Rural Health Transformation Plan (RHTP) Update

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DEPARTMENT OF PUBLIC HEALTH & HUMAN SERVICES

Montana is Committed to Five RHTP Initiatives

The $233M CMS award must be used to support the five initiatives outlined in Montana's original application:

1. Develop **workforce** through recruitment, training, and retention
2. Ensure **rural facility sustainability** and access through partnerships and restructuring
3. Launch **innovative care** delivery and payment models
4. Invest in **community health and preventive** infrastructure
5. Deploy modern health care **technologies** to guide rural health interventions

Definitions for Rural and Frontier Communities

	Options	Number of counties	% population implied
Rural	HRSA (used by CMS)	51	49%
Frontier			
Population density based definition	6 people per square mile (Rural Health Information Network)	47	29%
Distance traveled based definition (USDA)	**FAR1**: areas up to 50,000 people that are 60 minutes or more from an urban area of 50,000 or more people	36	35%
	FAR2: areas up to 25,000 people that are: 45 minutes or more from an urban area of 25,000-49,999 people; and FAR1	30	17%
	FAR3: areas up to 10,000 people that are: 30 minutes or more from an urban area of 10,000-24,999; and FAR1 and FAR2	30	17%
	FAR4: areas that are: 15 minutes or more from an urban area of 2,500-9,999 people; and FAR1-FAR3	19	6%

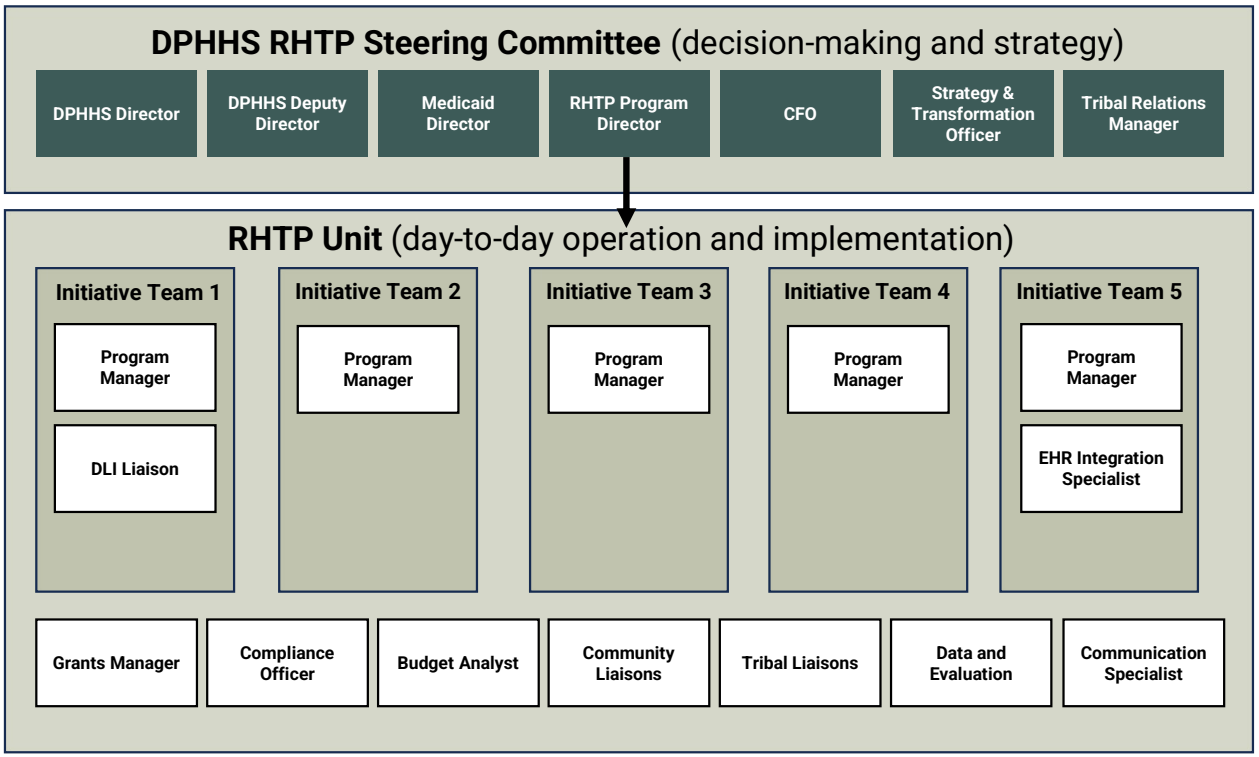
Source: HRSA: How We Define Rural, USDA: Frontier and Remote Area Codes

