



# Rural Health Transformation Program Funding

## WHO IS HAGERTY?

Hagerty Consulting, Inc. (Hagerty) is a full-service consulting firm that helps clients prepare for, respond to, and recover from disasters.

For over 20 years, we have helped clients secure and manage funding for critical programs, including those provided by the Federal Emergency Management Agency (FEMA), Department of Health and Human Services (HHS), Department of Housing and Urban Development (HUD), and the US Treasury.

Hagerty is also a trusted partner in advancing initiatives across community and economic development, energy, housing, infrastructure, public health and healthcare, and transportation.

To learn more about the innovative solutions we can provide to your business or organization, contact:

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On July 4, 2025, the One Big Beautiful Bill Act (OBBA) was signed into law, creating the Rural Health Transformation Program (RHTP) and investing \$50 billion between Fiscal Years (FY) 2026 to 2030 to reshape rural health care nationwide and help offset an anticipated \$1 trillion in Medicaid reductions over the next decade. The Notice of Funding Opportunity (NOFO) was released on September 15, 2025.

## Funding Overview

The RHTP divides funding into two main streams and, if awarded, provides states with the flexibility to determine how to distribute funds across rural hospitals, clinics, and providers.



### Direct Awards: \$25 Billion

- Available to all states that apply and receive approval (excludes Washington, DC, and United States (US) territories).
- States will **not** compete for this funding.
- If all 50 states apply, each state will receive \$100 million annually over five years (FY 2026–2030).



### Formula-Based Awards: \$25 Billion

The Centers for Medicare and Medicaid Services (CMS) will distribute additional funding to states with approved grant applications based on:

- Rural factors such as population size, number of rural health facilities, uncompensated care, and other indicators.
- Technical factors such as intended programs and state policy actions.

## Eligible Funding Uses

States will have broad discretion in using awarded funds, enabling them to address pressing rural health needs, such as:

- Advancing research, right-sized care, and chronic disease prevention.
- Expanding opioid, substance use, and behavioral health services.
- Investing in technology, telehealth, and cybersecurity.
- Supporting workforce pay, recruitment, retention, and training.
- Capital projects (with limitations) and facility–community collaboration.

*Additionally, up to 10 percent of each award may be used for administrative and program management costs.*

## Application Timeline

The NOFO was released on September 15, 2025. An optional Letter of Intent (LOI) is due September 30, 2025, and final applications are due November 5, 2025. CMS will announce awards by December 31, 2025. This is a one-time opportunity; states will not be able to apply again.

### Application Requirements

Each state **must** submit a complete packet of materials to CMS for review, including:

- Project Summary, Narrative, and Budget (formerly the Rural Health Transformation Plan)
- Governor’s Endorsement
- Indirect Cost Rate Agreement
- Business Attestations
- Program Duplication Assessment
- Other Supporting Documentation

## HAGERTY CAN HELP

Hagerty brings deep expertise in supporting [public health and healthcare systems](#), with a proven track record of working with over 100 hospitals and healthcare systems nationwide, along with numerous state and local public health departments.

We have helped clients secure and manage **over \$95 billion in federal and state grants**.

Building on this expertise, we can assist states in maximizing the RHTP through:

- **Grant Writing and Application:** Developing tailored Rural Health Transformation Plans.
- **Program Design:** Creating tailored programs that enable providers to access and use funds efficiently.
- **Program and Grant Management:** Advising, managing, and ensuring compliance, deploying funding, and monitoring subrecipients.

Additionally, states may allocate up to 10 percent of awarded funds toward administrative costs, including grant management and program oversight—meaning Hagerty’s support can be covered directly through the program.