

Rural Health Transformation Program

January 16, 2026



Montana Primary Care Association

Agenda

Welcome

DPHHS Updates from CFHHS

Review timeline

Next week and next steps



Montana Primary Care Association

These slides were presented on Tuesday, January 13, 2026
at the Children, Families, Health and Human Services Interim Committee

Rural Health Transformation Program

Gene Hermanson, Deputy Medicaid Director

Montana's Rural Health Transformation Plan (RHTP) Includes Five Integrated Initiatives

Montana's approved RHTP application includes five integrated initiatives that align with the State's priorities

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



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Montana Received The Fourth-Highest RHTP Funding Award Among All 50 States

- On December 29th, CMS announced that **Montana received ~\$233M** for the first year of the five-year Rural Health Transformation Program
 - **Montana ranked fourth nationally**, behind Texas, Alaska, and California
 - Montana's neighboring states – Wyoming (~\$205M), North Dakota (~\$199M), South Dakota (~\$189M), and Idaho (~\$185M) – all received less funding
- CMS has requested that **states submit revised budgets that align with the announced awards by January 30th**. DPHHS is in the process of adjusting its budget, prioritizing programs with additional absorptive capacity and ability to create high-impact.

Source: Montana CMS RHTP Notice of Award, Montana Governor's press release



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Required Annual and Quarterly Reporting to CMS

Annual and Quarterly Report Timeline, project year 1 and 2

Report	Report Period Start Date	Reporting Period End Date	Due Date
Annual Report #1	December 29, 2025	July 31, 2026	August 30, 2026
Quarterly Report #1	August 1, 2026	October 30, 2026	November 29, 2026
Quarterly Report #2	October 31, 2026	January 30, 2027	March 1, 2027
Quarterly Report #3	January 31, 2027	April 30, 2027	May 30, 2027
Annual Report #2	August 1, 2026	July 31, 2027	August 30, 2027

- At the end of five years, CMS expects a cumulative final report for the entire program
- CMS may adjust future-year funding based on information provided in quarterly and annual reports

Source: Montana CMS RHTP Notice of Award



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CMS Award and Budget Adjustment Plan

- The State is **currently submitting a revised budget** matching the awarded amount of \$233M
- The State has identified the following principles to guide budget adjustment:
 - Prioritize **Initiative I, Workforce**, for the largest proportional budget increase according to capacity to absorb and generate incremental impact
 - Allocate **remaining funding to initiatives** with potential to scale effectively in year I (e.g., EMS, incentive payments for rural providers, school-based care)

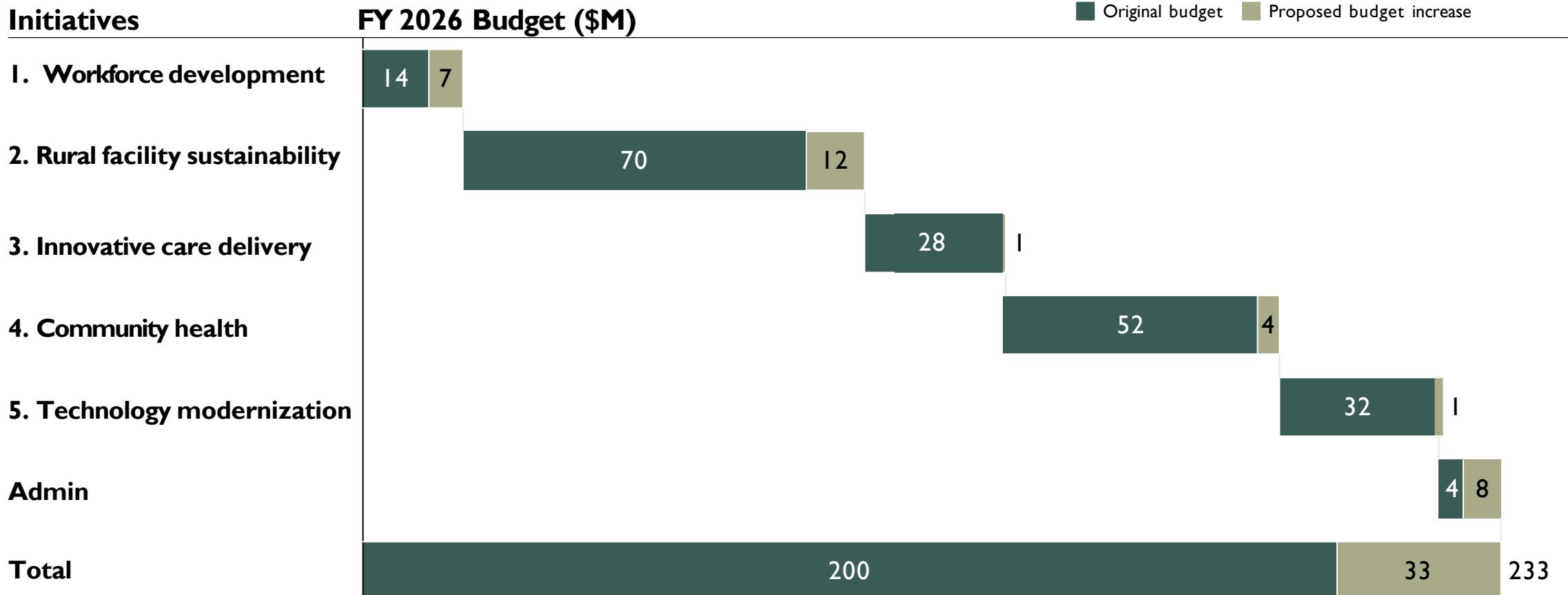
Source: Montana CMS RHTP Notice of Award



