Rural Health Transformation Program

NOFO Overview, Washington's Community Input Themes, and Application Overview

Washington State Department of HEALTH

DSHS Washington State Department of Social and Health Services

Washington State Health Care Authority

Agenda

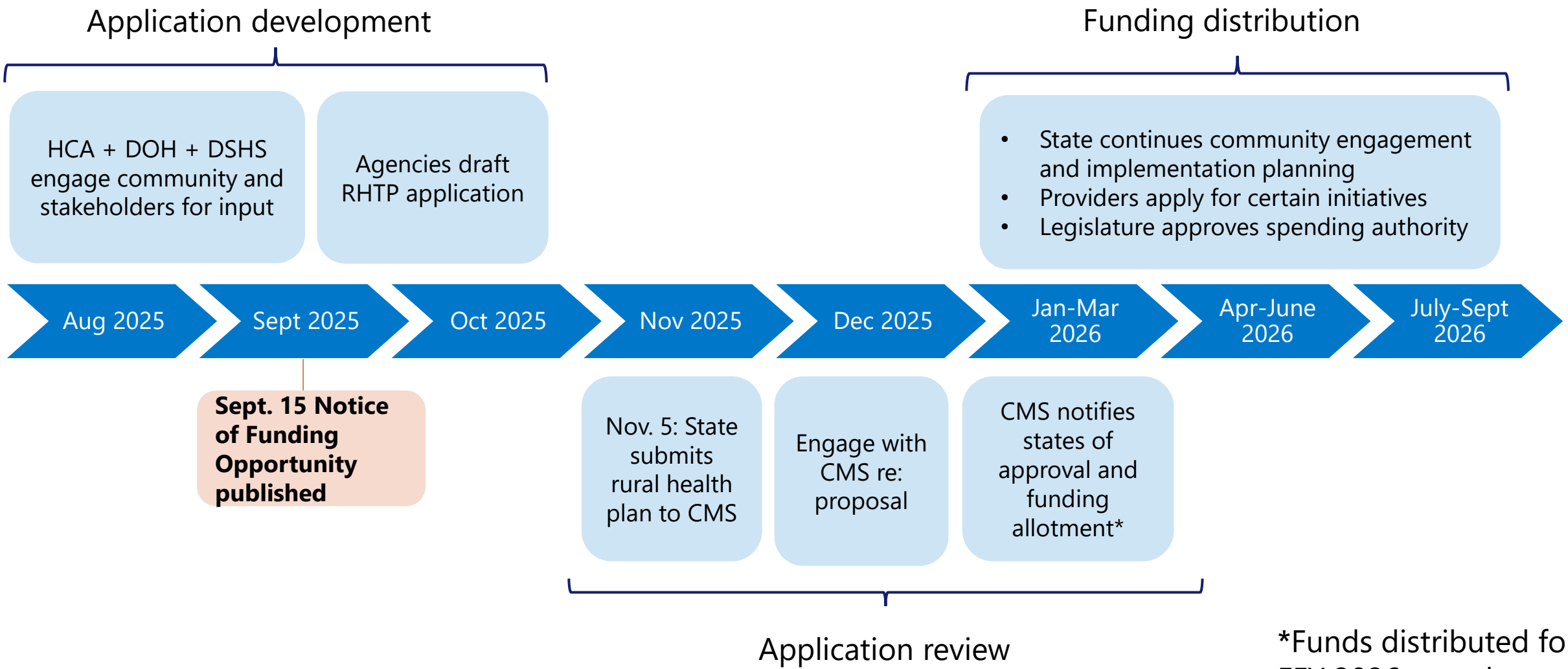
- Background
- Timeline and logistics
- Review of the Notice of Funding Opportunity (NOFO)
- Stakeholder engagement
- Application overview
- Next steps
- Q & A

Rural Health Transformation Program

- H.R. 1 created a **$50 billion Rural Health Transformation Program** (RHTP).
- States must use funding for at least three CMS-designated categories:

