State of Connecticut Rural Health Transformation Program

Overview

Department of Social Services

March 2026

Federally Required Disclaimer

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Overview of Rural Health Transformation Program

- New federal grant to states from Public Law 119-21, also known as H.R. 1 or One Big Beautiful Bill Act
- $50 billion nationally over 5 years—to transform care and improve health outcomes in rural communities
  - 50% distributed equally to all states ($100 million/year for CT for 5 yrs)
  - Remaining 50% based on rural factors (CT has a relatively low score), state policy commitments, and specific initiatives in the funding notice
- Grant application was prepared in a short, 7-week deadline, with strict criteria. DSS submitted grant application to CMS on 11/4/2025
- All 50 states applied and were approved. CT received ~$154 million in year 1 of 5 (CMS recalculates each year)

Strategic Goals

Make Rural America Healthy Again

Support health innovations and new access points to promote preventive health and address root causes of diseases

Sustainable Access

Help rural providers become long-term access points for care by improving efficiency and sustainability

Workforce Development

Attract and retain a high-skilled health care workforce by strengthening recruitment and retention of healthcare providers in rural communities

Innovative Care

Spark the growth of innovative care models to improve health outcomes, coordinate care, and promote flexible care arrangements

Tech Innovation

Foster use of innovative technologies that promote efficient care delivery, data security, and access to digital health tools by rural facilities, providers, and patients

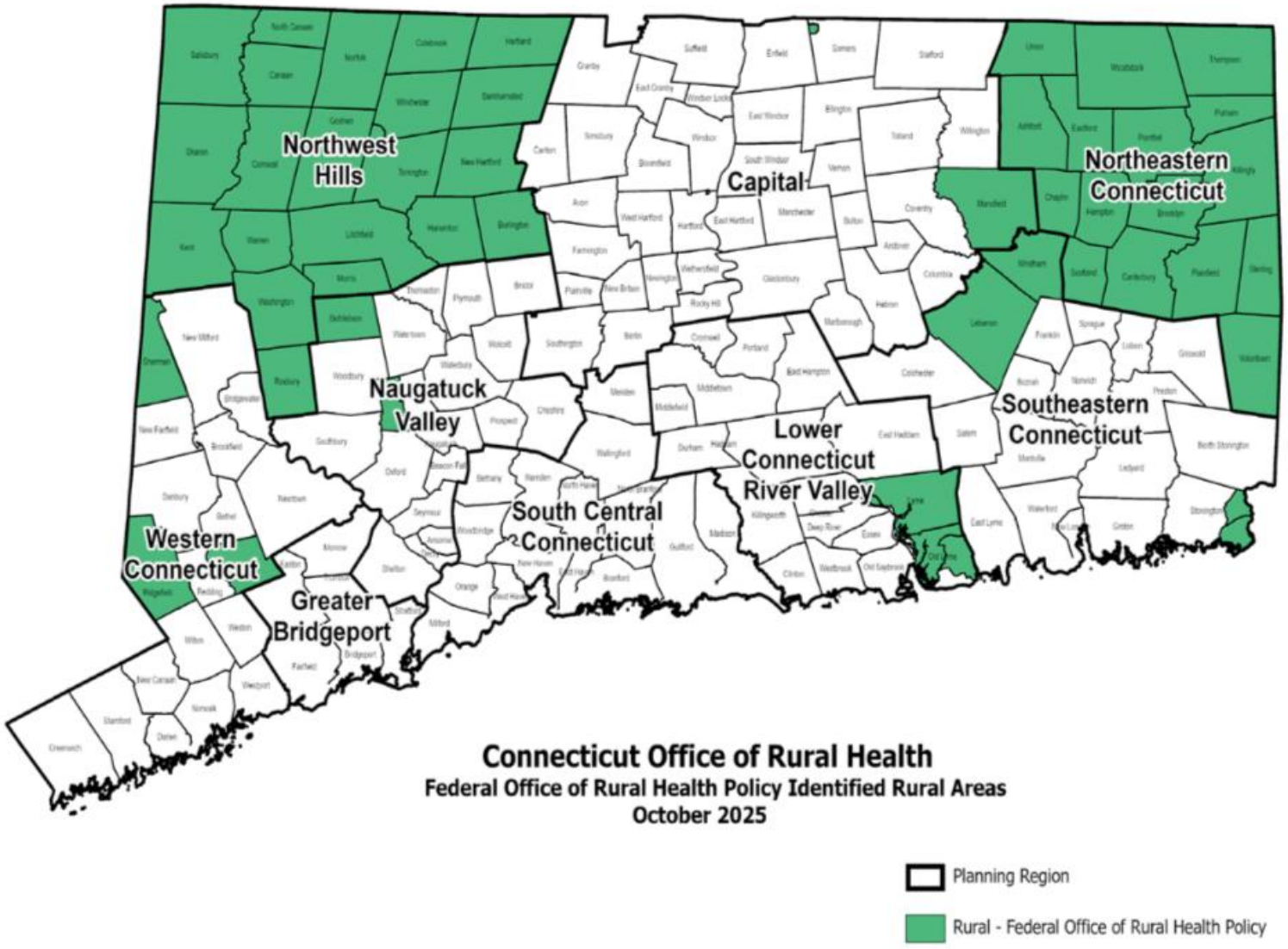
Source: CMS - [Rural Health Transformation (RHT) Program Overview]