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Planning for Budget Adjustment

FY 2026 Preliminary Updated Budget



Source: Montana RHTP Budget Narrative



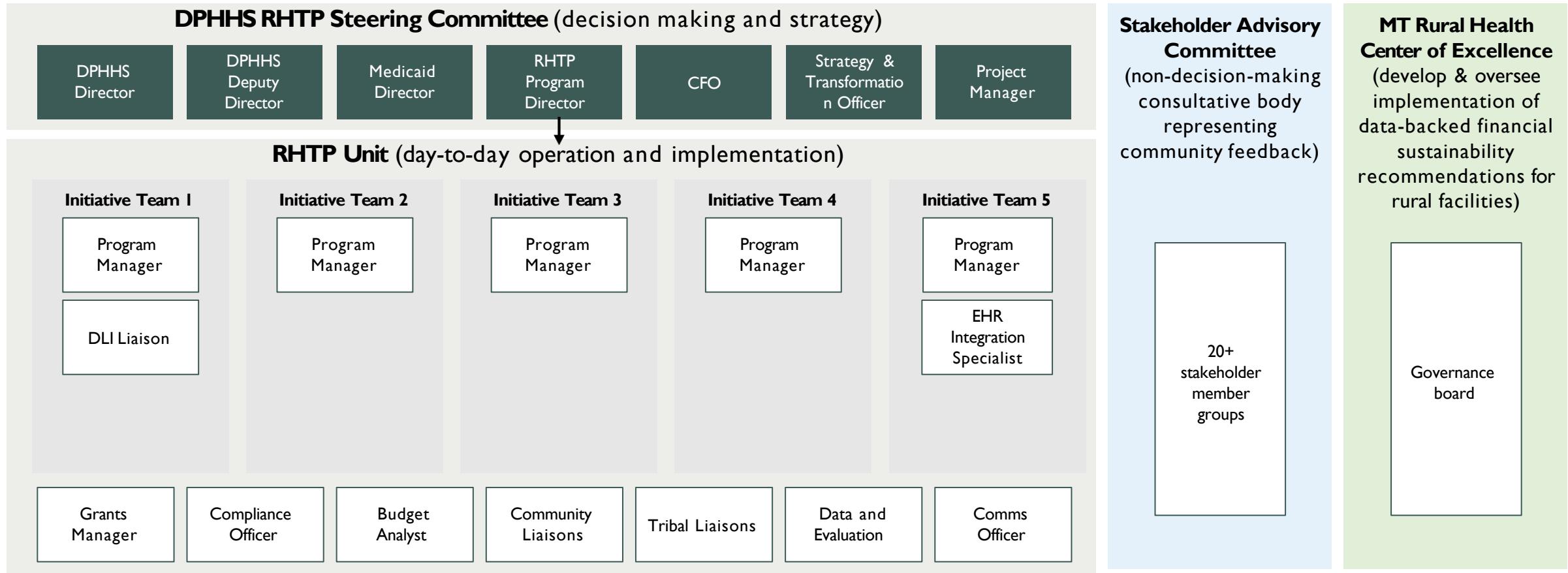
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Emerging Priorities for the First Half of 2026

