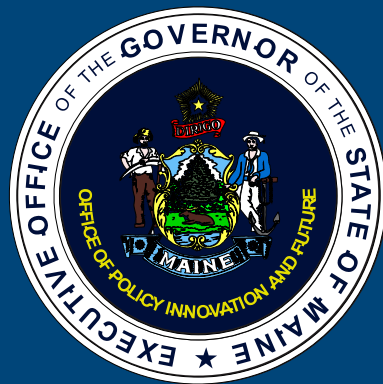




MAINE

RURAL HEALTH TRANSFORMATION



Rural Health Transformation Program Health & Human Services Committee

June 2026

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RHTP Director

Agenda / Objectives

- Overview
- Maine's RHTP Components
- RHTP Budget & Obligation
- Year 1 Provider Funding Opportunities

Acknowledgement of Funding

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Overview



Rural Health Transformation Program (RHTP)

Creation

- Federal H.R. 1 enacted in July 2025; will result in many high-impact changes to health care coverage
- RHTP included in H.R. 1 as federal initiative to bolster rural health

RHTP Funding

- Total of \$50B over 5 years (2026-2030)
- Program managed by the U.S. Centers for Medicare & Medicaid Services (CMS)
- Maine's Award
 - \$190,008,051 annually over the five-year period
 - Budget approved by CMS on 3/25/26 with a fully allocated budget
- RHTP funds must be used quickly, and states are expected to demonstrate results
 - States must use funds by end of 2nd fiscal year after funds distributed (i.e. Yr 1 funds by Sept 30, 2027)
 - Unused funds within these time limits will be redistributed to other states

Federal RHTP Goals

Make Rural America Healthy Again

Sustainable Access

Workforce Development

Innovative Care

Technology Innovation

Federally-Approved Uses of RHTP Funding

(States required to select 3+)

1. Evidence-based prevention and chronic disease interventions
 2. Payments to providers for care delivery (no more than 15% of total)
 3. Consumer-facing digital health tools
 4. Training/Technical Assistance (TA) for tech-enabled solutions
 5. Rural clinical workforce recruitment and retention
 6. Software, hardware, TA for major IT upgrades
 7. Right-sizing rural health systems across the care continuum
 8. Access to substance use treatment and mental health services
 9. Innovative care models (value-based, alternative payment models)
 10. Capital expenditures and infrastructure investments in existing rural health care facility buildings and infrastructure, subject to federal RHTP funding restrictions
 11. Initiating, fostering, and strengthening local and regional strategic partnerships
-

Maine's RHTP Components

We Envision a Future Rural Health System that...

✓ **Bridges the Rural Divide:**

- Where one lives no longer dictates health outcomes or access to care
- All Mainers have tools to make healthy choices and live healthier lives, and rural communities have information, choices, and flexibility to create their own local, data-driven solutions

✓ **Provides Seamless Delivery:**

- A stronger rural health care workforce, innovations, and technologies ensure convenient, accessible, and effective care
- Care is available to rural Mainers when they need it, where they need it

✓ **Offers Efficient, Incentive-Aligned Systems:**

- Communities come together to reduce fragmented service delivery
- Value-based payments move us beyond fee-for-service, ensuring dollars go further
- Rural health systems are strong and sustainable for future generations of Mainers

Maine RHTP Overarching Performance Goals & Metrics

- **Living Healthier Lives:**
 - *ME RHTP Metric:* Improve rates of well-controlled blood pressure (BP) among individuals in rural areas with high BP
- **Improve Quality of Healthcare Delivered:**
 - *ME RHTP Metric:* Reduce 30-day all-cause readmission rate
- **Getting Care When Mainers Need It:**
 - *ME RHTP Metric:* Decrease non-financial barriers to care
- **Increase Durability of Rural Care Options:**
 - *ME RHTP Metric:* Improve financial health of rural hospitals

Five Initiatives, Each Comprised of Multiple Activities

Initiative 1 **Population Health:** Promote timely access to high-quality care (\$33M)

Initiative 2 **Workforce:** Strengthen Maine's rural health workforce (\$35M)

Initiative 3 **Technology Innovation:** Modernize rural care delivery with digital health technology (\$47.5M)

Initiative 4 **Access:** Bridge the healthcare affordability gap for rural Mainers (\$30.6M / \$28.5M for APM transitioned)

Initiative 5 **Sustainable rural health ecosystems:** Address financial instability of rural providers (\$38M)

Initiative 1: Population Health

Empower rural Mainers to achieve their own healthy living goals: Adopt and expand proven population health solutions that promote timely access to high-quality preventive, primary, chronic, and specialty care across the lifespan.

