meet all eligible criteria, and the application must be submitted by the deadline of November 5th. It must be submitted through Grants.gov. And it must include all components required in the application checklist that is listed in the posted NOFO. Please remember, adhere to the formatting requirements, including spacing, font size, etc. It is the state's responsibility to ensure the submission is complete and compliant.

Next slide, please.

There are some general reminders here, that the Authorized Organizational Representative, or the AOR, is the individual named by the applicant / recipient who is authorized to act for and legally bind the applicant / recipient to assume the obligations imposed by the federal laws, regulations, requirements, and conditions that apply to grant applications or awards. The AOR who will officially submit an application on behalf of the organization, must register with Grants.gov to obtain a username and password. The electronic signature of the individual who is logged in and submits the application to Grants.gov will automatically populate throughout that application. The electronic signature must match the AOR named on the SF424.

Next slide, please.

I will turn it back over to Kate.

>> Kate Sapra, CMS: Thank you, Christopher.

Let's move to the next slide.

Please refer to the application checklist in the NOFO for a complete listing of the necessary components of the application, including narratives, attachments, and other required federal forms. This detail can be found in Step 3, and is necessary for your application to be considered complete.

Next slide, please.

Your application must include three sections to describe and outline your state's approach to transforming rural health. This is a descriptive section that includes the project summary, a one-page, high-level overview outlining your project, project goals, and the budget to achieve them. Second, the project narrative. A critical part of the application, should describe your proposed project in detail. This narrative has 7 sections that we will cover in upcoming slides. And the third is the budget narrative. Here, states should use a hypothetical amount of $200 million per budget period to formulate the budget. The narrative must tie to the specific initiatives in your application. Again, we'll outline more in the coming slides.

Next slide, please.

The project summary should be a brief, one-page description of the proposal, including the goals, budget, use of funds, and the names of any subawardees, if applicable. Note, information provided in this summary will be used for public information requests if the state receives an award. So please, do not include any proprietary or confidential information in the project summary.

Next slide.

The project narrative is a critical part of each application. Ensure that it clearly describes the proposed project using seven required sections to detail the state context, proposed goals, measurable objectives, and milestones. We will cover details of these sections over the next several slides. States should aim to keep the narrative as specific as possible, given the 60-page limit. Tables, bullet points, and headings can improve readability.

Next slide.

The Rural Health Needs and Target Population section of your project narrative should establish the context and background for your state's need for transformation. This includes a description of the current rural health landscape in the state, and the specific challenges that your rural health transformation plan seeks to address. States should include data to depict demographics, health outcomes, and access, including rural facility financial health.

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The second section of your project narrative, the Rural Health Transformation Plan Goals and Strategies section, should expound upon the rural needs you outlined in the first section, and provide your state's vision, goals, and strategies for transforming rural health in a structured manner. You should include how your plan will address the statutory requirements, which we will discuss on the next slide. This section should also note what is intended to be achieved by including specific and measurable objectives with both baseline and targets where possible. In addition, states should use this section to note how their plan aligns with the strategic goals of the program. States should include any state regulatory and legislative commitments, including outlining current policy for each state policy related to the state policy actions technical score factors. More information on this section of the narrative is detailed in the NOFO. States should provide the most current list of certified community behavioral health clinic, or CCBHC, entities, and report the number of hospitals that received a disproportionate share hospital, or DSH, payment, for the most recent state plan year.

Next slide, please.

The Rural Health Transformation Plan Goals and Strategies section must address all the statutorily required elements which are outlined here. For example, states should explain the healthcare outcomes they plan to target, how they will recruit and retain clinicians, and the reforms they will make to ensure rural provider financial stability. The NOFO includes

questions to consider and examples for each of these elements to support application drafting.

Next slide, please.

In the proposed initiatives and Use of Funds section of your project narrative, describe the initiatives, projects, or activities for which the RHT program funding will be used, including the information outlined on this slide and stipulated further in the NOFO. Content from this section will be evaluated based on clarity, completeness, quality of proposed initiatives, direct impact, and how transformative the initiative is compared to the state's current baseline. To support state decision-making around initiatives, the NOFO's appendix contains examples of initiatives that align with the RHT program's strategic goals. These examples are purely optional, as we reiterate in the NOFO.

Next slide, please.