Considerations

Through the RHTP award period, DPHHS will **monitor and report funding and program reach across all** of these rural and frontier classifications.

For procurement and implementation purposes, **RFPs and vendor contracts will emphasize the 47-county** frontier definition as the operational standard.

DPHHS RHTP Governance Overview



Stakeholder Advisory Committee (non-decision-making consultative body representing community feedback)

30+ stakeholder member groups

MT Rural Health Center of Excellence (develop and oversee implementation of data-backed financial sustainability recommendations for rural facilities

Governance Board

RHTP Implementation

Recent Accomplishments

- CMS **approved / lifted restrictions on full FY26 budget ($233M);** DPHHS can now incur costs
- Conducted first **Stakeholder Advisory Committee –** feedback very positive
- Initiated **working relationships** with select implementing partners to define implementation plans and align on program evaluation metrics (e.g., DLI, BSCC, MHA)
- **Vendor Fair conducted** on March 11

Current priorities

- Developing **priority procurements,** including extensions to existing contracts
- Hiring for 21 roles comprising the **RHTP Unit,** and preparing to onboard new staff
- Standing up proactive **stakeholder communications** channels (e.g., monthly RHTP newsletter)
- Designing **CoE Governance**

Upcoming milestones

- Late March:: first **RHTP newsletter** released
- Late March: CoE Strategy and Analytics and CoE Implementation **RFPs** released
- Early April: **RHTP Program Director** onboarded
- Early April: **RHTP Program Managers** onboarded

Select RHTP Milestones: CY 2026

NOT EXHAUSTIVE	Rest of Q1 (Mar)	Q2 (Apr-Jun)	Q3 (Jul-Sep)	Q4 (Oct-Dec)
Cross-cutting	• **Priority RHTP roles** (incl. Program Director, Program Managers) onboarded • First wave of **procurements** posted, virtual vendor fair offered	• First **CMS Program Officer site visit** expected	• CMS **Annual Report 1** due • Second **Stakeholder Advisory Committee** takes place • Policy changes requested (e.g., Treat no Transport coverage, SNAP waiver)	• **FFY27 funding** awarded by CMS • CMS **Quarterly Report 1** due
Initiative-specific	1 Finalize **MOU with DLI** 2 Finalize **IDD telehealth** contract expansion 5 Finalize SOW with **HIE** (BSCC)	1 Pre-apprenticeship pilots launched 2 Analysis for rural health profile started 5 EHR readiness assessment, stakeholder consultations conducted	2 COE Board convened; Y1 payments allocated 3 Provider TA for value-based payments started 3 Pharmacist point-of-care testing grants launched 5 EHR modernization grants launched	1 Clinical training pilots launched 2 Virtual care expansions launched 4 CHAP award distributed 5 HIE tool (e.g., bed registry) development started

Spotlight: Montana Rural Health Center of Excellence

Montana Rural Health Center of Excellence (CoE) will:

- Rapidly create a **rural health supply and demand fact base and develop recommendations** to align care delivery services with rural health needs at the county and facility level
- Develop plans for participating facilities to achieve persistent positive operating margins beyond the RHTP period without any additional State support
- Inform an opt-in program that provides incentive payments to providers that commit to measurable improvements in access, quality, and financial performance
- Be overseen by a governance board that includes impacted stakeholders, such as independent hospitals in rural and frontier communities

Voluntary Participation:

- Facilities that choose to participate and implement these CoE recommendations will receive incentive payments after implementing the recommended changes.