Rural Health Transformation Program Funding Scope – Key Federal Rules

Use funding to pay for ….	Cannot use funding to pay for …
✓ Transformation of care delivery	× New construction (minor alterations only)
✓ Improved access to, quality of, and cost of healthcare in rural America	× Clinical services that duplicate billable services and/or attempt to change payment amounts of existing fee schedules
✓ Technological & infrastructure investments and startup costs that will have sustainable impact beyond the end of the program	× Ongoing expenses, such as student loan repayment and food
✓ Expanded or enhanced services but not duplicate programs	× Transportation
	× Broadband expansion
	× Other specified limitations outlined in the notice of funding opportunity, including no supplantation

All of State Government Approach & Transparent Stakeholder Process

- Broad vision to improve health for residents of rural areas
- DSS as lead agency collaborates with 11 other state agencies, including those that are not directly HHS-related
- CT's Rural Health Transformation Program (RHTP) includes 31 projects, organized in 4 broad initiatives that align with CMS priorities to maximize funding
- Grant application was informed by significant stakeholder input, including over 250 written comments received, meetings with various stakeholder organizations (such as healthcare provider organizations, local government, and others), and in-person and virtual listening sessions
- DSS will provide other public and stakeholder engagement opportunities as the RHTP implementation continues
- **Please visit our webpage for ongoing updates on RHTP: https://portal.ct.gov/dss/rural-health-transformation-program**


Northwest Hills
Capital
Northeastern Connecticut
Naugatuck Valley
Lower Connecticut River Valley
Southeastern Connecticut
South Central Connecticut
Western Connecticut
Greater Bridgeport
Connecticut Office of Rural Health
Federal Office of Rural Health Policy Identified Rural Areas
October 2025
Planning Region
Rural - Federal Office of Rural Health Policy

CONNECTICUT RURAL HEALTH TRANSFORMATION

CT's Four Transformation Initiatives

(1) Population Health Outcomes – Advance prevention, chronic care, maternal and behavioral health integration, and address root causes of disease, including:

- Outdoor recreation—improving exercise and recreation with renovations to the Air Line State Park Trail
- ACCESS Mental Health expansion—adult behavioral health, autism services, and school-based mental health
- Universal nurse home visiting expansion
- Mobile clinic pilot—4 vans for primary care, and 4 for dental (one of each for Tribal communities)
- Evidence-based exercise for older adults
- Seed funding for non-traditional farming infrastructure

(2) Workforce – Strengthen recruitment, training, and retention of physicians and other healthcare practitioners and staff through education partnerships, telehealth support, and career pipelines, including: (*Note: Certain workforce initiatives carry a 5-year service commitment*)

- Rural residency expansion
- Interstate licensure compact implementation support
- Expanded certified nurse aide training and certification
- Medication administration training
- Rural provider incentives
- Area Health Education Center (AHEC)/UConn Health Center health workforce pipeline

As of 3/10/2026, projects are under review and subject to CMS final approval

CT's Four Transformation Initiatives

(3) Data & Technology – Expand interoperability, health information exchange participation and capacity, telehealth infrastructure, and analytics to guide performance and policy and improve healthcare providers' ability to coordinate care and improve population health, including:

- Bridging the digital divide
- Integrated care network
- Health information exchange enhancements (Connie)
- Predictive analysis to avoid emergency department visit/coordination platform
- Consumer AI-powered care management tools

(4) Care Transformation & Stability – Promote enhanced capacity of rural healthcare providers to improve quality and population health, including by supporting the adoption of value-based models, integrated care teams, and sustainable funding mechanisms for rural healthcare providers, including:

- Adult crisis stabilization for behavioral health
- Mobile integrated health pilot
- Transformation and right-sizing initiative for rural hospitals and other rural provider facilities
- Program of All-Inclusive Care for the Elderly (PACE) to integrate care for people on Medicare and Medicaid
- High-acuity school-based behavioral health program
- Regional collaboratives
- Community health navigators
- Care coordination support for primary care practices
- Improving primary, behavioral, and dental health through direct investment and value-based payment

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Spending Deadlines

- RHTP funds will be distributed over 5 budget periods. **States have until the end of the federal fiscal year to spend allocated funds for each budget period**.
- After that, CMS will redistribute unexpended or unobligated funds in the nearest following federal fiscal year.