States must use funding for at least 3 of the approved use of funds categories, shown here, across all of your initiatives. These categories are as follows. Prevention and chronic disease, which includes promoting evidence-based, measurable interventions to improve prevention and chronic disease management. Provider payments, which are providing payments to healthcare providers for the provision of healthcare items or services subject to certain restrictions that are described in this presentation and in the NOFO. Consumer Tech Solutions. Promoting consumer-facing, technology-driven solutions for the prevention and management of chronic diseases. Training and technical assistance. Providing training and technical assistance for the development and adoption of technology-enabled solutions that improve care delivery in rural hospitals, including remote monitoring, robotics, artificial intelligence, and other advanced technologies. Workforce. Recruiting and retaining clinical workforce talent to rural areas, with commitments to serve rural communities for a minimum of 5 years. IT advances. Providing technical assistance, software, and hardware for significant IT advances designed to improve efficiency, enhanced cybersecurity capability development and improve patient health outcomes. Appropriate care availability. Assisting rural communities to right-size their healthcare delivery systems by identifying needed preventative, ambulatory, pre-hospital, emergency, acute inpatient care, outpatient care, and post-acute care service lines. Behavioral health. Supporting access to opioid use disorder treatment services, other substance use disorder treatment services, and mental health services. Innovative care. Developing projects that support innovative models of care that include value-based care arrangements and alternative payment models as appropriate. Capital expenditures and infrastructure. Investing in existing rural healthcare facility buildings and infrastructure, including minor building alterations or renovations, and equipment

upgrades to ensure long-term overhead and upkeep costs are commensurate with patient volume. And again, this is subject to restrictions outlined in the NOFO. Fostering collaboration. Initiating, fostering, and strengthening local and regional strategic partnerships between rural facilities and other healthcare providers to promote quality improvement, improve financial stability of rural facilities, and expand access to care.

Next slide, please.

The implementation plan and timeline section of the project narrative should include a timeline of proposed activities for Federal Fiscal Year 26 through Federal Fiscal Year 31, recognizing that the majority of funding for the RHT program can only be spent through FY31. Include dates and milestones for stages 0 through 5, as described here, and in the NOFO. Provide the best estimates on the timelines and milestones. These can be updated in the state's annual reports after the funding is awarded.

Next slide, please.

This section should also describe how you will implement your Rural Health Transformation Plan, such as any legislative or regulatory actions the state is committing to enact; governance and management structure for the program; and how the state will coordinate among state health agencies and other stakeholders throughout the program's duration.

Next slide, please.

CMS values robust stakeholder processes, since transformation can affect many local interests. The stakeholder engagement section of your project narrative should describe all anticipated involvement of rural stakeholders when planning and carrying out this program, including how project governance reflects the communities you are engaging. Develop an engagement framework that specifies how the state will have a formal process to engage stakeholders on a regular basis. Be sure to specifically include required information regarding regular coordination with State Health Agency or Department of Health, State Medicaid agency State Office of Rural Health, State Tribal Affairs Office or Tribal Liaison as applicable, and Indian healthcare providers, as applicable.

Next slide, please.

The metrics and Evaluation Plan section of your project narrative should include how you will show your plan is having a transformative impact on rural areas in your state. Outline what performance measures and outcomes you will track to evaluate success for each initiative. Identify at least four quantifiable metrics for each initiative, including at least one that demonstrates how the impact is distributed in different parts of the state, showing

data on the county or community level. Provide baseline data for metrics if available. At a minimum, we expect meaningful reporting of outcome metrics by 2028. On this slide, we provide illustrative examples of metrics.

Next slide, please.

The last section of the project narrative is the sustainability plan. This section should outline your state's plan for sustaining successful initiatives after the RHT program funding ends. The sustainability plan section should describe the plan to ensure lasting change, rather than using funds as a temporary infusion; show that investment in the plan will have long-lasting benefits. Applications should address how you will integrate lessons from the program into your state's ongoing policy.

Next slide, please.

Moving into the third component of the application, the budget narrative. In developing a budget, consider if the costs are reasonable and consistent with the project's purpose and activities and consider restrictions on how the funds are spent. In general, the budget narrative should include yearly cost breakdown from Federal Fiscal year 26 to Federal Fiscal Year 31. Consider two fiscal years to spend funds from each budget period. Use a hypothetical $200 million award amount per budget period. Indicate which initiatives each line item of funding will support. Provide narrative on any anticipated or planned funding allocations, like subawards, subgrants, or subcontracts. You must make selection criteria and methodology clear to CMS. No more than 10% of the award can be used for administrative expenses. The estimated budget can be updated in the non-competing Continuation Application and Annual Report.

Next slide.

Program funding is appropriated from Federal Fiscal year 26 through Federal Fiscal year 2030. For each budget period, recipients will have until the end of the following fiscal year to spend awarded funding. Because of this, you might plan to spend part of the funds awarded for one budget period across the fiscal year in which it's awarded, and the remainder across the next fiscal year. Keep this in mind as you budget your overall expected spending from Federal Fiscal year 26 to Federal Fiscal year 31. Even after the fifth budget period, we may perform audits or ask for information about the program.

Next slide.

I will now turn it back over to my colleague, Christopher.