Implementation Support:

- A separate implementation partner will provide hands-on support, technical expertise, and change management resources to participating facilities to ensure that improvements are practical, sustainable, and aligned with the unique circumstances of rural Montana.

1. Not exhaustive; emphasizes nearer-term milestones and long-term milestones tied to impact targets or substantive outputs; milestones due at end of listed month, per implementation plan
2. Assumes $233M total RHTP funding in FFY26 and $200M each in FFY27-30, pending further CMS decisions

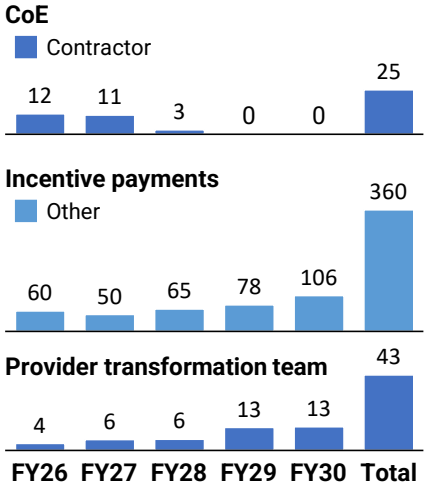
Priority implementation milestones[1]

Mar 2026	Finalize procurement method and operating model
Jun 2026	Begin analysis for rural health profile
Sep 2026	Sign contracts
	Identify initial sites for transformation
	Hold first board meeting
	Complete analysis and prelim. recommendations for right sizing
	Finalize op model for provider TA
	Begin issuing initial incentives
Mar 2027	Finalize CoE recommendations and incentive model; begin transformation at initial sites
Sep 2027	Modify recommendations and model based on initial site experience; begin transformation at 25 add'l sites
Sep 2028-30	Annually pay incentives to sites completing progress goals

Annual budget ($M)[2]

CoE, provider transformation funding disbursed to **contractors**

Incentive payments disbursed by DPHHS directly to provider orgs., within **grant agreements** (*to be confirmed*)



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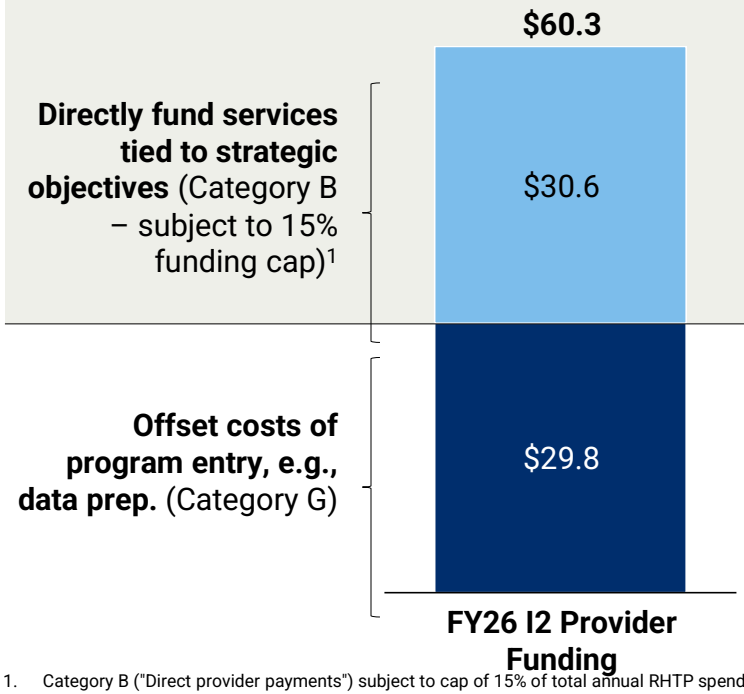
Initiative 2 Funding Approach