Budget Period	Begins	End	Spend Deadline
1	December 29, 2025	October 30, 2026	September 30, 2027
2	October 31, 2026	October 30, 2027	September 30, 2028
3	October 31, 2027	October 30, 2028	September 30, 2029
4	October 31, 2028	October 30, 2029	September 30, 2030
5	October 31, 2029	October 30, 2030	September 30, 2031

Key Details for Implementation

- DSS is the lead administering agency; each RHTP project is assigned to a state agency to implement (see Appendix)
- The implementing agency will design and implement their assigned RHTP project in alignment with federal rules and overall project goals
- RHTP subawards will be for specific deliverables to help implement RHTP and its federally approved projects; *RHTP does not include general passthrough funding from the state*
- Every RHTP subaward will have a grant agreement detailing what services the subrecipient will perform to implement RHTP and relevant rules that apply (one rule is that incentive payments to clinical providers includes 5-yr commitment to serve in rural areas)
- State procurement and other rules apply to RHTP subawards as relevant to each project; *communicating outside allowed procedures could jeopardize a person or entity's potential subawards*
- The state will share subaward opportunities through standard channels as relevant. As feasible, the state will cross-reference opportunities on DSS' RHTP webpage

Next Steps

- Pre-implementation planning
- State agencies hiring grant-funded staff
- CMS expected to approve first round of funding to the state in March 2026
- State agencies designing projects, including requirements for procurements and applications

Appendix

CONNECTICUT STATE AGENCY	CONNECTICUT RURAL HEALTH TRANSFORMATION PROGRAM PROJECTS BY AGENCY
Department of Aging and Disability Services (ADS)	Promoting Healthy Aging in Rural Connecticut Through Engaging Exercise Bridging the Digital Divide
Department of Energy and Environmental Protection (DEEP)	Outdoor Recreation Program
Department of Mental Health and Addiction Services (DMHAS)	Expand ACCESS Mental Health Model to Adults Adult 23-Hour Crisis Stabilization Units
Department of Agriculture (DoAG)	Seed Funding for Non-Traditional Farming Infrastructure
Department of Public Health (DPH)	Mobile Clinic Pilot Mobile Integrated Health Pilot
	Rural Provider Incentives Formalize CNA Training Rural Residency Development Grant Formalize Medication Administration Training Interstate Licensure Compact Support *Note: Certain workforce initiatives carry a 5-year service commitment*
Department of Social Services (DSS)	ACCESS Mental Health ASD Service Access ACCESS Mental Health Enhanced School-Based Mental Health Care
	Integrated Care Network Improving Primary, Maternal, Behavioral, and Dental Health through Direct Investment and VBP Program of All-Inclusive Care for the Elderly (PACE) Rural Hospital Transformation & Rural Health Facility Right-Sizing and Infrastructure Program Care Coordination Support for Primary Care Practices Regional Collaboratives
	Grant Management / Evaluation & Consultation
Office of Early Childhood (OEC)	Universal Nurse Home Visiting Expansion
Office of Health Strategy (OHS)	Consumer AI-Powered Care Management Tools Connecticut Rural Predictive Analytics and Care – Coordination Platform HIE Expansion for Rural Providers, EMS, and Skilled Nursing Facilities. Rural Health Transformation through Shared Infrastructure and Telehealth Innovation CT Healthcare Bed Capacity Tracking System
Office of Rural Health (ORH) at CT State Community College – Northwest	Community Health Navigator
State Department of Education (SDE)	High Acuity School-Based Behavioral Health Programming
University of Connecticut Health Center (UCHC)	Area Health Education Center (AHEC) Expansion

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Budget Sustainability

CT's RHTP was designed to minimize potential budget impact after the grant period ends:

- Initiatives focus on one-time scalable investments, including infrastructure improvements (e.g., hospital right-sizing, electronic health record (EHR) connectivity, bridging the digital divide, provider incentives)
- State will examine whether better health outcomes have resulted in savings that could be reinvested in the pick-up of successful initiatives
- Opportunities will be explored to support successful programs through a combination of Medicaid, private insurance and grant funding or public-private partnerships, and collaborative efforts to ensure long-term benefits for rural residents