>> Christopher Clark, CMS: Budget Narrative Components. Explain how you separate costs and funding administered directly by you as the lead agency from funding you subcontract to other partners. Be clear about how costs link to each activity, and the goals of this program. Identify a principal investigator or program director, PI/PD, who will dedicate sufficient time and effort to manage and provide oversight of the grant program. Include a yearly breakdown of costs for each line item in your SF-424A. Describe the proposed costs for each activity or cost within the line item. Define the proportion of the requested funding designated for each activity, and please justify the costs, including how you calculated them.

Next slide.

Let's see, attachments. Attachments for the application should include the governor's endorsement, which is a required letter expressing governor's support for the state's proposed RHT program plan. Include office responsible for the program. Describe required stakeholder engagement. Commit to state-level action to ensure success. Certify not spending award funds on prohibited activities. And describe the benefit to the rural residents across the state. Indirect cost rate agreement. If indirect costs are going to be included in the budget using an approved rate or cost allocation plan, please include a copy of the current agreement approved by your cognizant federal agency for indirect costs. Your business assessment of applicant organization is required. Those questions can be found in the Business Assessment of Applicant Organization link section on the CMS website.

Program duplication assessment. Explain understanding of program duplication risk and your plan for avoiding program duplication. Please refer to the NOFO for what is required for this attachment.

And then also, please see the NOFO for any other supporting materials that you may include.

Next slide.

The required forms. The following standard forms are required with the application. The SF-424, which is the official application for the federal assistance which is used to apply for the federal grants. The federal awarding agencies and OMB use this information reported on this form for general management of federal assistance award programs. The AOR completes and signs this form. The SF-424A, the budget information on construction, is used to budget and request grant funds for non-construction programs. The federal award agencies and OMB use this information that is reported on this form. The SF LLL, or the Disclosure of Lobbying Activities. All applicants must submit the SF LLL form. If your entity

does not engage in lobbying, please insert non-applicable on the form and include the required AOR name, contact information, and signature. The project/performance site location. All applicants must complete this form and submit it in their application.

Next slide, please.

Funding and scoring. I will turn this back over to Kate.

>> Kate Sapra, CMS: Thank you, Christopher.

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The type of award issued under this NOFO is a cooperative agreement, or COAG. A COAG requires substantial involvement between the federal awarding agency, in this case CMS, and the non-federal entity, in this case the state, in carrying out the activity contemplated by the federal award. What this means in practice is my team will become very good friends with the state teams.

Next slide, please.

For each budget period, recipients will have until the end of the following federal fiscal year to spend the awarded funding. I know it feels like I've said this a million times, but it bears repeating. Budget Period 1 funding will be distributed in January 2026. Subsequent budget period funding will be distributed in November of each fiscal year. And then, states have until September 30th of the following year to spend those funds. That is depicted on this slide in the blue bars.

Next slide, please.

Funds that a state does not spend by the end of the following fiscal year, or that are not allocated by CMS, will be redistributed in the upcoming fiscal year. States will have approximately two fiscal years to spend redistributed funds, except for any funds that are redistributed in federal fiscal year 2032. Those funds must be spent by the end of Federal Fiscal year 2032. The yellow bars on this slide depict the anticipated spending periods for those redistributed funds.

Next slide, please.

The RHT program will provide approximately $50 billion to approved states over 5 budget periods. Key concepts to keep in mind as we go through the following slides will be... First, the awards will be distributed over 5 budget periods. Second, in each budget period, the total award includes baseline and workload funding. Third, within workload funding, there are rural and technical scores that contribute to the calculation. Fourth, the scores within workload funding are based on data-based factors, initiative-based factors, and state

policy action factors. Each initiative-based factor is qualitatively assessed based on a scoring metric.

Next slide, please.

Let's deep dive. The RHT program will provide $50 billion to approved states over the five budget periods that are enumerated here. $10 billion of funding becomes available each budget period. Beginning in fiscal year 26, and ending in fiscal year 30. Plus, any redistributed funds starting in 2028. Funds will be distributed each budget period between baseline and workload funding. Baseline funding is 50% of funding. By statute, it will be distributed equally among all approved states. Workload funding is the other 50% of funding. It's distributed based on a formula with specific calculations and criteria. We'll get into more detail on how workload funding will be determined shortly.

Next slide, please.

To be considered for funding, the application must include all necessary information, meet all requirements and deadlines, show funds support at least 3 approved uses of funds, and confirm that funds won't be used for prohibited purposes.

Next slide, please.

Workload funding is based on two scores, each of which receive an equal share. The Rural Facility and Population score, and the Technical score. The scores are awarded based on three types of funding score factors. Data-driven. These are quantitative metrics, such as the size of rural populations, the proportion of rural health facilities, and others that are based on data from government sources and state-reported data. Initiative-based. Qualitative metrics, based on information in state applications describing the projects and activities that they plan to spend program funding on, and the subsequent follow-through on those plans in later years. State policy actions, based on current state policy and proposed policy action that the state commits to by accepting the award. This refers to specific legislation or regulatory actions. CMS does not expect funding to be used to enact state policy actions. For all three types of score factors, the total points distributed across all states should equal 100.

