Health & Human Services Committee

Tuesday, November 4, 2025
4:30PM -6:00 PM
Morris Hall (17 HOB)

Daniel Perez
Speaker

Josie Tomkow
Chair

Committee Meeting Notice

HOUSE OF REPRESENTATIVES

Health & Human Services Committee

Start Date and Time:	Tuesday, November 04, 2025 04:30 PM
End Date and Time:	Tuesday, November 04, 2025 06:00 PM
Location:	Morris Hall (17 HOB)
Duration:	1.50 hrs

Briefing on the federal Rural Health Transformation Program grant program by the Agency for Health Care Administration.

NOTICE FINALIZED on 10/28/2025 1:32PM by Arnold.Sabrina

Agency for Health Care Administration

AHCA
AGENCY FOR HEALTH CARE ADMINISTRATION

Rural Health Transformation Program

CMS Grant Application

Brian Meyer, Deputy Secretary, Division of Medicaid

November 4, 2025

Federal Rural Health Transformation Program (RHTP)

- On July 4, 2025, President Donald Trump signed H.R. 1 - One Big Beautiful Bill Act (OBBBA) into law.

- Section 71401 of H.R. 1 establishes a grant opportunity for states to improve health care outcomes in rural counties through the **Rural Health Transformation Program (RHTP).**

- Through the RHTP, the One Big Beautiful Bill Act (OBBBA) makes the single largest investment in rural health care since the Medicare Modernization Act of 2003.

Program Purpose

The RHTP helps state governments support rural communities across America in improving health care access, quality, and outcomes by transforming the health care delivery ecosystem.

The RHTP focuses on promoting innovation, strategic partnerships, infrastructure development, and workforce investment.

In accordance with the authorizing statute, Section 71401 of Public Law 119-21, only the 50 U.S. states are eligible to receive an RHTP award; the District of Columbia and U.S. Territories are not eligible.

Strategic Goals

The RHTP is designed to empower states to transform the existing rural health care infrastructure and build sustainable health care systems that expand access, enhance quality of care, and improve outcomes for patients. Funding will drive the following strategic goals:

Make Rural America Healthy Again

Support rural health innovations and new access points to promote preventative health and address root causes of diseases.

Sustainable Access

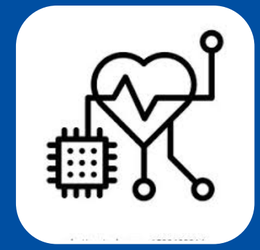
Help rural providers become long-term access points for care by improving efficiency and sustainability.

Workforce Development

Attract and retain a high-skilled health care workforce by strengthening recruitment and retention 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.

Strategy Areas

State RHTP programs must select at least three of the following areas of focus:

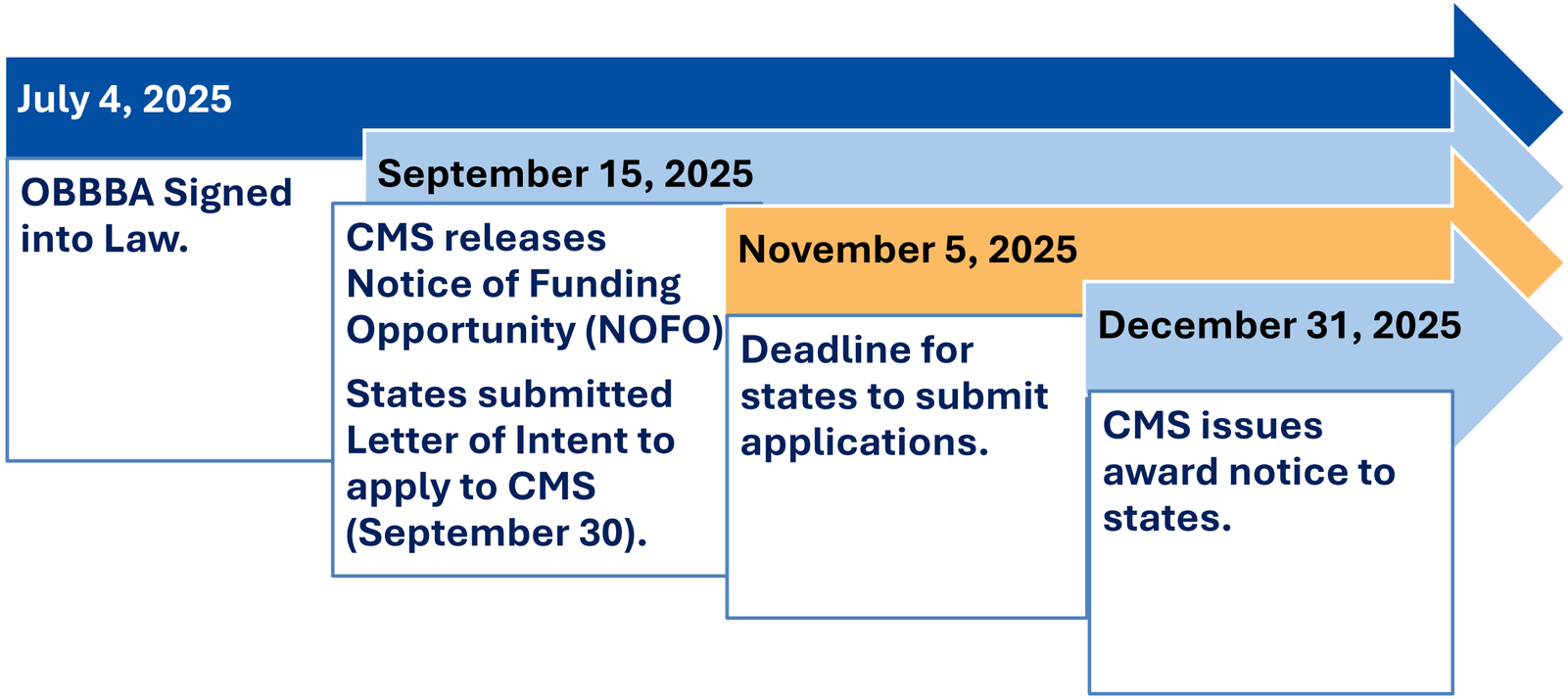
- Improve access to hospitals, other health care providers, and health care items and services furnished to rural residents of the state
- Improve health care outcomes of rural residents of the state
- Prioritize the use of new and emerging technologies that emphasize prevention and chronic disease management
- Initiate, foster and strengthen local and regional strategic partnerships between rural hospitals and other health care providers
- Enhance economic opportunity for, and the supply of, health care clinicians through enhanced recruitment and training
- Prioritize data and technology driven solutions that help rural hospitals and other rural health care providers furnish high-quality health care services as close to a patient's home as is possible
- Outline strategies to manage long-term financial solvency and operating models of rural hospitals in the state
- Identify specific causes driving the accelerating rate of stand-alone rural hospitals at risk of closure, conversion or service reduction

Federal Timelines

Pre-Award Timeline

Application Key Details:

- No amendments or re-submissions can be made after the deadline to submit.
- A state can submit only one application for funding.

