

CMS Issues Applications for Rural Health Transformation Program Funding

On September 15, 2025, the Centers for Medicare & Medicaid Services (CMS) [announced](#) the release of [information about](#) and an [application package](#) for the new Rural Health Transformation Program authorized by the One Big Beautiful Bill Act (Section 71401 of Public Law 119-21). **The deadline for states to apply for funding through this program is November 5, 2025.** CMS will announce awardees by December 31, 2025, and will partner with states over the program period to ensure strong oversight and successful implementation of initiatives with lasting impact.

The Rural Health Transformation Program aims to empower states to strengthen rural communities by improving healthcare access, quality and outcomes by transforming the healthcare delivery ecosystem. States can apply for funding to address specific rural health challenges and address the program's goals of: (1) promoting preventative health and addressing root causes of diseases, (2) helping rural providers become long-term access points for care by improving efficiency and sustainability, (3) attracting and retaining a highly skilled health care workforce by strengthening recruitment and retention of health care providers in rural communities, (4) sparking the growth of innovative care models to improve health outcomes, coordinate care, and promote flexible care arrangements, and (5) fostering use of innovative technologies that promote efficient care delivery, data security, and access to digital health tools by rural facilities, providers and patients.

Expanding access to and enrollment in integrated care models for dually eligible individuals in rural areas is a focal point in the program application. Specifically, its review of state applications, CMS will assess whether proposed interventions might support this goal, and **state applicants will receive points in the application process for having:**

- At least one individual identified by the CMS Medicare-Medicaid Coordination Office (MMCO) as a point of contact for policies and programs related to dually eligible individuals;
- At least one integrated care plan in the state with at least one enrollee (including Programs of All-Inclusive Care for the Elderly, or PACE, Financial Alignment Initiative Medicare-Medicaid Plans, or MMPs, and applicable integrated plans, or AIPs).

States will also receive points in the application process based on the proportion of dually eligible individuals in the state who are enrolled in one of the following types of plans: PACE organizations, MMPs, and Medicare Advantage dual eligible special needs plans (D-SNPs), including fully integrated D-SNPs (FIDE SNPs), highly integrated D-SNPs (HIDE SNPs), and coordination-only D-SNPs (CO D-SNPs).

The \$50 billion program funding will be allocated to approved states over five years, with \$10 billion available each year beginning in federal fiscal year 2026. Half of the funding will be evenly distributed to all states with an approved application. The other half will be awarded to approved states based on individual state metrics and applications that reflect the greatest potential for and scale of impact on the health of rural communities.

Interested states can find more information in the [Rural Health Transformation Program overview page](#) on the CMS website, as well as in the [notice of funding opportunity](#).

ABOUT THE INTEGRATED CARE RESOURCE CENTER

The Integrated Care Resource Center is a national initiative of the Centers for Medicare & Medicaid Services to help states improve the quality and cost-effectiveness of care for individuals dually eligible for Medicare and Medicaid. The state technical assistance activities are coordinated by Mathematica and the Center for Health Care Strategies. For more information, visit www.integratedcareresourcecenter.com.

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