

# Rural Health Transformation (RHT) Update

**Presentation to Vermont Legislature**

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# Key RHT Program Details

## Dates:

- Notice of Funding Opportunity (NOFO) released: 9/15
- Application submitted: 11/5
- Award notification received: 12/29
- Funding starts: Early January 2026

- **Opportunity:** A \$50 billion Centers for Medicare and Medicaid Services (CMS) initiative (FFY 2026–2030) to help *states* modernize rural health systems — improving access, quality, and sustainability through infrastructure, workforce, and care model transformation.
- **Goals:** Strengthen rural access, modernize care delivery, grow and retain the workforce, expand innovative care and payment models, and advance technology and data interoperability.
- **Funding Design:** Half of funds (\$25 billion) are distributed equally among approved states; the other half (\$25 billion) is weighted by rural population, state policies, need, and quality of application.

# Application Parameters

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**Notice of Funding Opportunity** outlined areas of focus for the application, along with funding restrictions

**RHT is Essentially One-time Funding**, best used for activities such as launching initiatives, transitions to new models, purchasing of technology and equipment, promoting collaboration

**Notable Funding Limitations include:**

- Restrictions on "supplantation" of the state budget
- Restrictions on otherwise billable services
- Restrictions on funding clinician salaries

**Unexpended and Unobligated Funds** will be redistributed among states in the next funding year; year 1 ends September 30, 2027; annual report due August 30

# Application Parameters - Continued

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- As allowed in the **Notice of Funding Opportunity**, the application counted all FQHCs and “community mental health centers” as part of the rural metric scoring, regardless of location.
- Our current understanding is that **all providers are eligible for RHT funds** regardless of location.
- AHS is still working with the Centers for Medicare and Medicaid Services (CMS) for approval on methodology, process and specific criteria for funding

# Vermont's RHT Proposal Overview

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**Build Stronger Rural Health Networks:** Strengthen primary care, support transfers, enlist the EMS in a new way, create new mobile health and dental options, build out mental health urgent care, expand access to complex care in nursing facilities, expand recovery housing implement pharmacy “test-to-treat”

**Technology and Shared Operations:** Shared EHR for interested providers, remote patient monitoring, “closed-loop” referrals, shared HR systems, support for AI transcription

**Strengthen the Rural Health Workforce:** Housing, training programs at clinical sites across the continuum, financial incentives for education

**Planning:** Exploring strategies to expand insurance options and a reinsurance model, consumer-facing price and quality transparency tools, data and expert support to regionalize some services

# Ongoing Public Engagement

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- AHS has maintained its [RHT Program page](#) on the Office of Health Care Reforms website, including a public contact form, and will continue to do so throughout the life of the RHT Program.
- We have publicly posted the [project narrative](#), [summary](#) and [list of projects](#) on the HCR website as well. The budget is not publicly posted, pending negotiations with CMS.

# Funding Award Amount and Next Steps

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- Each state was allowed to apply for \$200 million dollars, and awards ranged from \$147 million to \$281 million.
- Vermont's award, of **\$195,053,740**, represents nearly full funding of the State's proposal.
- Vermont has one of the highest per-capita awards of any state.
- Over the next several weeks, AHS staff will negotiate a final budget and terms and conditions with the federal government.