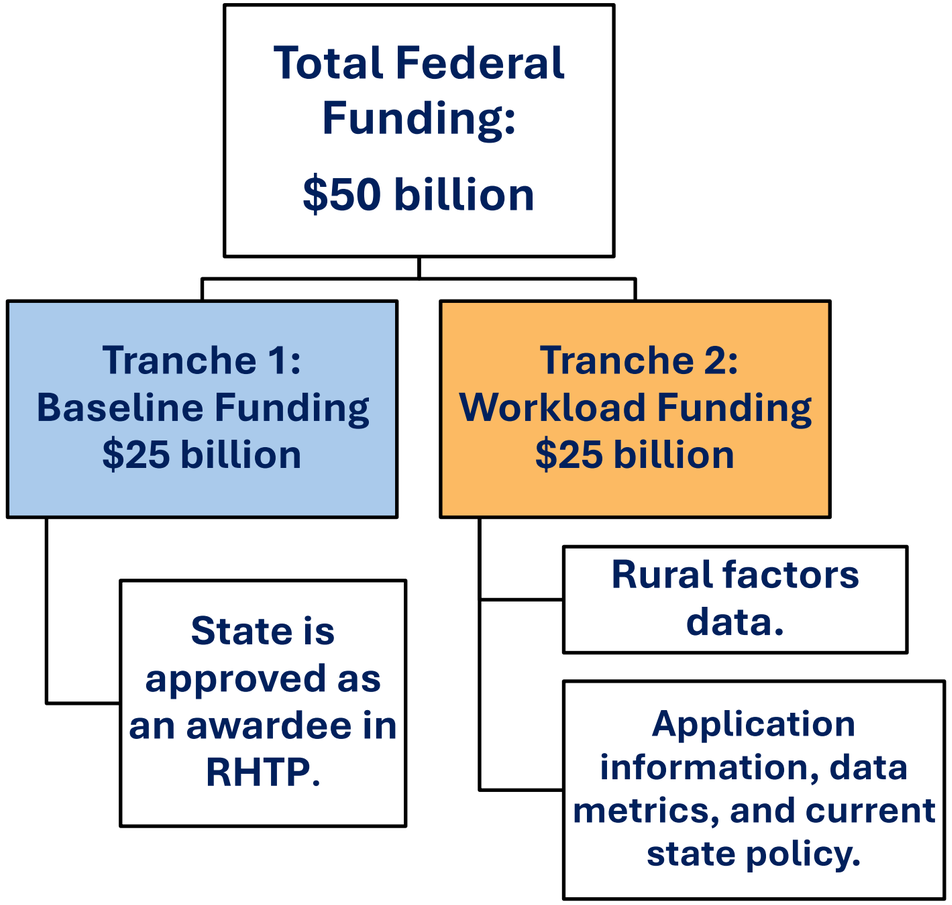


Overview of Funding

- **RHTP is 100 percent federal funding—no state match required.**
- Total federal funding of **$50 billion** to be allocated to approved states over five fiscal years.
- Baseline funding of **$25 billion** will be evenly distributed amongst approved states.
- Workload funding of **$25 billion** will be allocated to states by CMS based on a variety of scored factors.

*The projections in this presentation are based on all 50 States receiving an award.