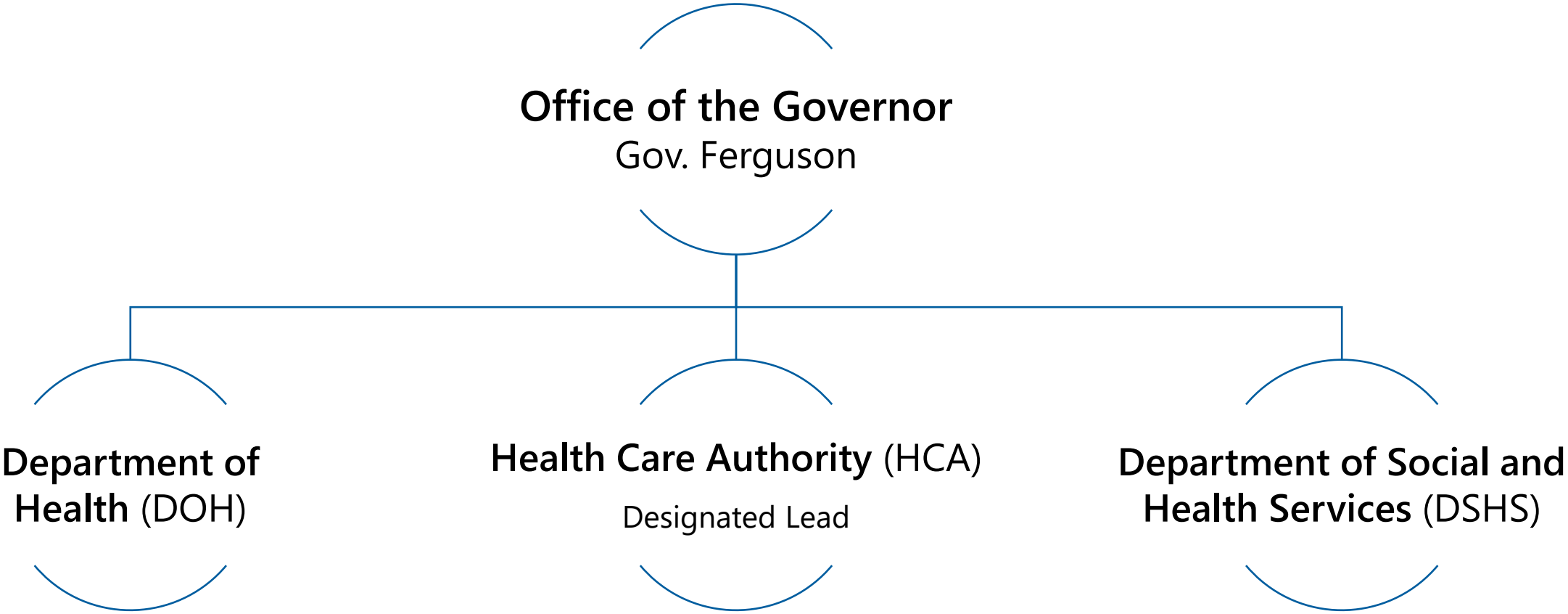
Prevention and chronic disease	Provider payments*	Consumer technology solutions	Training and technical assistance
Workforce	IT advances*	Right-sizing care availability	Behavioral health
Innovative care models	Capital expenditures and infrastructure*	Community collaboration*	

RHTP Timeline



*Funds distributed for FFY 2026 must be used by 9/30/2027

State agencies supporting RHTP application



Notice of funding opportunity (NOFO)

Fund allocation overview

- $10 billion in federal funds annually
- 50% Baseline Funding ($5 billion/year) – distributed equally among states with a complete and approved application
  - If all states are approved, WA would receive $100 million annually
- 50% Workload Funding ($5 billion/year) – distributed by CMS, with consideration of:
  - Rural Facility and Population Score Factors (50%)
  - Technical Score Factors (50%)

More fund allocation notes

- States directed to apply for $200 million per year.
- Approved states may use up to 10% of funds for administrative expenses.
- Each federal fiscal year's (FFY's) funds are available through the following year (e.g., FFY 2027 funds must be used by the end of FFY 2028).
- Unexpended or unobligated funds will be redistributed by CMS.

Workload funding score factors

50% of score

Rural Facility and Population Score Factors

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

50% of score

Technical Score Factors (Initiative-based)

- Population health clinical infrastructure
- Health and lifestyle
- Rural provider strategic partnerships
- Emergency Medical Services
- Talent recruitment
- Medicaid provider payment incentives
- Individuals dually eligible for Medicare and Medicaid
- Remote care services
- Data infrastructure
- Consumer-facing technology

Technical Score Factors (Policy-based)

- Health and lifestyle
- SNAP waivers
- Nutrition Continuing Medical Education
- Certificate of Need
- Licensure compacts
- Scope of practice
- Short-term, limited duration insurance
- Remote care services

WA's anticipated scores

- **Rural facility and population score (50% of score)**
  - WA's estimated rank: 38th (bottom quartile of 50 states)
- **Policy-based technical score (~15% of score)**
  - WA likely to receive higher than average points for licensure compacts, scope of practice, remote care services
  - WA unlikely to receive points for health and lifestyle, SNAP waivers, nutrition CME, CON, STLDI
- **Initiative-based technical score factors (~35% of score)**
  - States scored 0-100 for strategy, workplan and monitoring, outcomes, projected impact, and sustainability
  - A state's initiative-based scores are relative to all state scores

Washington stakeholder feedback

Washington's request for feedback

- Agencies put out a call for public input on use of RHTP funds.
- On August 8, a request for information was posted on HCA's website.
- Written submissions were due by September 26.
- HCA, DOH, and DSHS also engaged in conversations with state associations, community collaboratives, and other stakeholders.

Washington stakeholder feedback

- Public webinar on September 25 to discuss progress on the RHTP application
- **Agencies received 310 written submissions**.
- Feedback is being used to shape WA's application – framing rural needs and supporting initiative funding proposals.