Proposed Activities

- Expand alternative sites of care
- Deploy evidence-based practices
- Strengthen rural Maine's nutrition education infrastructure
- Expand Community Paramedicine programs
- Expand Community Health Worker and Peer Support programs
- Support access to mental health and SUD support

Initiative 2: Workforce

Expand the Supply of Care: Grow Maine's rural health care workforce across continuum of care

Proposed Activities

- Train, recruit, and retain health care clinicians and allied health professionals
- Strengthen local talent pipelines
- Develop and deploy a Healthcare Workforce Data Dashboard
- Invest in mobile training labs and simulation centers
- Pilot new models in rural workforce transportation

Initiative 3: Technology Innovation

Expand the Supply of Care: Spread technology & innovation that connects every community to advanced care

Proposed Activities

- Expand telehealth services, supports, and infrastructure
- Support data integration and the reliable exchange of healthcare data
- Expand the use of consumer-facing health technology tools
- Enhance Electronic Medical Records (EMR) systems
- Create a Maine Rural AI Hub to support rural providers in adopting today's AI technologies
- Establish a Rural Health AI Innovation Institute to promote development of new AI technologies purpose-built for rural populations

Initiative 4: Access

Ensure care will be available & affordable: Support access to healthcare for rural Mainers otherwise unable to afford it

Proposed Activities

- ~~• Issue provider payments for uncompensated care delivered by FQHCs, hospitals, and CCBHCs*~~
- ~~• Issue provider payments for provision of Essential Health Benefits to uninsured population*~~
- Implement more efficient and user-friendly MaineCare Provider Enrollment technology
- Improve coordination and leveraging of existing transportation infrastructure to assist rural Mainers to meet their health needs through technology and mobility planning
- Improve consumer-friendly transparency tool on state-based marketplace to improve access to and create competition for more affordable care plan options

**NOTE: These two activities were included in Maine's original proposal but were not allowed by CMS; Maine has moved funds for these activities to Initiative 5: Sustainable Rural Health Ecosystems*

Initiative 5: Sustainable Rural Health Ecosystem

Ensure care will be available & affordable: Ensure a sustainable rural health care ecosystem by addressing persistent financial instability facing rural healthcare systems

Proposed Activities

- Improve hospital financial stability through tailored hospital financial management, planning and targeted investment
- Conduct rural regional health ecosystems planning and implementation
- Develop and provide support for providers to participate in multi-payer alternative payment (APM) models; **this will include funding specifically to support providers' work to transition to Advanced Payment Models (APMs)**
- Strengthen Maine's interfacility non-emergency transport system
- Expand access to high-acuity, non-inpatient hospital care for children with complex behavioral health needs (PRTF)

