

JOINT LEGISLATIVE OVERSIGHT COMMITTEE
ON HEALTH AND HUMAN SERVICES

North Carolina Rural Health Transformation Program (NCRHTP)

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North Carolina awarded \$213 Million for Rural Health Transformation Program

December 31, 2025 by WWAY News



(Photo: PxHere / MGN)

RALEIGH, NC (News Release) — The federal Centers for Medicare & Medicaid Services (CMS) today [awarded](#) North Carolina \$213 million through the Rural Health Transformation Program (RHTP). These funds will improve health care access for rural North Carolinians. In November, North Carolina [submitted its application](#) for these funds with [bipartisan support](#) from the state’s congressional delegation. These funds are awarded for 2026, and North Carolina will be eligible for more funding each year for the next five years.



NC's Application was Informed by Stakeholders

- 420+ stakeholders provided input through an online engagement form
- Virtual Stakeholder Townhall with 600+ participants
- Regional Hospital Listening Sessions
- Met with professional associations, providers, academic institutions, non-profits, philanthropy, NCGA and Congressional members, etc

Partners Will Play Key Roles Ensuring Year 1 Funds are Deployed Efficiently

- Key collaborators include health systems, rural providers, UNC System, NC Health Information Exchange (NC HIE), LME-MCOs, & NC Community College System
- Additional coordination will occur with state agencies, including Departments of Administration, Commerce, Information Technology, and Treasury



NC Rural Health Transformation Program will receive \$213M in Year 1

- **Background:** RHTP authorized by the H.R. 1 to improve health care access, quality, and outcomes in rural communities.
- **Program Structure:** RHTP operates under a cooperative agreement, with substantial Centers for Medicare and Medicaid Services (CMS) involvement over the 5-year program.
- **Year 1 Expectations:** First quarterly report is due to CMS in August 2026. **Note:** Year 2 funding is conditional upon Year 1 success.
- **Current Status of Funds:** Awaiting revised budget approval from CMS, due January 30, 2026.
- **Additional Timing Consideration:** NC RHTP funds require OSBM and Government Operations consultation, creating a potential expenditure delay of up to **90 days**.

What NC Needs to Demonstrate – Year 1

Rural Care System Capacity

- ROOTS Hubs operational
- Hospitals/Clinics engaged
- Workforce aspects launched
- Rural stakeholders participating

Access and Service Availability

- Expanded behavioral health/SUD services
- Mobile unit deployments
- Providers engaged (value-based payments (VBP), care coordination)