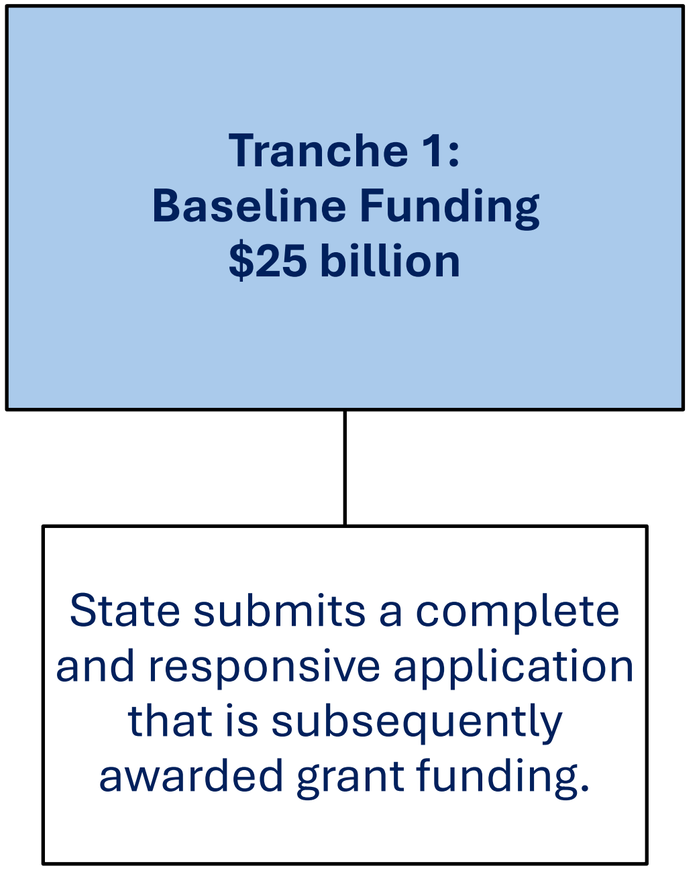
Breakdown of Funding



Annual Breakdown of Funding – Tranche 1

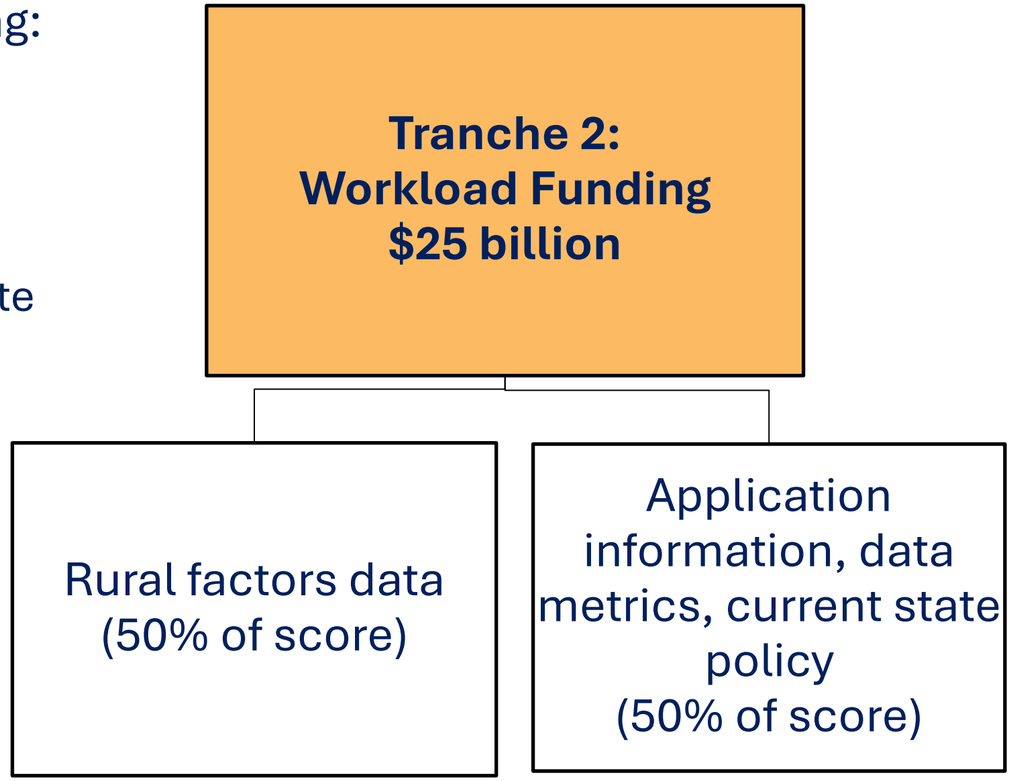
Baseline Funding:

- $5 billion of funding available each fiscal year for five years.
- CMS will distribute $5 billion (50%) equally amongst all approved states.
  - **$100 million per year per state.**
- If all states do not apply, CMS will distribute the money equally amongst all approved states. Fewer awards means more funding in each award.
- The Agency estimates Florida will receive $100 million from tranche 1 each year for years one through five. *This amount could increase if fewer than 50 states apply.*



Annual Breakdown of Funding – Tranche 2

- **Workload Funding:** CMS will allocate $5 billion each fiscal year for five years among states based on a variety of factors including:
  - **Rural factors data:**
    - Rural population
    - The proportion of rural health facilities in the state
    - The Disproportionate Share Hospitals (DSH) situation in the state
    - Other factors specified by CMS in the NOFO
    - *This score will not change throughout the program.*
  - Scoring of the State's application is based on:
    - State metrics and data from Q4 2025.
    - Grading state plans and policies relative to a maximum score.
    - *This score will change each year, based on outcomes and accomplishments, but will not exceed the maximum score determined at the beginning of the program.*



Funding Redistribution

- Each year, CMS will recoup any unexpended or unobligated funds awarded to states at the end of the federal fiscal years.
- Recouped funds will be redistributed to other states with RHTP awards in the next budget period.

What are **unexpended funds**?

