



STATE OF WASHINGTON
— OFFICE OF GOVERNOR BOB FERGUSON —

Governor Ferguson's Support for and Commitment to Washington's Rural Health Transformation Plan

October 31, 2025

The Honorable Dr. Mehmet Oz
Administrator
Centers for Medicare & Medicaid Services
200 Independence Ave. SW
Washington, D.C. 20201

Dear Administrator Oz:

This letter serves as my endorsement of Washington's proposed plan for the Rural Health Transformation (RHT) Program.

More than 1 million Washingtonians call our rural counties home. Rural Washington boasts strong communities, robust agriculture, and some of the most beautiful landscapes in the world. In order to sustain this way of life, we must support a strong rural health care system.

Our RHT Program proposal will create capacity within our rural health care systems to better support each other and patients across the continuum of their health care needs. Our largest investment will be in our hospitals. Our application proposes investing \$302 million dollars over five years into hospital infrastructure. This includes funding for a rural health integrated network, which is an initiative CMS has highlighted for this Program. We are fortunate that our rural hospitals have already seen the value in forming a network, called The Rural Collaborative. Our investment will accelerate their ability to act collectively towards operational excellence while maintaining local autonomy as public hospital districts.

We are also partnering with the Washington State Hospital Association on an infrastructure and maintenance fund that is exclusively for rural hospitals across the state. The fund will primarily be focused on technological advancement. Hospitals may use funds to invest in AI tools, data platforms, population health tools, improved telehealth and remote patient monitoring tools, and cybersecurity technologies, services, and training. We will also be offering a similar fund to non-hospital rural providers so that rural communities are better connected technologically across different care settings.

The RHT Program also provides an opportunity to support the 29 federally recognized tribes across our state. I recently attended the Centennial Accord, our annual government-to-government convening with tribal leaders. They voiced a resolute need to ensure that a portion of the Rural Health Transformation funding go directly to tribes and Indian Health Care Providers (IHCPs), who serve both Native and non-Native patients in some of the most rural areas of our state. Tribal leaders also shared that Native peoples rely heavily on our state's rural hospitals for services, especially maternity care. In recognition of this need, my team will seek maternal health investments for both rural hospitals and Washington tribes. As announced in late October to tribal leaders, 10% of the funding awarded to the State will go directly to tribes and IHCPs.

To show further commitment to the success of this program in Washington, I have directed my team to bring proposals for capital funding that would be available exclusively to rural health care entities to build new facilities to house more care solutions, including technological ones.

I have also been working closely with all four corners of Washington's legislative leadership, and we have bi-partisan support from both parties in each of our chambers for our Transformation plan. A copy of their combined letter of support is included with our application.

Lead agency responsible for this program

I have designated the Washington State Health Care Authority (HCA), which serves as our single state Medicaid authority, as the agency responsible for submitting the RHT Program application. HCA will also administer its funds in partnership with the Department of Health and the Department of Social and Health Services (DSHS).

Collaboration with agencies and tribes

In collaboration with my office, HCA worked closely with the Department of Health (DOH), including the Office of Rural Health, as well as DSHS, which includes several Medicaid programs, such as long-term services and supports.

Early on in this process, my team worked with the Executive Director of the Governor's Office of Indian Affairs to ensure tribal leaders were aware of this opportunity and to engage in proper consultation protocols as the application was developed. Knowing the funding opportunity was imminent, we partnered with HCA to host a listening session for tribal leaders on how we were approaching our application. Soon after the release of the Notice of Funding Opportunity, HCA sent a letter to tribal leaders in accordance with their tribal consultation protocol. Our Tribal Roundtable was held on October 10 followed by a consultation meeting on October 27.

Our engagement with tribes on implementation of the plan will primarily be facilitated through our statutorily required Governor's Indian Health Advisory Council (GIHAC). GIHAC includes a representative from each of the 29 federally recognized tribes, the two Urban Indian Health Organizations, the American Indian Health Commission and the Portland Area Indian Health Board. The Governor's Office and each health-related agency, including HCA, DOH and DSHS,

have representatives on the Council. Additionally, the Office of the Insurance Commissioner, our state Health Benefit Exchange, our Office of Superintendent of Public Instruction and both chambers of our legislative body are invited to participate.

Beyond GIHAC, tribes will also have two seats on our Rural Health Transformation Advisory Committee, who will be designated to provide guidance on implementation for the entirety of the 5-year Plan.

Stakeholder Engagement in Application Development and Plan Implementation

To engage additional external stakeholders, HCA, DOH, and DSHS issued a Request for Information (RFI) in mid-August, prior to the Funding Opportunity release, to solicit project ideas for incorporation into our Transformation Plan.

Since the closure of that RFI, we have received over 300 responses from both local and national organizations. We also held independent stakeholder calls directly with hospitals, the Washington State Hospital Association, the Washington State Medical Association, the Washington Association for Community Health, Area Agencies on Aging, the Washington Council for Behavioral Health, and others.

To ensure relevant stakeholder engagement during implementation, DOH will be leading an RHT Program Advisory Committee. The Committee's work will include recommendations to the Executive Governance team on which projects to prioritize and at what funding levels within Washington's Transformation plan.

Commitment to state-level actions needed to ensure success

The directors of the three agencies responsible for implementing Transformation Plan initiatives are members of my Executive Cabinet. My team and I will engage with Cabinet leaders to ensure we are meeting milestones and getting funding to our providers and communities as expediently as possible.

While we have not identified specific statute or regulation changes needed at this time, I welcome feedback from my Cabinet leaders throughout the duration of the project to pursue actions as necessary.

Certification that the state will not spend any award funds on activities prohibited under 42 U.S.C. 1397ee(h)(2)(A)(ii)

I certify that no award funds will be spent on activities prohibited under 42 U.S.C. 1397ee(h)(2)(A)(ii).

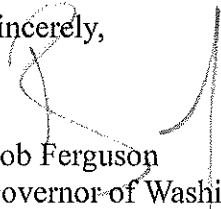
How the State plans to ensure that the funding will benefit rural residents across the entire State

When identifying the initiatives for our RHT Program, my team listened to stakeholder input that came from every rural corner of our state. Each of the six initiatives selected were based on the same themes that resonated with our rural communities:

- Preserving hospital access while innovating their service delivery;
- Developing community skillsets to locally manage chronic conditions;
- Investing in our tribes so they can continue to cultivate healthy and thriving native communities;
- Expanding use of health care technologies across all care settings;
- Building on early success of small workforce development programs focused on growing and retaining talent within rural areas; and
- Advancing and sustaining Washington's rural behavioral health system.

Rural communities deserve access to a health care system that understands their specific needs. I am committed to ensuring that this funding reaches rural providers and helps strengthen healthcare across Washington.

Sincerely,



Bob Ferguson
Governor of Washington