Next slide, please.

This slide and the next summarize scoring factors in the rural and technical scores. There are 7 rural facility and population score factors, each of which are data-driven. Please note, States will need to self-report certain data, for A2 and A7, and this is noted on page 32 of the NOFO. For these factors, the 100 points per factor are distributed amongst states according to each state's percentile ranking of the metric compared with other states. The

rural facility and population score factors are set in the first year, and they do not change over the life of the model.

Next slide.

This slide illustrates the 16 factors for the technical score portion. Please note, all three types of scoring factors are used in the technical score. That includes data-driven, initiative-based, and state policy actions. States have the opportunity to report their current state policy as it aligns with how each state policy action factor is described in Appendix, Table 4.

Next slide, please.

There are 10 initiative-based technical score factors. These are specific, qualitative themes of uses of funds. States earn points for these factors if the proposed projects and activities to be funded under this program align with the description of these factors. States do not have to apply for all initiative-based score factors. States should suggest projects and activities within their applications that best meet the needs of their rural communities. Within the project narrative, states identify which factors they believe are relevant for the initiatives or activities proposed in their application. Each factor receives its own score. A state's full score potential for each initiative-based score factor is based on 5 qualitative criteria.

Next slide.

The full score potential is calculated during the merit review process and is based on 5 criteria: Strategy, Work plan and monitoring, Outcomes, Projected impact, and Sustainability. States can receive a maximum of 20 points for each criterion, with a maximum score of 100 points for each score factor. After states submit their applications, merit reviewers will assess applications, assigning points according to the scoring criteria in the table. The number of points the merit reviewers assess for initiative-based factors during this initial application review period will be the full score potential, which will be the maximum points a state can earn for this factor over the course of the program.

In the first budget period, a state's score on initiative-based factors will be set to 50% of its full score potential. In subsequent budget periods, the state's assigned points will be based on progress on milestones and execution of the initiatives up to 100% of that full score potential.

Next slide, please.

And there are 8 state policy action technical score factors. Points are assigned based on what a state's current policy is, as described in Table 4 in the Notice of Funding Opportunity, and for commitments to take state policy actions executed through legislation or regulation. Failure to implement policy action by the deadline will result in removal of points for policy commitments and fund recovery by CMS. This is further outlined in the NOFO.

Next slide.

Two technical score factors include a component that is data-driven. Unlike the rural facility and population score factors, these will be recalculated each budget period. Please see Table 4 in the NOFO for how each measure is distinctly scored.

Next slide, please.

This slide describes how scoring factors are re-scored year over year. Rural factors are scored once at the beginning of the program during the initial application assessment period and are not re-scored. Workload factors will be re-scored every year based on progress the state makes in its initiatives and state policy actions. However, a state's full score potential for the initiative-based factors will not change once it has been determined during the initial application assessment period.

Next slide, please.

Once again, I will turn to Christopher to discuss the award administration.

>> Christopher Clark, CMS: Thank you.

Next slide, please.

Federal Award Administration Information. If successful, states will receive a notice of award signed and dated by the CMS Grants Management Officer. The NOA is the legal document authorizing the Cooperative agreement award and issued to the applicant as listed on the SF-424A. The notice of award is available to the applicant through the online grants management system, Grant Solutions, which is used by CMS and recipients. Any communication between CMS and the applicant prior to issuance of the NOA is not an authorization to begin performance of a project. If unsuccessful, CMS notifies the applicant electronically via the email address listed on its SF-424 within 30 days of the award date.

Next slide.

Here is a picture of the HHS grants management process. We have already gone through the planning phase. We are currently in the announcement phase. Next will be the

application evaluation. CMS will then conduct budget negotiations, which will lead to the award phase. And then post-award monitoring, and closeout.

Next slide.

Post-Award reporting. Reporting requirements will include progress reports; Federal Financial Report; SAM.gov responsibilities/qualification record, which will also include Federal Funding Accountability and Transparency Act; the payment management system; audit reporting, the Federal Audit Clearinghouse; work plan updates; and debarment, suspension, ineligibility, and voluntary exclusion certifications. For more information on the reporting, see post-award reporting requirements on the CMS website.

Next slide.

Continued eligibility. After an application is approved, eligibility continues for all 5 years of the program. Continued funding depends on the availability of funds, program authority, satisfactory performance, compliance with the terms and conditions of the federal award. Funding can be decreased or terminated if the requirements of the award are not followed. CMS can suspend or terminate the award if there are performance issues.

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Grant Regulation and Policy. Applicable regulatory and policy requirements include the uniform administrative requirements, cost principles, and audit requirements for HHS award, which will include 2 CFR Part 200, the applicable provisions in 2 CFR Part 300; HHS Grants Policy Statement; SAM.gov to include the Excluded Parties List System, and the CCR, the Central Contractor Registration.

