MAINE
RURAL HEALTH TRANSFORMATION

May 2026

Acknowledgement of Funding

This program is supported by the Centers for Medicare & Medicaid Services (CMS) of the U.S. Department of Health and Human Services (HHS) as part of a financial assistance award totaling $190,008,051 with 100 percent funded by CMS/HHS. The contents are those of the author(s) and do not necessarily represent the official views of, nor an endorsement, by CMS/HHS, or the U.S. Government.

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 US Centers for Medicare & Medicaid Services (CMS)
- Two-part funding allocation
  - Part 1: $25B allocated evenly across all states ($100M min per state each year)
  - Part 2: $25B allocated to differentially to states based on rurality and CMS' scoring of proposals
- RHTP funds must be used quickly, with states 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 stated time limits will be redistributed to other states

Federal RHTP Goals

- Make Rural America Healthy Again
- Sustainable Access
- Workforce Development
- Innovative Care
- Technology Innovation

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 healthcare 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

5 Initiatives, Each Comprised of Multiple Proposed Activities (Projects)

Initiative 1	**Population Health:** Promote timely access to high-quality care
Initiative 2	**Workforce:** Strengthen Maine's rural health workforce
Initiative 3	**Technology Innovation:** Modernize rural care delivery with digital health technology
Initiative 4	**Access:** Bridge the healthcare affordability gap for rural Mainers
Initiative 5	**Sustainable rural health ecosystems:** Address financial instability of rural providers

Maine RHTP Activities: Funding Potentially Available to Primary Care Providers

1. **Population Health:** Promoting timely access to high-quality care – funding for…
- *Mobile Health - baseline assessment & expansion of mobile health services*
- Community Health Worker (CHW) programs; Community Paramedicine programs
- *School-Based Health Centers*
- Evidence-Based Programs to improve population health

2. **Workforce:** Strengthening Maine's rural health workforce – funding for…
- *Educational incentives; recruitment/retention of staff to rural communities (NOTE: 5yr svc commitment)*
- *Rural education programs* (MERGE/CHET)

3. **Technology Innovation:** Modernizing rural care delivery – funding for…
- *EMR upgrades, innovations, replacements*
- *Telehealth programs; telehealth hubs*

4. **Access:** Bridging healthcare affordability gap for rural Mainers

5. **Sustainable rural health ecosystems:** Supporting financial stability of rural providers – funding for…
- *Provider payments to support transitions of Advanced Payment Models (APMs)*
- Regional rural health planning

Four Opportunities for RHTP Provider Funds

Initiative 2	**Workforce:** Educational awards to individuals (w/ 5-yr rural service commitment) ($12.5M)
Initiative 3	**Technology Innovation:** Funds to hospitals, provider organizations for EMR replacements, upgrades, enhancements ($30M)
Initiative 5	**Sustainable Rural Health Ecosystems:** • Funds for ~5-10 most financially at-risk rural hospitals to receive tailored hospital financial management & planning support, targeted investments ($30M) • Funds to support provider organization transitioning to Alternative Payment Models (APMs) ($28.5M)

3 Linked Steps for Allocating Maine RHTP Provider Funds

Providers/ Provider Organizations must…

Step 1: Meet Maine DHHS-designated eligibility requirements

Step 2: Be identified as one of DHHS-identified "provider types" eligible to receive funds

Step 3: Be selected for ME RHTP funding, with amounts determined using DHHS-identified selection/prioritization criteria, specific to activity being funded

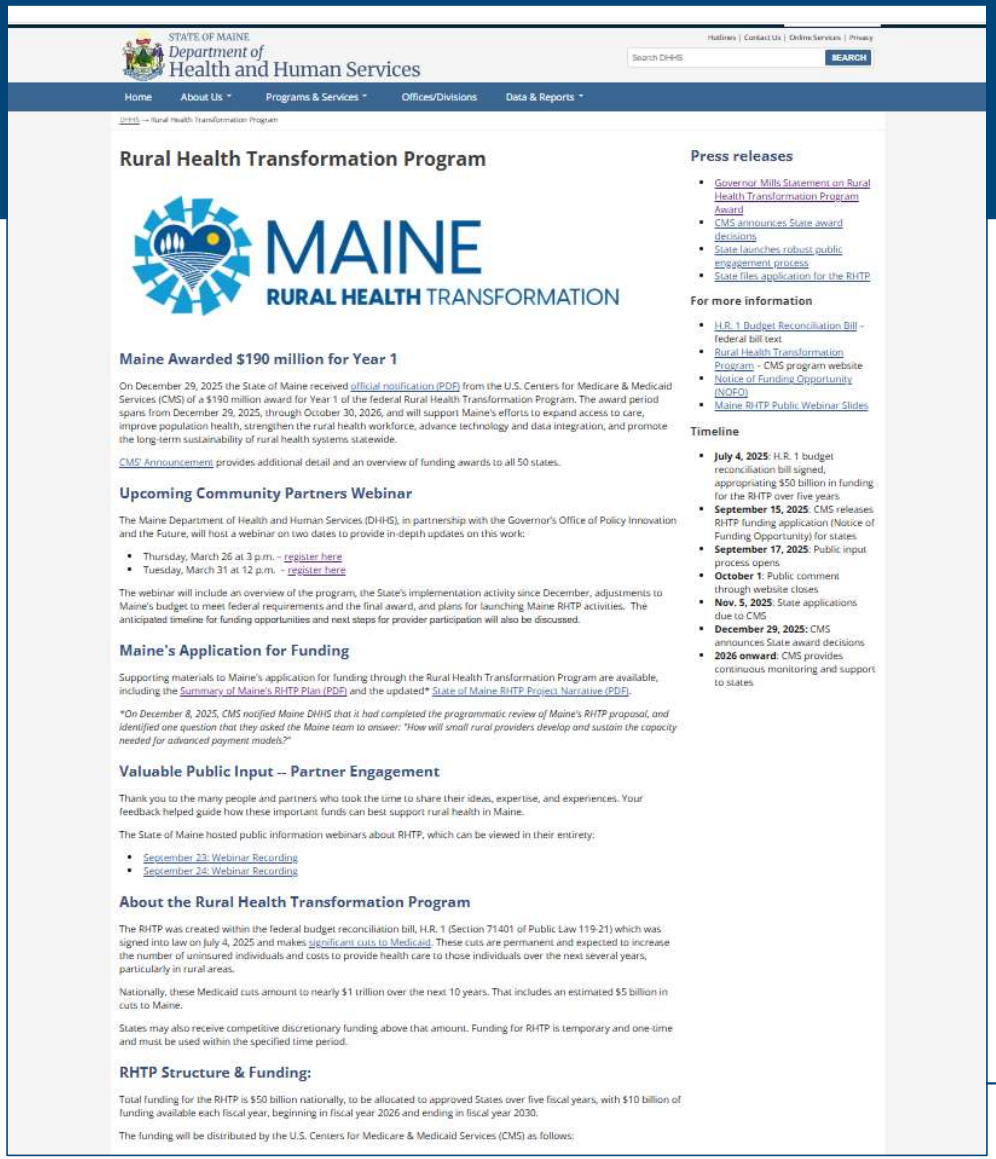
Key Principles to Prioritize Allocation of RHTP Provider Funds