- Unspent funds by the end of the subsequent fiscal year.
- Funds earmarked but not paid out are considered unspent.

What are **unobligated funds**?

- Funds that are not awarded by CMS in each budget period.
- If such additional funds become available, CMS will redistribute them in the nearest following fiscal year possible according to the same award structure.

Allowable Funding Uses

What can funding be used for?

- Chronic Disease Prevention
- Provider Payments
- Consumer Tech Solutions
- Training and Technical Assistance
- Workforce Improvement
- IT Infrastructure
- Appropriate Care Availability
- Behavioral Health Access
- Innovative Care Models
- Capital Expenditures and Infrastructure
- Fostering Collaboration

Use of Funding Limitations and Restrictions

CMS has outlined allowable and non-allowable use of awarded funds. This includes the cap on the use of funding in certain categories. Some examples are below:

Allowable	Not Allowable
Administrative costs, including personnel	Capital and large assets, such as construction, or vehicles and equipment unrelated to programmatic implementation.
Training and workforce development: supporting rural rotations, continuing education, and certification programs	Patient or general meals/food, with limited exceptions.
Operation and implementation: site leases, vehicle operations for mobile units, scheduling systems, quality assurance, and community-based organizations	Duplicative services already funded by another program: Funds cannot be used to duplicate or supplant current federal, State, or local funding, or be used for the nonfederal share of Medicaid payments.
Technology and equipment: purchasing or leasing telehealth equipment, remote monitoring devices, connectivity solutions, and interoperability systems	Direct medical bill payment or individual financial assistance except charity care.

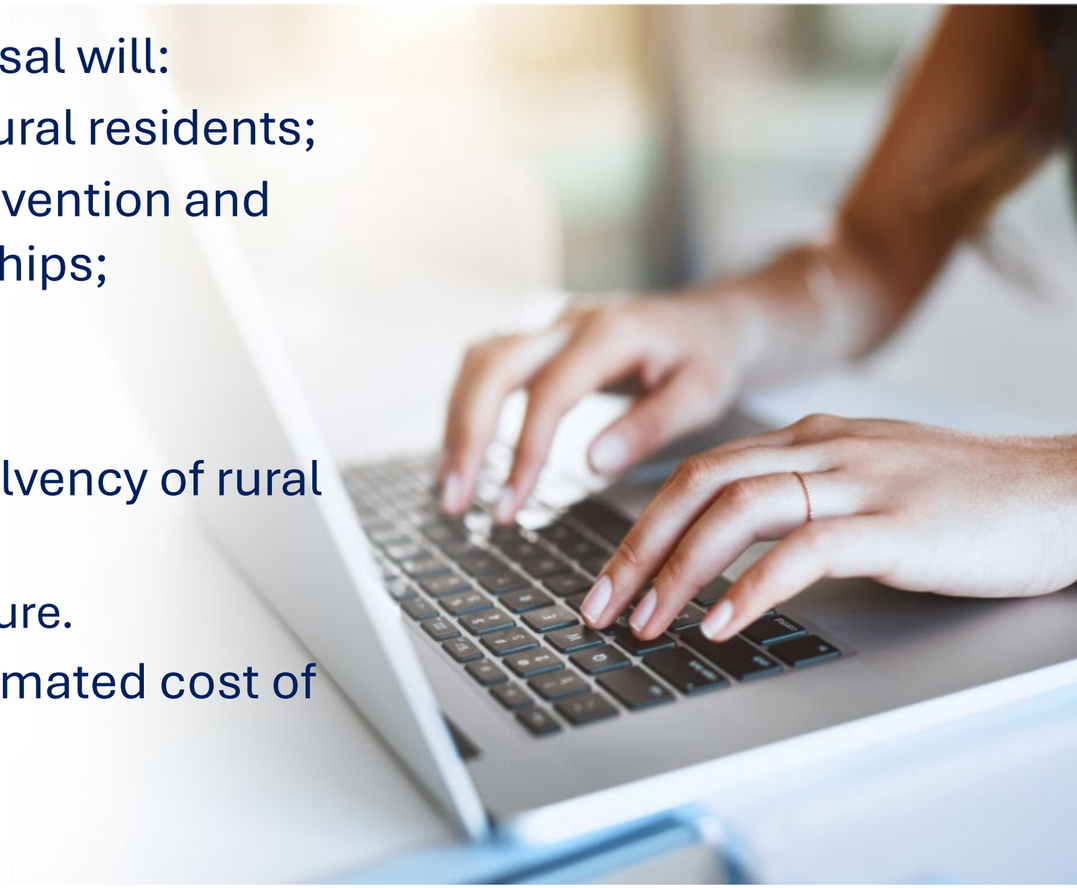
Use of Funding Limitations and Restrictions, Cont.