Category	FFY Q2 (Jan – March)	FFY Q3 (April – June)
Stakeholder engagement	<p>Operationalize RHTP governance</p> <p>Host first Stakeholder Advisory Council</p> <p>Finalize and launch stakeholder groups across every initiative</p>	<p>Hold first quarterly performance review</p> <p>Continue steering committee cadence and initiative stakeholder input</p>
Outputs / deliverables	<p>Establish rural workforce financial assistance programs (rural health scholarship program, relocation assistance funds, etc.)</p> <p>Finalize contract amendment to expand rural intellectual & developmental disability services</p>	<p>Begin data analysis for rural health profile</p> <p>Evaluate potential policy and payment model (e.g., rural VBC) implications based on public health analytics</p>
Enabling activities	<p>Finalize budget with CMS and receive initial funding no later than March 1</p> <p>Advertise and hire RHTP modified positions</p> <p>Draft & post procurements</p>	<p>Stand up measurement dashboards/platforms</p> <p>Onboard RHTP modified positions</p> <p>Draft additional procurements</p> <p>Begin awarding contracts</p>

Source: Montana RHTP Implementation Plan

DPHHS RHTP Governance Overview



Source: Montana RHTP project narrative



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Montana's RHTP Stakeholder Advisory Committee Membership

State government organization	Tribal groups	Healthcare associations and NGOs	Health systems and payors
<ul style="list-style-type: none">• DPHHS (Medicaid, Human Services, PHSD)• Department of Labor and Industry (DLI)• Office of Public Instruction (OPI)• Montana Area Health Education Center (AHEC)• Office of the Commissioner of Higher Education (OCHE)• MSU Extension• EMS Advisory Committee¹• Montana Trauma Advisory Committee¹	<ul style="list-style-type: none">• Montana Tribal Nations• Urban Indian Consortium• Rocky Mountain Tribal Leaders Council	<ul style="list-style-type: none">• Montana Hospital Association• Montana Primary Care Association• Montana Medical Association• Montana Academy of Family Physicians• Montana Academy of Pediatrics• Montana Dental Association• Montana Pharmacy Association• School Administrators of Montana	<ul style="list-style-type: none">• Montana EMS Association• Confluence Public Health• Public Health Institute• Montana Healthcare Foundation• Montana Health Network• Montana Health Care Association• Big Sky Care Connect• Mountain Pacific Quality Health• BHAM