RHTP YR1 Budget & Obligation

Maine RHTP – Revised Yr1 Budget Allocations

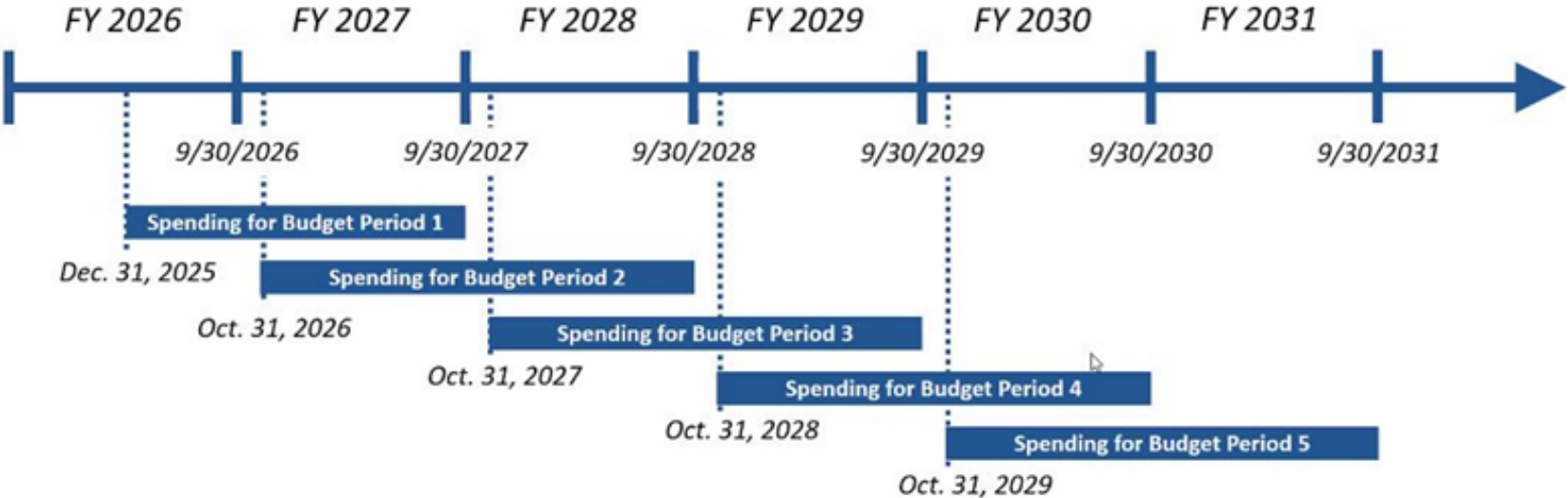
- **ME RHTP Budget Allocation by Initiative (Year 1):**
 - Technology & Innovation: \$47.5M
 - Sustainable Rural Health Ecosystems: \$38M
 - Workforce: \$35M
 - Population Health: \$33M
 - Access to Care: \$30.6M (with \$28.5M moving to provider APM transition payments)
(Central program administration & oversight: \$3.9M)
- Subtotal of Initiatives: \$188,141,877
- Grand Total w/ Indirect Costs: \$190,008,051

RHTP Fund Distribution & Spending Timeline

Funds Distribution and Use Deadlines

For each budget period, recipients will have until the end of the following fiscal year (September 30) to spend awarded funding

- Recap: Budget Period 1 will start on December 31, 2025, and Subsequent Budget Periods will start on October 31 of each fiscal year



RHTP Obligation

State Obligation of Funds

What are obligated funds?

Funds that have been legally committed to a specific purpose through a binding agreement (such as a contract, subaward, or purchase order) but may have not yet been paid. Once funds are obligated, they are set aside for that purpose and cannot be used for something else without prior approval. (see [2 CFR 200.1](#) “Financial obligations”)

Example: A State signs a contract with a rural health clinic to provide technical assistance. The total contract amount is recorded as an obligation at the time the agreement is finalized, even though services have not yet been delivered.

Requirement: Funds must be obligated by the end of each **budget period**.

State awardees can only incur costs from funds obligated during active budget period. This means that States must "obligate" these awarded funds (i.e., binding agreements or contracts must be in place) within strict budget periods to avoid forfeiting funds to CMS for redistribution.

Year 1 Provider Funding Opportunities

Three Provider Funding Opportunities (YR1)

Initiative 3 **Technology Innovation:** Funds to hospitals, provider organizations for EMR replacements, upgrades, enhancements
(\$30M)

Initiative 5 **Sustainable Health Ecosystems:**

- Funds for ~5-10 financially at-risk hospitals to receive tailored hospital financial management, planning assistance, and targeted investments
(\$30M)
- Funds to support provider organization transitioning to Alternative Payment Models (APMs)
(\$28.5M)

How Did We Come to Our Strategy Recommendations?

- 1 Defined provider eligibility & secured CMS approval on general approach
- 2 Explored needs among providers serving rural communities
 - Discussions with EMR experts
 - Meetings with MPCA, MHA, hospitals, Alliance & Advisory Committee
 - Reviewed potential projects & needs compiled by partners
- 3 Assessed feasible strategies for Year 1
 - Explored how other states are allocating & distributing provider funds
 - Reviewed procurement considerations

Linked Steps for Award of Maine RHTP Provider Funds (CMS Approved)

To receive funds, provider organizations must...

Step 1: Meet Maine DHHS-designated general RHTP eligibility requirements

Step 2: Be identified as one of the DHHS-identified “provider types” eligible to receive funds *(specific to each activity being funded)*

Step 3: Apply for funding, to include agreement on expectations

Step 4: Funding amounts determined using weighting/prioritization criteria *(specific to each activity being funded)*

Step 1: General Eligibility Requirements

To receive funds, provider organizations must...