Initiatives	Limitations
Funding existing rural health care facility buildings and infrastructure, including minor building alterations or renovations and equipment upgrades.	**Cannot exceed 20%** of **total grant funding** within a budget period.
Funding for provider payments not already reimbursable.	**Cannot exceed 15%** of **total grant funding** within a budget period.
Funding the replacement of an Electronic Medical Record (EMR) system if a previous HITECH certified EMR system is already in place as of September 2025.	**Cannot exceed 5%** of **total grant funding** within a budget period.
Funding towards initiatives similar to the "Rural Tech Catalyst Fund Initiative". (States can encourage the development and adoption of health tech innovation focused on rural populations that improve quality, expand access, and reduce care cost.)	**Cannot exceed the lesser of** (1) **10% of total funding** awarded to a state in a given budget period or (2) **$20M of total funding** awarded to a State in a given budget period.
Clinician salaries or wages.	**Cannot** be used for facilities that subject clinicians to non-compete contractual limitations.
Total administrative cost, including indirect costs.	**No more than 10%** of total funding in each budget period. Can include program staff salaries and contracts for administrative support, but cannot supplant existing government or private funding.

Application Requirements

Each state must submit within their application:

1. A **transformation plan** that explains how their proposal will:
   - Address access to care and health outcomes for rural residents;
   - Expand the use of technology that emphasizes prevention and chronic disease management, and foster partnerships;
   - Expand the clinical workforce in rural areas;
   - Implement data-driven solutions;
   - Implement strategies that improve the financial solvency of rural health providers; and
   - Address the root causes of rural hospitals' risk of closure.
2. A **budget narrative** which includes details on the estimated cost of each separate initiative included in the plan.
3. A **letter from the Governor** to endorse the Agency.
4. Additional **information about the Agency**.



Application Scoring: Workload Funding

Each state applicant will be scored using a methodology developed by CMS. Application scores will determine the amount of funding available to a state under the “Workload Funding” component of the program.

Each application will receive points through **two weighted factors**, each representing 50% of the overall score:

1. Rural Facility and Population Factors
2. Technical Score Factors

Within these two factors, scoring elements fall into three areas:

1. **Data-Driven Metrics:** Points awarded based on the value of state metrics compared to other states.
2. **Initiative-Based:** Points are awarded based on a qualitative assessment of the programmatic initiatives outlined in the application.
3. **State Policy Actions:** Points are awarded based on current state policy and proposed policy action the state commits to in its application and acceptance of the grant award.