Focus of this discussion

Updated I2 funding split per CMS guidance



Approach to determining provider organization-level awards

Application comprising overview of specific services provided and detailed budget to meet one or more of the following RHTP strategic objectives:

- Improving access to primary, specialty, or emergency care
- Improving outcomes (including data collection, preventive care)
- Improve facility operating margins / long-term financial sustainability

Flat stipend (~$350,000)[2] per provider organization, to cover program entry costs, including:

- Financial and operational data preparation
- Development of data systems for ongoing reporting
- Administrative submission drafting

1. Category B ("Direct provider payments") subject to cap of 15% of total annual RHTP spend, per CMS requirements
2. Based on benchmark yearlong health analytics project costs by a boutique service provider (source)

Source: DPHHS-CMS discussion, 4 February 2026; CMS RHTP Notice of Funding Opportunity

Menu of Potential Services

Category		Funded activities / capacity	
A	**Access**	A1	Expanded community-based care capacity (e.g., for maternity care, sexual & reproductive health)
		A2	Expanded weekend / holiday coverage for primary care / urgent care / ED
		A3	Capacity for virtual patient care (including behavioral health, specialty)
B	**Care coordination**	B1	Care coordination services for hypertension and diabetes management
		B2	BH clinician collaborative support model for PHQ-9 (depression), GAD-7 (anxiety) screenings
C	**Primary care**	C1	Hospital-at-home / ER-at-home capabilities
		C2	Preventive screenings linked to HEDIS measures (e.g., for breast / colorectal / cervical cancers)
		C3	Post-ED / inpatient discharge phone calls
		C4	Post-discharge home visits for high-risk member populations

1. Assuming ~85 facilities apply

Source: MT RHTP Project and Budget Narrative; CMS RHTP Notice of Funding Opportunity, HEDIS

Proposed program design

Each facility receives a **flat amount** (~$360,000[1])

Facilities must select at least **two activities** to be funded, and indicate how they will allocate their $360,000 across activities

Facilities must attest that selected activities are either **new** (not currently done today) or **expansions of current capacity** (e.g., extending facility opening hours, offering more appointment slots)

Participants will report on **uses of funds** and **outcome metric(s)** tied to selected activities after one year

Rationale

Financially sustainable past Year One, given CoE is likely to make similar recommendations for Years Two – Five

Requirement for new / expanded services enables **better progress on RHTP outcome metrics**

Overview of Priority Requests For Proposals

Program	FY26 Budget	RFP launch timeline
A **CoE Analytics**	$11.6M	March 2026
B **CoE implementation***	$105.5M	March 2026
C **School-based care***	$5M	April-June 2026
D **Talent attraction**	$1.5M	March 2026

* Potential for subawards and/or grants

Planned Procurements By Sub-Initiative[1]

PRELIMINARY; SUBJECT TO CHANGE BASED ON CMS APPROVAL AND PROGRAM NEEDS | Planned March 2026 release; detail follows | Planned release by September 2026 | Planned procurement, future years

	Planned RFPs			Planned grant programs	
1.1 Recruitment			D Talent attraction		
1.2 Clinical training capacity					
1.3 Workforce retention & upskilling					
2.1 Rural Health CoE	A CoE implementation	B CoE strategy & analytics			
2.2 Clinical partnerships	Interfacility transport, telemedicine*				
2.3 Shared services	Shared services				
3.1 Innovative payment models		Duals care (RFI)			
3.2 EMS modernization		EMD system[3]	EMS infrastructure	Community paramedicine	Blood storage
3.3 Care access through pharmacists				Point of care testing grants	
3.4 Ambulatory svc. optimization	Outpatient expansion				
4.1 Community-based care	Mobile care vans	C School-based care	Tribal awards		
4.2 Health infra. updates	Facility repairs, crisis safe spaces				
4.3 Healthy lifestyles				Community nutrition grants	
5.1 Data usability	PHM interventions[2]				
5.2 EHR modernization				EHR modernization grants	