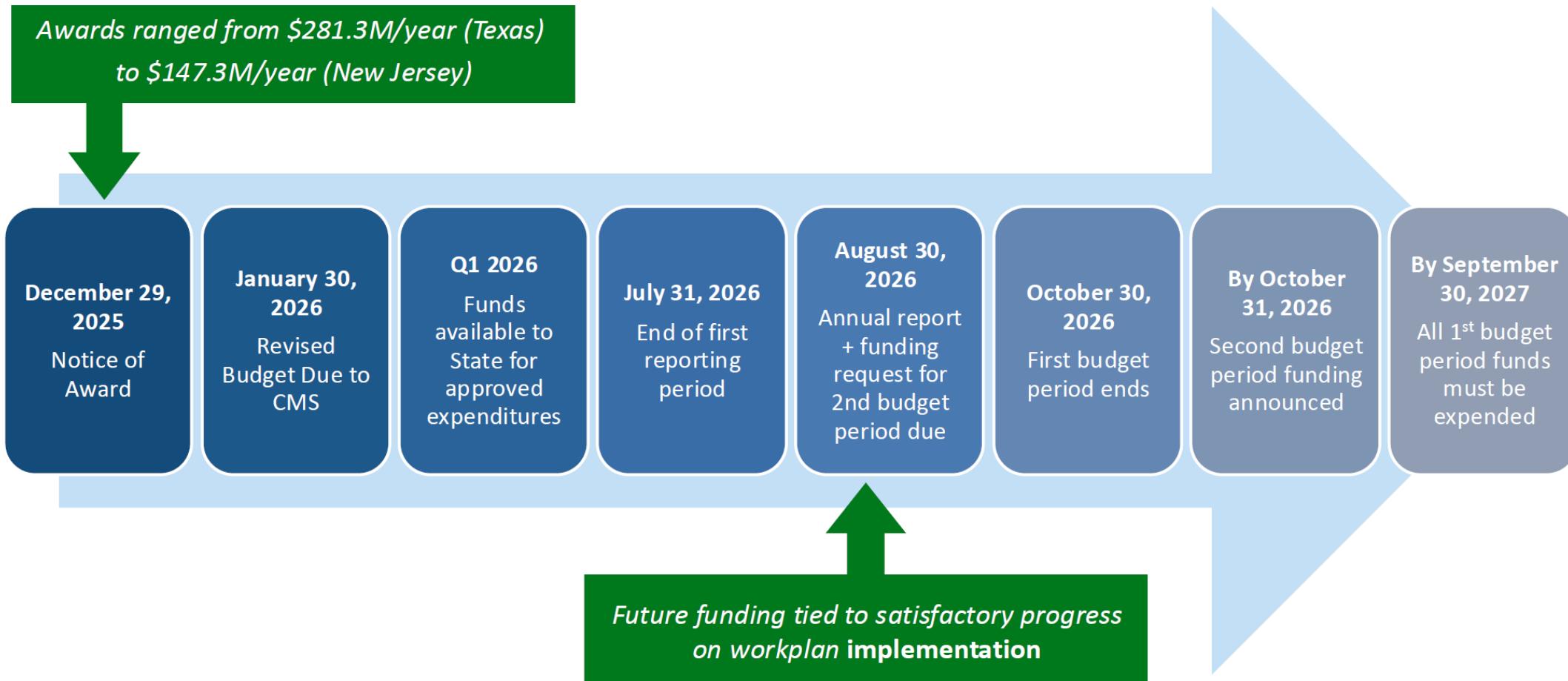
1. DPHHS sponsored advisory committee. Representative may not necessarily be a State employee.

Source: Montana DPHHS RHTP Unit discussions



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1st Budget Period Timeline



Spending the Money

- RFPs – Larger dollar contracts with entities
- Grant Application – Smaller dollar awards that organizations can apply for directly



RHTP Budget Submitted to CMS

Spend Category Breakdown

Sub-initiative	Rural providers	Community based providers	Rural communities	Rural tech	DLI	Contractors (Rural providers)	Contractors (Community-based care delivery)	Contractor (Tech)	RHTP admin	Total
1.1. Increase recruitment of rural health workers					\$74					\$74
1.2. Expand clinical training capacity					\$29					\$29
1.3. Retain and upskill rural healthcare workforce					\$14					\$14
2.1. Launch Center of Excellence	\$350					\$68				\$418
2.2. Increase access through clinical partnerships	\$7	\$7		\$7		\$10	\$10	\$10		\$51
2.3. Facilitate vendors and shared services						\$5				\$5
3.1. Implement innovative payment models						\$8	\$7			\$15
3.2. Modernize EMS care model		\$16					\$13			\$29
3.3. Expand access through pharmacies		\$5								\$5
3.4. Expand outpatient services	\$35					\$35				\$71
4.1. Implement community-based care		\$9					\$61			\$70
4.2. Repair healthcare infrastructure	\$16	\$16				\$16	\$15			\$62
4.3. Invest in healthy lifestyles			\$17							\$17
5.1 Improve HIE usability and population health analytics					\$6			\$5		\$11
5.2. Expand EMR modernization	\$65			\$32						\$97
6.1 Admin									\$30	\$30
Totals	\$472	\$53	\$17	\$45	\$118	\$142	\$106	\$15	\$30	\$1,000



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This slide was shared at an Interim Budget Committee on December 16, 2025



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