CLIENT ALERTS & INSIGHTS

Unlocking Billions: Six Important Insights for Businesses Eyeing New Rural Health Transformation Program Funding

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Key Takeaways

- The new $50 billion Rural Health Transformation Program, launched by CMS under the One Big Beautiful Bill Act, offers states funding aimed at transforming rural healthcare. While only states can apply directly, private businesses and organizations can participate as partners or subcontractors.
- This program represents a significant opportunity for healthcare providers, tech companies and other stakeholders to access substantial funding and play a key role in shaping the future of rural health. However, the window to influence state proposals and secure a role in funded projects is short, and competition for inclusion will be strong.
- Businesses can participate in stakeholder input processes and align their offerings with state and CMS priorities. Developing scalable, data-driven and sustainable proposals that address rural health needs will increase the likelihood of being selected as a partner. Early action is critical, as state applications are due by November 5, 2025 (and stakeholder input deadlines may be sooner).

Authorized by the One Big Beautiful Bill Act, the Trump Administration via the Centers for Medicare & Medicaid Services (CMS) just launched a $50 billion Rural Health Transformation (RHT) Program, offering an opportunity for states to reshape rural healthcare. While only states are eligible to apply, **private entities play a critical role**-and stand to benefit significantly if they understand how to engage.

Here are the top six things every health provider, tech innovator and healthcare stakeholder should know about the RHT.

1. Transforming Rural Health: The CMS Vision

The RHT offers funding over five years for projects that improve healthcare access, quality and outcomes through innovation, infrastructure, workforce development and strategic partnerships. Funding could potentially flow to entities operating outside of a rural setting if acting in conjunction with rural initiatives. Funds can support a variety of uses, including payments to providers, projects utilizing alternative payment models, supporting access to opioid use and mental health treatment, identifying new service lines needed, workforce recruiting and retraining, advancing strategical partnerships between rural facilities and other healthcare providers, investing in existing rural facilities (with some limitations) and a strong focus on technological solutions. View additional details on the CMS website.

While only **state governments** can apply, they can **partner with private entities** through subawards and contracts in compliance with federal law.

2. Your Guide to What CMS - and Your State - Wants

The Notice of Funding Opportunity (NOFO) outlines how states apply, what initiatives qualify, and how funding will be scored. It demands stakeholder engagement by the states throughout the implementation process and emphasizes measurable outcomes. As with other federal funding, it may not be used to duplicate current activities, and instead should build upon them.

Interested organizations should carefully analyze and strategically plan around the information contained in the NOFO and other documents released by CMS and the states to align their services and proposals with the outlined goals of the program.

3. Your State's Strategy Is the Gateway to Funding

While the NOFO outlines critical information for compliance and expectations, states are tasked with developing a customized strategy that meets its unique needs. The application from each state must designate a lead agency. In Ohio, Governor Mike DeWine has designated the Ohio Department of Health (ODH). The Governor and ODH Director Vanderhoff recently visited with Dr. Oz, Administrator for CMS, specifically to discuss RHT, with other state leaders doing the same. States may subcontract or subaward funds to partners (e.g., hospitals, universities), and may include plans for those awards in the application.

Engaging directly with the lead agency in your state - whether through public comment, trade association representation or lobbying efforts - is highly recommended.

4. The Clock Is Ticking

Applications are due by the states on November 5, 2025, and awards will be announced by the end of the year. Ohio and other states are actively developing proposals now, meaning businesses should strategize and engage immediately to be considered for inclusion.

In Ohio, for example, the Ohio Department of Health released their own timeline and strategy just this week, with a deadline for stakeholder survey input of October 3, 2025. Survey details and state-specific information can be found on the Department of Health website.

Waiting until dollars are awarded may be too late to influence funding priorities or secure a role in the initiatives.

5. The Role of Legislators in RHT Funding

In Ohio, a new Rural Hospital Caucus has been formed to focus on protecting and strengthening rural health and establishing cohesive legislative solutions. This caucus will be hearing from stakeholders and has specifically mentioned alignment with the RHT. State legislatures across the country may work to influence and advise on the state's application, as well as how the funds are spent once awarded. The NOFO incentivizes such engagement by awarding scoring points to states committed to strong "State Policy Actions" that enhance access to healthcare in rural communities, giving states a grace period until December 31, 2028, to advance them.

6. What Makes a Business a Strong Partner

CMS encourages states to partner with hospitals and health systems, health tech companies, universities and training programs, community-based organizations and startups focused on rural innovation.

States have the ability to advance their own priorities as well, with some like Ohio making clear their intentions to expand and build upon existing initiatives that demonstrate success and momentum. For example, Ohio's latest main operating budget advances and expands initiatives like mobile health clinics and school-based health centers, focusing on them as models for improving rural health care access.

Businesses with scalable models, strong rural impact or the desire to partner with rural providers, data-driven outcomes and strong sustainability plans for after the five-year period will be prioritized.

Benesch is Here to Help

The RHT Program is a massive opportunity, helping healthcare organizations that engage early and strategically benefit.

Benesch is actively engaging with key officials and stakeholders on behalf of our clients. Is your organization positioned to be part of the transformation? Contact us to learn how our lobbying team can help you navigate the evolving landscape, advocate for your interests, and pursue available funding opportunities.