1. Represents open procurements only; excludes intergovernmental agreements, sole source procurements, and existing contract amendments; excludes sub-recipient opportunities that may be offered by primary recipients sourced from procurements listed here | 2. Population Health Management | 3. Emergency Medical Dispatch

Planned Procurements By Sub-Initiative: Additional Descriptions[1]

PRELIMINARY; SUBJECT TO CHANGE BASED ON CMS APPROVAL AND PROGRAM NEEDS Planned March 2026 release | Planned release by September 2026 | Planned procurement, future years

Type		Opportunity	Purpose of funding
RFP	1.1	Talent attraction	Develop a statewide health care **workforce talent attraction campaign** to recruit new providers to rural Montana
	2.1	CoE implementation	Centrally coordinate **provider-facing RHTP programs** and provide high-touch technical support to rural facilities
	2.1	CoE strategy & analytics	Create facility and county-level **recommendations for restructuring service lines** to match projected demand
	4.1	School-based care	Assess provider capacity, select sites, and facilitate **site buildouts** including renovations, training, billing setup
	3.2	EMD system	Develop and integrate new statewide **emergency medical dispatch system** across public safety answering points
	3.2	EMS infrastructure	Coordinate **acquisition and retrofitting of ambulances** and other critical EMS infrastructure across rural agencies
	4.1	Tribal awards	Conduct needs assessments; support planning and disburse funding for **tribal CHAP and other training** programs
RFI	3.1	Duals care	Propose **integrated care models** for individuals dually eligible for Medicare and Medicaid
Grant programs	3.2	Community paramedicine	Fund sites to **train community paramedics** to provide in-home clinical evaluations, chronic disease management, and behavioral health interventions
	3.2	Blood storage	Fund EMS agencies' startup costs for **blood storage equipment** and placement into ambulances serving rural communities
	3.3	Point of care testing grants	Fund pharmacies' **startup costs for point-of-care testing**, incl. for medical equipment and rapid diagnostic tests
	4.3	Community nutrition grants	Fund community-submitted projects to **create community spaces** promoting nutrition and healthy lifestyles
	5.1	EHR modernization grants	Three pools of funding available: • To establish **regional hubs** with larger health systems extending EHR access to rural providers (e.g., via community connect), including onboarding, training, and ongoing technical assistance for rural providers • For rural providers opting out of hub model to upgrade to **HITECH-certified EHR platforms,** with funds subsidizing new platform purchases and implementation costs • To activate **consumer-facing EHR modules** for nutrition, disease prevention, and chronic disease management

1. Represents open procurements only; excludes intergovernmental agreements, sole source, and existing contract amendments; excludes sub-recipient opportunities that may be offered by primary recipients

Planned RHTP Funding Opportunities By End Recipient[1]

PRELIMINARY; SUBJECT TO CHANGE BASED ON CMS APPROVAL AND PROGRAM NEEDS Funding starts in 2026 | Funding starts in future years | Program to be managed by DPHHS (vs. vendor / subrecipient)

	Provider organizations	Healthcare trainees / professionals	Community groups / other orgs.
1.1 **Recruitment**		Professional training support	
1.2 **Clinical training capacity**	Preceptor incentives and support	Supportive services for workforce	
1.3 **Workforce retention & upskilling**		RHCN participation support[2]	RHCN participation support[2]
2.1 **Rural Health CoE**	CoE payments[3]		
2.2 **Clinical partnerships**	Telehealth capability development		
2.3 **Shared services**			
3.1 **Innovative payment models**			
3.2 **EMS modernization**			EMS infra; Community paramedicine, blood storage
3.3 **Care access through pharmacists**	Point-of-care-testing startup		
3.4 **Ambulatory svc. optimization**	Outpatient expansion renovations		
4.1 **Community-based care**	Mobile care vans	Tribal training support – CHAP, Caring For Our Own[4]	Tribal CHAP startup[4]
4.2 **Health infra. updates**	Critical repairs, crisis safe space buildouts		
4.3 **Healthy lifestyles**			Community nutrition grants
5.1 **Data usability**	PHM intervention pilots[5]		
5.2 **EHR modernization**	EHR modernization		