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 to address specific gaps in Maine's rural healthcare system – e.g.
  - Promotes/advances innovation, IT connectivity, cybersecurity, etc
- Is transparent & readily understandable by providers & the public
- Supports activities that are feasible and can be rapidly implemented
- Uses fair approach to allocating funds to health system-affiliated vs. independent organizations
- Other?

For More Info…

- Check [Maine RHTP landing page]
- Contact:
  - Kristen McAuley: Kristen.McAuley@maine.gov
  - Lisa Letourneau MD, MPH: Lisa.Letourneau@maine.gov
- CMS RHTP: [CMS.gov/priorities/rural-health-transformation-rht-program/rural-health-transformation-rht-program]



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Department of Health and Human Services

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Rural Health Transformation Program

MAINE RURAL HEALTH TRANSFORMATION

Maine Awarded $190 million for Year 1

On December 29, 2025 the State of Maine received official notification (PDF) from the U.S. Centers for Medicare & Medicaid Services (CMS) of a $190 million award for Year 1 of the federal Rural Health Transformation Program. The award period spans from December 29, 2025, through October 30, 2026, and will support Maine's efforts to expand access to care, improve population health, strengthen the rural health workforce, advance technology and data integration, and promote the long-term sustainability of rural health systems statewide.

CMS' Announcement provides additional detail and an overview of funding awards to all 50 states.

Upcoming Community Partners Webinar

The Maine Department of Health and Human Services (DHHS), in partnership with the Governor's Office of Policy Innovation and the Future, will host a webinar on two dates to provide in-depth updates on this work:

- Thursday, March 26 at 3 p.m. – register here
- Tuesday, March 31 at 12 p.m. – register here

The webinar will include an overview of the program, the State's implementation activity since December, adjustments to Maine's budget to meet federal requirements and the final award, and plans for launching Maine RHTP activities. The anticipated timeline for funding opportunities and next steps for provider participation will also be discussed.

Maine's Application for Funding

Supporting materials to Maine's application for funding through the Rural Health Transformation Program are available, including the Summary of Maine's RHTP Plan (PDF) and the updated* State of Maine RHTP Project Narrative (PDF).

On December 8, 2025, CMS notified Maine DHHS that it had completed the programmatic review of Maine's RHTP proposal, and identified one question that they asked the Maine team to answer: "How will small rural providers develop and sustain the capacity needed for advanced payment models?"

Valuable Public Input -- Partner Engagement

Thank you to the many people and partners who took the time to share their ideas, expertise, and experiences. Your feedback helped guide how these important funds can best support rural health in Maine.

The State of Maine hosted public information webinars about RHTP, which can be viewed in their entirety:

- September 23: Webinar Recording
- September 24: Webinar Recording

About the Rural Health Transformation Program

The RHTP was created within the federal budget reconciliation bill, H.R. 1 (Section 71401 of Public Law 119-21) which was signed into law on July 4, 2025 and makes significant cuts to Medicaid. These cuts are permanent and expected to increase the number of uninsured individuals and costs to provide health care to those individuals over the next several years, particularly in rural areas.

Nationally, these Medicaid cuts amount to nearly $1 trillion over the next 10 years. That includes an estimated $5 billion in cuts to Maine.

States may also receive competitive discretionary funding above that amount. Funding for RHTP is temporary and one-time and must be used within the specified time period.

RHTP Structure & Funding:

Total funding for the RHTP is $50 billion nationally, to be allocated to approved States over five fiscal years, with $10 billion of funding available each fiscal year, beginning in fiscal year 2026 and ending in fiscal year 2030.

The funding will be distributed by the U.S. Centers for Medicare & Medicaid Services (CMS) as follows:

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)
- Maine RHTP Public Webinar Slides

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