Next slide.

I will turn the key milestones back over to Kate.

>> Kate Sapra, CMS: Thank you, Christopher, and thanks to everyone on the call for bearing with us through a very technical webinar. So, you've made it almost to the end of this webinar, so that's key milestone number one that you've ticked. We also want to call to your attention that the Letter of Interest (LOI) deadline is September 30th, so coming up in just a few days. That LOI should be submitted to MAHA Rural, M-A-H-A rural, at cms.hhs.gov (MAHARural@cms.hhs.gov).

We are looking forward to receiving 50 LOIs, so we will look for those. The next milestone for states will be to submit their applications via Grants.gov by November 5th at 11:59 p.m. Eastern Time. We expect to announce the awards December 31st of this year, and notices will go out via Grant Solutions. And then, early January 2026, awarded states will receive

those distribution of funds for the first budget period. I have to remind you to please sign up for email updates. We do have a listserv. If you go to our website, which is cms.gov/rhtprogram ([CMS RHT Program Website](#)), you'll get all our announcements, including when the recording of this webinar, the transcripts, and the slides will be available.

All right, let's go on to the next slide, please.

Many of you are ahead of the curve and have already been submitting Q&A via the Q&A box. If you haven't already, we do have time for your questions and are looking forward to responding. I'll note, due to the number of participants, and sometimes to the nature of the questions, we won't be able to respond live today. If we don't get to your question, please be assured that we are capturing all of these, and we'll be responding to each and every one via an FAQ. Those FAQs are posted where? To our website, cms.gov slash rhtprogram ([CMS RHT Program Website](#)). So, we anticipate that we will be updating those weekly. So again, please, if you're not already familiar with our website, become familiar with it. That's where these answers will be posted.

Alright. I'm now going to invite my colleague, Emily Chen, to come on and answer questions along with me. We also have some questions that will be responded to by Christopher Clark.

Emily, I'll go ahead and let you take the first question.

>> Emily Chen, CMS: Yeah, thank you so much, Kate, and thank you so much to everyone who joined us for today's webinar. We really appreciate it. So we've been monitoring the Q&A box, and I'm going to start responding to some questions that are kind of frequently asked questions.

First of all, many folks are asking, will the slides from this presentation be posted? The response is, yes, CMS will plan to post these webinar slides on the program website on CMS.gov after the webinars.

There's also groups of questions asking, what is the definition of rural, or what is the definition of certain criteria? I would ask, please refer to the Notice of Funding Opportunity document, in the appendix Table 4, for the definition of factors used in the points scoring methodology.

There are a number of questions asking about eligible applicants, the designated entity that is submitting an application, and how providers or facilities play a role in that process. So, the eligible applicants for this cooperative agreement opportunity are the 50 states of the U.S. So DC and territories are not eligible, and that's per the authorizing statute of this

program. So, states and not individual facilities would submit applications to Grants.gov for this Notice of Funding Opportunity. Now, in terms of who is putting together the application, the governor may designate, or the governor's office may designate a lead agency or office to develop and submit the application, like the state's Department of Health, Department of Human Services, or a state Medicaid agency. So, states also decide on subawardees and subcontractors. So, if a state chooses to subaward or subcontract rural health transformation program funds to, for example, facilities, health systems, provider groups, vendors, etc., any type of subaward or subcontract that's not the state, they must make it clear to CMS what the selection criteria and process is for deciding on such subawardees and subcontractors. Note that similar to other federal procurement and grant-making processes, the conditions of federal awards generally flow down to subaward and subrecipients.

So, there are some questions around also how to think about budgeting. So, within the budget narrative section of the NOFO, we ask if you could please use a hypothetical $200 million award amount per budget period. And for this program, there are 5 budget periods. So, similar to other federal grant-making processes, after assessing State's application, the final award amount may be different from this hypothetical budgeted amount.

There were some questions around redistributed funds and who this goes to. So, per the authorizing statute of this program, any unexpended or unobligated funds will be redistributed in the nearest following fiscal year possible according to the same structure outlined in the Notice of Funding Opportunity to all awardee states.

There are some questions also on whether states should be reporting out specifically to CMS on some of the data-driven metrics. Please refer to pages 31and 32 in the Notice of Funding Opportunity. There are actually some categories of data metrics that we ask states to report on, and specifically, that includes CCBHCs, and some metrics around Medicaid DSH hospitals.

Yeah, and then there's also a question around whether states will know about funding amounts in budget periods subsequent to the first budget period. And the exact funding amount in budget periods after the first budget period will depend on a state's progress on its initiatives or progress on its committed state policy actions, and that is further described in the Notice of Funding Opportunity. In particular, there are two examples at the end of the Appendix section.

Okay, let me just keep reading these. Folks feel free to jump in.

>> Kate Sapra, CMS: Yeah, I'll take a few, Emily.