1. Immediate cash recipients from the State, not to be conflated with end beneficiaries; excludes intermediaries/service providers (including vendors procured through RFPs listed on prior page) | 2. Rural Health Care Network | 3. Year One payments to fund costs of Rural Health Center of Excellence program entry (e.g., data preparation) and targeted services to improve rural health outcomes/access; payments in future years to be tied to implementation of CoE recommendations for financial sustainability | 4. Community Health Aide Program | 5. Population Health Management

Planned RHTP Funding Opportunities By End Recipient: Additional Descriptions[1]

PRELIMINARY; SUBJECT TO CHANGE BASED ON CMS APPROVAL AND PROGRAM NEEDS Funding starts in 2026 Funding starts in future years

Recipient	Opportunity	Purpose of funding
Provider organizations	1.2 Preceptor incentives and support	Offer financial incentives and training to attract and increase the capacity of qualified preceptors and mentors
	2.1 CoE payments	Fund costs of CoE program entry (e.g., data preparation) and targeted svcs. to improve outcomes / access
	2.2 Telehealth capability development	Fund teleservice equipment, provider onboarding, training, and upfront technology costs (where needed)
	3.3 Point-of-care-testing startup	Cover startup costs for pharmacist point-of-care testing, incl. for medical equipment and rapid diagnostic tests
	3.4 Outpatient expansion renovations	Renovate existing infrastructure and invest in outpatient equipment to restructure outpatient capacity[3]
	4.1 Mobile care vans	Purchase and equip mobile care vans to deliver preventive services, screenings, and immunizations
	4.2 Critical repairs, crisis safe space buildouts	Invest in critical repairs and tech to improve rural facility efficiency; set up crisis safe spaces at targeted facilities
	5.1 PHM intervention pilots[5]	Pilot population health management interventions as identified through HIE-facilitated population health analysis
	5.2 EHR modernization	Extend EHR access through community connect hubs or standalone subsidies; fund activation of consumer-facing nutrition and chronic disease management EHR modules
Healthcare trainees / professionals	1.1 Professional training support	Fund technical instruction for HCPs, including MDs, NPs, PAs, RNs, dental hygienists, midwives, EMTs
	1.2 Supportive services for workforce	Provide time-bound relocation assistance and wellness & resilience programs for HCPs in rural communities
	1.3 RHCN participation support[2]	Offer stipends for Rural Health Care leadership to attend national conferences
	4.1 Tribal CHAP training support[4]	Offset training costs for CHAP participants
	4.1 Tribal "Caring For Our Own" Program	Offset training costs for American Indian nursing students
Community groups / other orgs.	1.3 RHCN participation support[2]	Expand RHCN programming, including educational webinars, hosting conferences, and provide cohort trainings
	3.2 EMS infra., community paramedicine, blood storage	Fund EMS infrastructure upgrades, ambulance blood storage equipment, and community paramedic training for in-home care services
	4.1 Tribal CHAP startup[4]	Cover initial training and development costs for CHAP
	4.3 Community nutrition grants	Create high-impact community spaces promoting nutrition and healthy lifestyles

1. Immediate cash recipients from the State, not to be conflated with end beneficiaries; excludes intermediaries/service providers (including vendors procured through RFPs listed on prior page) | 2. Rural Health Care Network | 3. In line with CoE recommendations to improve rural facility financial sustainability and community health access | 4. Community Health Aide Program | 5. Population Health Management