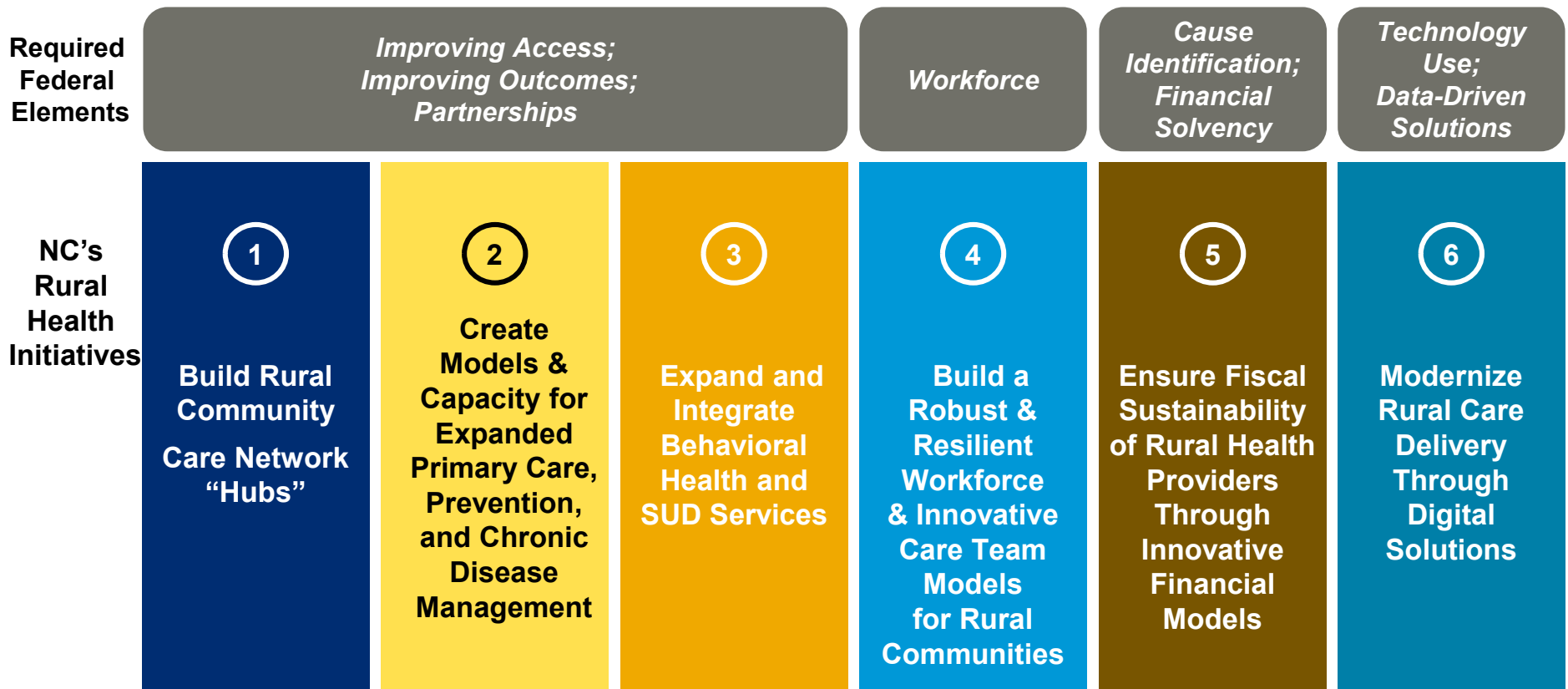
Operational Readiness

- Data-sharing agreements signed
- Increased HIE participation
- Rural Health Innovation Fund launched

Reporting Quality

- Clear, complete quarterly and annual reports
- Accurate financial status reports
- Performance dashboards
- Transparent narratives on progress, risks, and mitigation

NCRHTP's Initiatives to Achieve Rural Health Goals



Timeline and Milestones 2026

2026	Jan	Feb	Mar	April	May	Jun	July	Aug	Sept	Oct	Nov	Dec
Cross-cutting	◆ Gov Ops notified	◆ Budget revision to CMS due	◆ Gov Ops Consultation Deadline	◆ CMS approval to spend	◆ Expected Notice of Award for Y2			◆ First Year Report Due				
Quarterly Reporting waived for First Grant Year												
Initiative 1 & 2	◆ Proposed RFA for NC ROOTS		◆ Select NC ROOTs Lead Entities Organizations									
Initiative 3	◆ Phase I Contracts Executed			<ul style="list-style-type: none"> ▪ NC MATTERs Maternal Health Program Expansion ▪ Coordinated Specialty Care – First Psychosis Program ▪ Expand Certified Community Behavioral Health Clinics (+4 clinics) ▪ Mobile Opioid Treatment Programs and Medication Units 								
Initiative 4							◆ Select Training Sites					
Initiative 5							◆ Finalize Primary Care VBP Pilot Design Identify VBP Pilot Sites and Release Capacity Funds◆ ◆ Finalize Hospital VBP Pilot Design					
Initiative 6	◆ Execute HIE MOU				◆ Rural Health Innovation Fund Established							
	◆ Execute DIT MOU											

Next Steps & Thank You!

- **Establish Statewide Program Management and Governance Structure**
- **Achieve quick wins and set up strong local foundations for long-term sustainability** (e.g., Establish NC ROOTS Hub Infrastructure, while expanding investments in Mental Health & SUD Services, HIE, and workforce retention and training)
- **Continued stakeholder communication and engagement**
 - NCGA
 - Congressional delegation
 - Public Town Hall on January 16
- **Continuous engagement with CMS** to monitor program success and the progress towards NC's stated application goals and initiatives.
- **Continued engagement with OSBM and Government Operations** to mitigate delays to funding, Year 2 funding is conditional upon year-one success.

Thank you for your contributions during the application and now to ensure the success of NC RHTP for our state!

We look forward to your continued engagement.