So we've had a couple of questions about the budget periods and the federal fiscal years. So, there are 5 budget periods. Those budget periods are Federal Fiscal year 26, 27, 28, 29, and 30. However, states have until the end of the fiscal year that follows the award to spend those monies. So, for the first budget period, that means states will have all of 26 and through September 30th of 27 to spend those funds. That also means that in that fifth budget period, that states will have until September 30th, 2031, to spend that fifth budget period fund. So that's why sometimes you see 5 budget periods, FY26 through 30, that's when the initial awards are made. But again, states can spend monies for a budget period through the end of the federal fiscal year following that award. And then, just to make it super clear, it does not mean that states have 11 months to spend monies, they actually have 23 months to spend monies in budget periods 2, 3, 4, and 5.

Emily, I'll let you go ahead and pick another one while I mark some of these as answered and look for others.

>> Emily Chen, CMS: So, there are some questions around... recovery of funds, and I would direct you to page 20 and 21 of the Notice of Funding Opportunity described noncompliance. What I would also describe is that this opportunity is a cooperative agreement, which is a close partnership between, CMS and the states, and hopefully will be lockstep in line with the program office and the states in successful execution of this program.

>> Kate Sapra, CMS: I'll take another....

>> Emily Chen, CMS: Go for it.

>> Kate Sapra, CMS: Alright. So there was a question around the budget narrative, and using $200 million per budget period, and a desire for some clarification. Yes. For each budget period, states should use a hypothetical amount of $200 million. So, states are writing a budget narrative for 5 budget periods, each with a hypothetical amount of $200 million. Those monies may be spent from FY26 through the end of FY31, because there are 5 budget periods, but... you get through the end of... the federal fiscal year following to spend the money. Again, we're going to be posting these slides. I think the visuals are really helpful.: But it is also described in words in the NOFO.

All right, Emily, I'll turn it back to you.

>> Emily Chen, CMS: Yeah, thanks. So, there's a question... there's some questions around how do we think about sustainability? And I would direct folks to pages 37 and 38 of the Notice of Funding Opportunity. At a high level, how you can think about it is this program is a 5-year program, and it's designed to spur catalytic investments that change

the way that healthcare is delivered in rural communities into a more sustainable manner. And so we do ask, when you think about the sustainability of the types of investments going into initiatives that you're proposing for the Rural Health Transformation Program, how will these initiatives and projects and activities sustain past that 5-year period? Are there other funding sources? Are you thinking about incorporating learnings or the... some of the structure of the program itself into other existing infrastructure within your broader state's healthcare ecosystem? Questions around that.

>> Kate Sapra, CMS: I have another one around the budgeting. Will baseline and workload funds be awarded as a single sum, or in two different tranches? Thank you so much for the question. It is one award, so both baseline and workload funding are one award. So, when you're budgeting for that $200 million for each budget period, that is across both the baseline and workload funds.

>> Emily Chen, CMS: Great, thanks, Kate. So, there are some questions around assessment of applications, and how I would describe this is it uses a similar process to other federal procurement or grant-making processes, where a merit review panel, which includes both federal and non-federal individuals who are subject matter experts in the area, but who do not have a conflict of interest with this specific program, will assess the qualitative components of states' applications.

>> Kate Sapra, CMS: There's another question that asks, what amount or percent is allowed to be spent on new construction? New construction is a prohibited use of funds. CMS will not allow any amount of funding to be spent on new construction. We do allow for minor alterations and renovations.

>> Christopher Clark, CMS: There are some questions around how to incorporate and whether it needs to be incorporated specific names of subcontractors or subawardees, within the original application. The answer is, if you know specific entities who are subawardees or subcontractors at the time of your application, you are welcome to include that. If you don't know, you don't have to include it. However, within the budget narrative section, when you're thinking about laying out, specific item... line items within the budget narrative, you should identify whether there's a vendor being... whether you believe that there will be a vendor being used. Like other cooperative agreement awards, during the implementation process, if a state is an awardee, vendors and subawardees and subcontractors will have to be known to CMS, at some point.

>> Kate Sapra, CMS: Thanks, Emily.

An important question here. If a state does not submit an application by the deadline of November 5th, are you saying there's no other opportunity to be considered for funding

under this grant program? Yes, that is what we're saying. That's why it's really important to stay in touch with us. We must receive completed applications by the deadline of November 5th, 11:59 p.m. Eastern Time.

>> **Christopher Clark, CMS**: Hi, Kate. I have a question I can answer for OAGM.

>> **Kate Sapra, CMS:** Yeah, thanks, Christopher!

>> **Christopher Clark, CMS**: For the project slash performance site location form, the location should only list the primary applicant on that form to be submitted within their application itself, not all the proposed locations. And then there's one more, too. Another question was...In the supporting materials or supporting documents, please upload those as individual documents, clearly labeled what that document is. Please do not use zip files on Grants.gov, because they do not always transfer properly, and sometimes information can be lost. I think that's it for the ones that I saw right now.