Meet Maine DHHS-designated general RHTP eligibility requirements

- Hold a valid Maine provider license or are an FQHC / look-alike
- Be physically located in Maine (except for telehealth-only providers)
- Be currently enrolled as MaineCare provider
- Serve individuals living in rural communities
- Be in good standing with DHHS

Step 2: RHTP Provider Funding Opportunities – YR1 Eligible Providers - Defined (CMS Approved)

Provider Type	EMR Funds \$30M	APM Transition Funds \$28.5M	Hospital Efficiency Funds \$30M
CAHs & General Hospitals with dedicated ED	X <i>(Including hospital-owned primary care practices)</i>	X <i>(Including hospital-owned primary care practices)</i>	5-10 hospitals at highest risk of financial instability
FQHCs	X	X	n/a
RHCs	X		n/a
Independent Primary Care Practices Located in Rural Areas	X		n/a
CCBHCs	X	X	n/a
OTPs	X		n/a

Proposed Principles to Prioritize Allocation of RHTP Provider Funds

Allocate funding to providers in a manner that...

- Specifically supports one or more of overarching Maine RHTP goals
- Supports providers that serve high numbers of rural patients/communities
- Supports providers that serve high numbers of MaineCare members and/or uninsured individuals
- Helps address specific gaps in Maine's rural health care system – for example:
 - Promotes/advances innovation, IT connectivity, cybersecurity, and related capabilities.
- Is transparent & readily understandable by providers & the public
- Supports activities that are feasible and can be rapidly implemented
- Uses a fair approach to allocating funds across eligible provider types (i.e., hospitals, FQHCs, etc.) to system-affiliated/ level vs. independent organizations

Conclusion

For More Info...

- [Maine RHTP landing page](#)
- CMS RHTP: [CMS.gov/priorities/rural-health-transformation-rht-program/rural-health-transformation-rht-program](https://www.cms.gov/priorities/rural-health-transformation-rht-program/rural-health-transformation-rht-program)

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Rural Health Transformation Program



MAINE
RURAL HEALTH TRANSFORMATION

Strengthening Rural Health Care Across Maine

Maine's Rural Health Transformation Program is a five-year federal grant program designed to improve health outcomes, expand patient access to care, strengthen the health care workforce, advance innovation, and support sustainable rural health systems.

Supported by an initial \$190 million (Year 1) federal investment, the Program will help Maine's rural communities, providers, and partners implement solutions that improve care today while building a stronger health system for the future.

Why Rural Health Transformation Matters

- More than 690,000 Mainers live in rural communities.
- Rural residents experience higher rates of chronic disease and behavioral health challenges.
- Many Maine communities face shortages of health care providers.
- Access to care can be limited by geography, transportation, and workforce constraints.
- Rural hospitals and providers face significant financial pressures.

Maine's Rural Health Transformation Program is designed to address these challenges and improve health outcomes across Maine.

Our Vision

A future where:

- Geography does not determine health outcomes.
- Rural Mainers can access quality care when and where they need it.
- Maine's rural health system is strong, resilient, and sustainable for future generations.

Program Overview

What is the Rural Health Transformation Program?

The Rural Health Transformation Program is a five-year federal grant program designed to strengthen rural health care systems and improve health outcomes in communities across all 50 states. Maine's program focuses on strategic investments that support Maine patients, providers, communities, and health care workforce.

Maine's Five Strategic Initiatives

Press releases

- [Governor Mills Statement on Rural Health Transformation Program Award](#)
- [CMS announces State award decisions](#)
- [State launches robust public engagement process](#)
- [State files application for the RHTP](#)

For more information

- [H.R. 1 Budget Reconciliation Bill - federal bill text](#)
- [Rural Health Transformation Program - CMS program website](#)
- [Notice of Funding Opportunity \(NOFO\)](#)
- [Public Webinar Slides - Sept 2025 \(PDF\)](#)
- [Public Webinar Slides - March 2026 \(PDF\)](#)

Timeline

- **July 4, 2025:** H.R. 1 budget reconciliation bill signed, appropriating \$50 billion in funding for the RHTP over five years
- **September 15, 2025:** CMS releases RHTP funding application (Notice of Funding Opportunity) for states
- **September 17, 2025:** Public input process opens
- **October 1:** Public comment through website closes
- **Nov. 5, 2025:** State applications due to CMS
- **December 29, 2025:** CMS announces State award decisions
- **2026 onward:** CMS provides continuous monitoring and support to states

RHTP Structure & Funding

Total funding for the RHTP is \$50 billion nationally, to be allocated to approved States over five fiscal years, with \$10

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