Input submitter types

- Rural hospitals and districts
- Nonprofit organizations
- Non-hospital provider groups
- Health care education programs
- State and national associations
- State agencies
- Interested individuals
- Colleges and universities
- School districts
- Tribes
- EMS and firefighters
- Public health departments

Stakeholder feedback themes

- Technology
- Hospital operations and buildings
- Workforce
- Service expansion and retention
- Data and EHR infrastructure
- Behavioral health
- Payment reform
- Education
- Opioid use disorder treatment
- Telehealth
- School-based care
- Special health care needs
- Wellness
- Youth -focused services
- Special health care needs
- Dental
- Maternity and perinatal care

Washington's RHTP Draft Application Overview

Considerations for WA's RHTP application

- Aligning goals with CMS NOFO
  - Make rural Washington healthy again
  - Sustainable access
  - Workforce development
  - Innovation care
  - Tech innovation
- Emphasizing existing policy alignment with NOFO's priorities
  - Licensure compacts
  - Scope of practice

Priorities for Rural Health Transformation Plan

Supporting essential hospital services: building networks, sustainable payment models, infrastructure, and essential services

Prevention and care management: community-based workforce, dementia-capable communities, EMS inter-facility transport, mobile services, community spaces for care coordination

Tribal health: community workforce, care coordination and care management, data and technology investments

Technology: Project ECHO, provider technology fund

Workforce investments: rural residencies, training, undergraduate and graduate medical education, nursing education, recruitment and retention incentives

Behavioral health care: mobile crisis supports, Certified Community Behavioral Health Centers, supporting youth, opioid treatment providers

Initiative 1: Ignite innovation in WA's rural hospitals

Enable rural hospitals to invest in new technology, coordinate across facilities, and implement sustainable payment models

- Build regional collaborations
- Co-design a payment model for long-term sustainability
- Invest in critical technology infrastructure and maintenance needs
- Sustain and strengthen maternal, obstetrics, and other essential services

Initiative 2: Prevent disease and manage care in community settings

Build and strengthen programs and workforce in settings outside of clinical systems

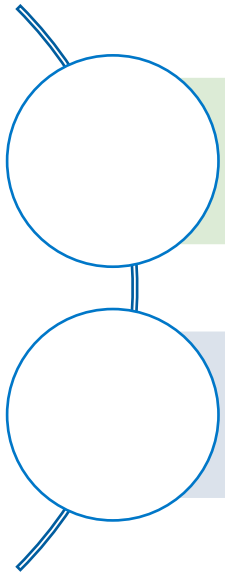
- Recruit and train community-based workforce
- Embed Long Term Care Worker testing at training sites
- Expand dementia resources and build dementia-capable communities
- Expand Emergency Medical Services (EMS) inter-facility transport and support
- Triage residents to appropriate levels of care in their neighborhoods

Initiative 3: Invest in the health of Native families

Invest in the health and wellbeing of members of Sovereign Tribes in WA

Initiative 4: Adopt technology and data solutions to enable health improvements

Provide start-up funding and technical assistance for new, emerging, and proven technologies to increase efficiency, access, and quality in WA's rural healthcare system



Project ECHO — new clinical specialties, expansion into new rural sites

Provider technology fund to drive operational improvements (enabling remote services, AI tools, population health infrastructure and analytics)

Initiative 5: Develop Washington's rural workforce to support rural communities

Strengthen rural health workforce, focusing on key health roles such as nurses, PCPs, maternity care providers, dental hygienists, long-term care workers, and community-based care professionals

- WWAMI Family Medicine Residency Network (WA, WY, AK, MT, ID)
- WSU rural practitioner training programs
- Rural Nursing Education Program
- Grow-your-own training programs
- Rural workforce incentive programs

Initiative 6: Expand and sustain the rural behavioral health system

Invest in behavioral health workforce development, payment reform, expansion of mobile crisis services and transportation, and telehealth

- Expand mobile crisis supports and multi-disciplinary teams
- Planning to transition facilities to Certified Community Behavioral Health (CCBHC) model
- Supporting youth in rural communities
- Rural Opioid Treatment Provider recruitment and retention

WA RHTP Advisory Committee

- Support recommendations on priorities for funding within major initiatives.
- Review reporting from grant awardees and suggest changes in prioritization of funding to Project Team throughout five-year duration of RHTP
- Make recommendations to the Legislature on statutory changes or state investments that could align state investments and policies with the Rural Transformation Plan.
- Staffed by Department of Health

WA RHTP Advisory Committee structure

Government

One representative each:

- Governor's Office
- HCA
- DOH
- DSHS
- OFM
- Tribes

Health Professionals

One representative each:

- Rural hospitals
- Local public health
- Federally Qualified Health Centers
- Behavioral Health providers
- WSMA
- State Council on Aging or Area Agency on Aging

Community representatives

Three representatives:

- Two from eastern Washington
- One from western Washington
- **Seeking experience in health care**

What's next?

- Consultation with Tribes (Oct. 27)
- Application due November 5
- Rapid response to any CMS inquiries
- Start implementation planning (Nov-Dec)
  - Start recruiting Advisory Committee
  - Continued stakeholder and community engagement
  - Start crafting workplans, contractor scopes of work
- Dec 31, 2025: CMS notifies us about approval and fund allocation
  - Budget reconciliation process
  - Hire staff

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