>> **Emily Chen, CMS:** Yeah, thank you, Chris. There's a question on whether states can be approved for the first half of funds, which is the baseline, but not for the workload funds. And so, there is one application. And one approval process for both tranches of funding. And so, for the baseline funding, for states that are awardees, that will be equally distributed amongst all approved awardee states. And that workload funding will be distributed to all approved awardee states in the manner that's described in the Notice of Funding Opportunity.

>> **Kate Sapra, CMS:** We have a couple of questions around how many initiatives states need to submit. So, again, the applications must include at least 3 approved uses of funds. There are 11 allowable uses of funds. And states should describe how their initiatives are touching upon at least 3 of those allowable uses of funds.

>> **Emily Chen, CMS:** There are questions around weighting of factors, and whether some factors are weighted differently than others. And the weighting of various factors is included on pages 52 and 53 of the Notice of Funding Opportunity, in Table 3, specifically.

>> **Kate Sapra, CMS:** There's a question about the redistributed funds. Are those redistributed among all states? Yes. The redistributed funds would be added to the available funds that would be distributed across all states with an approved application for that relevant fiscal year.

>> **Emily Chen, CMS:** So, there's a question on, how... this concept of the full scoring potential, and how to think about that. So, the concept of the full scoring potential is relevant for initiative-based factors within the application. And which factors are considered initiative-based factors are described within Table 1 of the Notice of Funding

Opportunity. There's a column called Factor Type. And so this is where the merit review panel comes in. For these initiative-based factors that encompass, initiatives, projects, activities that a state decides to use funding on. The merit review panel will assess the full score potential for each initiative-based factor as described in the content of a state's application, based off of the table that's in the merit review section of the Notice of Funding Opportunity. Then, in the first budget period, a state will receive 50% points score credit of that full score potential. With the potential to receive incrementally increasing amounts of points credits in future budget periods, depending on successful implementation of the initiative.

>> **Kate Sapra, CMS:** There are a couple of places for clarification. Just to confirm, there's one application for the five-year program. However, states are going to be reassessed each year based on the progress that they make on their initiatives. Another important point of clarification, the page limit is 60 pages in total, not 60 pages per initiative. So, to that end, states are encouraged to use headings and tables to make the best use of space.

>> **Emily Chen, CMS:** There are questions... asking for clarification around what amount to budget for. We asked if states could please use a $200 million hypothetical budget amount when budgeting within their budget narrative. And...After assessment of the application and going through a budget negotiation process similar to other federal procurement processes, the final award amount may be different than that $200 million hypothetical amount.

>> **Kate Sapra, CMS:** There are also some questions about the state policy actions. So, the state policy actions are described in detail in the Notice of Funding Opportunity. In particular, please see Table 4. Table 4 describes in detail how CMS will weight the state policy actions in the technical score.

>> **Emily Chen, CMS:** There's a question of, what is the Letter of Intent? The Letter of Intent is optional to submit, but CMS highly encourages states to please consider submitting a Letter of Intent by that September 30th deadline if you intend on applying, and it just helps for planning purposes.

>> **Kate Sapra, CMS:** There are more questions coming in about who should apply. So, the governor may designate the lead state agency to apply. The applicant must be a state agency, and the application must include a letter of endorsement from the governor.: I do want to note, we are getting a number of very specific questions on the minor alterations and renovations. We're not going to be answering each and every one of those today. As you can imagine, there's lots of questions about that. We will provide more clarification in those FAQs that we will be posting on our website. Again, please sign up for our listserv on

the website, and you will be informed when there are updates. And check our website regularly for the FAQs.

Another question on the state policy action. If there have been changes made in the state since the reports in Table 4, should we include that information? Yes, absolutely! We would love for states to let us know what policy actions have been taken to ensure that states do get credit for that as we score the applications.

>> **Emily Chen, CMS:** There are questions on whether the program limits fundings to certain providers or facility types. So, this award opportunity, CMS awards to states, and then states can decide on subawardees or subcontractors. There are no specific requirements within the Notice of Funding Opportunity that limit the types of facilities or provider organizations that states can decide to subaward or subcontract with.

>> **Kate Sapra, CMS:** Another question here on the initiative and the uses of funds. So, I think folks are understanding at least 3 uses of funds. Yes, that's right. And then, the initiatives, how do those work together? So, CMS is going to be scoring the initiatives as part of the technical scores. So again, states do not need to pursue all initiatives. However, we will be scoring all initiatives. What we're looking for in the application is really to see that in the context of the overarching rural health transformation plan that the state has described to us, that these funds are being used to support initiatives that are going to further the goals of that plan. So, as you're considering which initiatives to pursue, note that CMS will score each and every initiative across all states. And that we're really looking to ensure that we have those high-quality, clearly described, sustainable initiatives in the applications. That's what's going to be scored.

Please, please, please, if you haven't read the appendix, I'm an academic, so I know all the good stuff lives in the appendices. The same is true for this. Lots of good information in the main content, but if you're really looking to see how we're going to be assessing certain state policy actions or the scoring, print out the appendix, carry it with you, have it as a ready reference. There's lots of really good information there.

So, what is a strong initiative? Oh, so glad you asked. I would like to point you to the NOFO, where we describe how we're going to rate the five categories. Each initiative will be scored by our merit review panel on those five categories. We do provide a table that tells you what makes for a strong application, so happy reading to everyone who hasn't had a chance to dig in. I know we dropped it on a Monday, so you haven't had a weekend to read it. I promise it makes for really good reading.

Another request to join the listserv. I see Julianna's on that one.

>> Emily Chen, CMS: There's a question around the appendix example initiatives are examples, is this the approximate level of detail you are anticipating? So as described in the Notice of Funding Opportunity, we hope that these example initiatives provide some inspiration or initial guidance or starting point for states off of which you can build, initiatives that are much more detailed and specific to the needs of your rural communities. And so, ideally, they would be designed with the local contacts in mind. And with very specific details to the types of projects and initiatives that you'd like to propose.

>> Emily Chen, CMS: So, there are some questions on... percent limitations, and that there are various percent limitations on different categories of costs. This information is available on the unallowable costs subsection of program-specific limitations, located on page 19 of the Notice of Funding Opportunity.

>> Kate Sapra, CMS: Again, we have a number of questions here that we're going to be taking back, and we're going to be answering, in our FAQs. I'm just going to go ahead and scan the list one more time.

Is it correct that billable services cannot be included in the award? Yes, that is correct. This funding cannot be used for billable services.

And there's a request for the web address to access the NOFO. Hmm... Julianna, might you be able to provide that? If you go to Grants.gov and search for CMS Open Opportunities, you can find it, but we'll also provide the direct link. Thanks for the question.

>> Emily Chen, CMS: There's a question on what is the definition of unobligated, and that is available on page 16 of the Notice of Funding Opportunity.

>> Kate Sapra, CMS: Okay, so more questions here on how we're assessing the initiatives. Do more initiatives equal more points? Not necessarily. Again, we're assessing those initiatives based on the quality. Those... there are five factors that we assess each and every initiative on. We're looking for high-quality submissions that are realistic to achieve, because remember, we're going to be assessing progress each and every year, which is another question that came in.

How are we going to be assessing the progress from states if states aren't making the progress that we see? How are we going to consider that? Well, yes, we are looking for states to be realistic. We want to see bold, transformative proposals that a state believes is feasible to achieve within this time period. So, again, the full score potential, that's the maximum amount of points that a state can receive. And states can't achieve that in their very first year because they haven't started it. That's why it's set at 50%.So our goal would be that each and every state reaches its full score potential by at least the end of the

program period, but hopefully before then. So, states that are able to make steady progress are more likely to progress in reaching their full score potential sooner. And that will be used in determining the funding allocations every year, because we will be rescoring the workload funding each and every year. So again, we're looking for states to put together their best application that meets the needs of their rural communities.

>> Emily Chen, CMS: I'm scrolling through the questions, Kate.

>> Kate Sapra, CMS: Alright, I'm seeing some questions about the potential to add new initiatives or change initiatives, and really, again, we want states to put forward their best plan. And so, we will be assessing states based on that plan. The full score potential is based on what states submit to us in their application. It does not change. That maximum score doesn't change. States can earn more of that score each year, but that's why it's really important to put forward the initiatives that you think are most likely to serve the needs of rural populations in this application.

Is it realistic that a state will get the full score in year one? No. The state gets 50% of the full score potential.

All right, we are 5 minutes to time, so I'm going to go ahead and close the Q&A for today.: Again, if we haven't gotten to your question, we will, and thank you for sending them to us. We really appreciate hearing from you.

So, let's go ahead and pull those slides back up. We had some requests for the references. Again, just want to thank all of you for joining us today. I appreciate that a Friday afternoon is a tough time to join a webinar, particularly one that's as technical as ours. For those of you in Alaska and Hawaii, thank you for spending your Friday morning with us. As I responded within the QA box, if you signed up for the 25th, the content that we cover will be the same. And we will be publishing any FAQs that we get there as well. So, you are welcome, most welcome, to join us next, next week, but it is not necessary.

Again, we really appreciate you coming today. And we'll leave you with some encouragement to please go to, our website, cms.gov slash RHT Program (CMS RHT Program Website).

That's it. Any questions can come into our inbox, maharural at cms.hhs.gov (MAHARural@cms.hhs.gov).

And please, sign up for our listserv!

Thank you so much for spending your time with us today. I wish each and every one of you a wonderful weekend, and thanks for your engagement.