CMS Definition of Rural

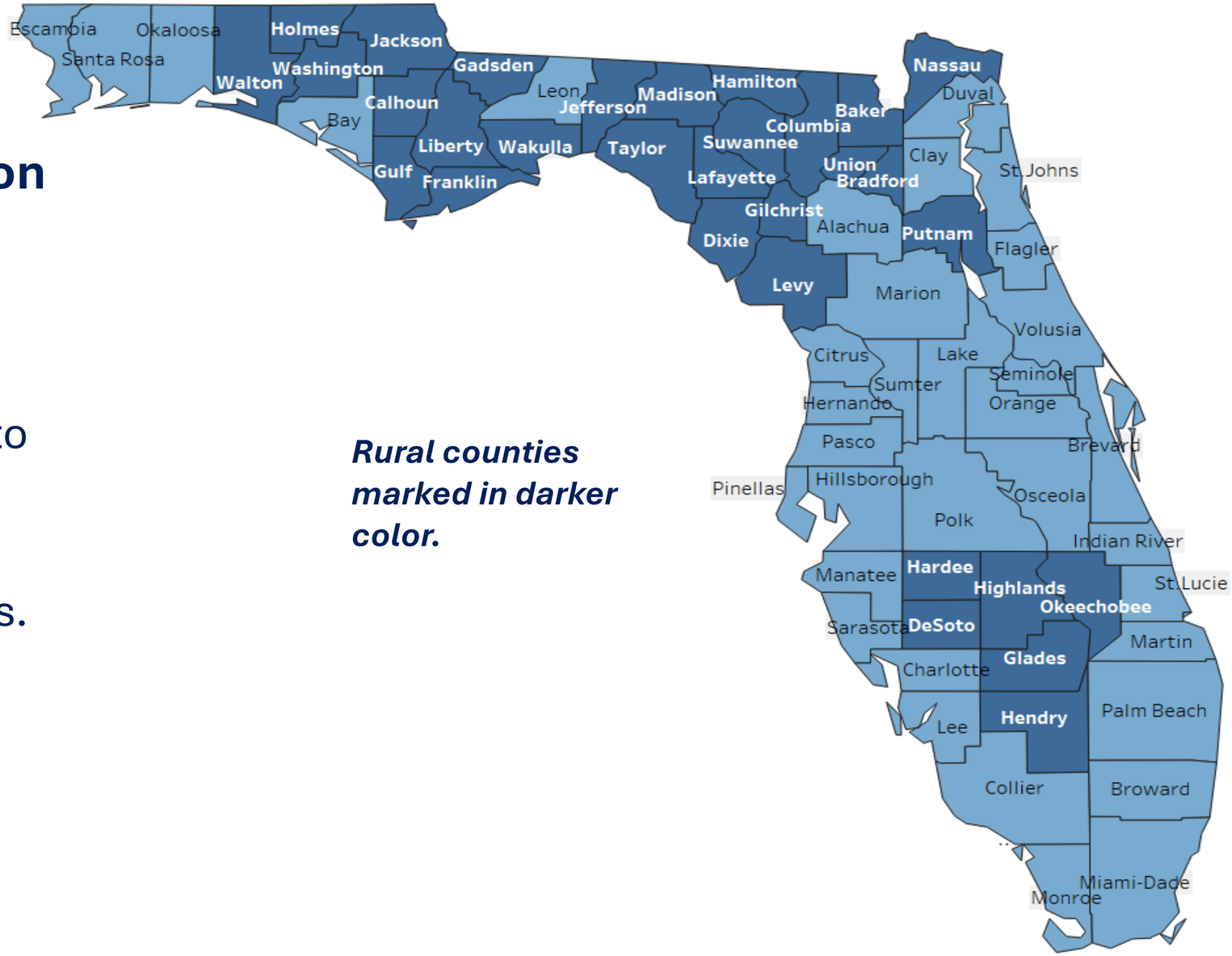
How does the Centers for Medicare & Medicaid Services (CMS) define "rural" for purposes of determining funding amounts for every state?

- CMS defines rural areas using the Goldsmith Modification, as specified by the Federal Office of Rural Health Policy (FORHP), a part of the Health Resources and Services Administration (HRSA).
  - The Goldsmith Modification is a method for surveying population distributions using census tracts and statistical areas to determine which areas of the country are urban, rural, or super rural.
  - Note: This method presents areas at the census tract level (below municipality and county level).
- States can also use their own definitions of "rural": the Notice of Funding Opportunity (NOFO) also allows states to present their population data with their own definition of rural for other aspects of the application, including how the state plans to allocate the grant funding.

Florida Definition of Rural

Based on Florida's definition of "rural" (s. 288.0656(e), F.S., Florida has:

- 31 rural counties.
- 30 rural municipalities next to a rural county.
- A total rural population of 1,183,017 as of 2020 Census.



Rural counties marked in darker color.

Scoring Workload Funding: Data-Driven Metrics*

Factor	Weight	Description
A. 1. Absolute size of rural population in a state	10%	Ranks states by the total number of people living in rural areas. Rural areas are defined by the Health Resources and Services Administration (HRSA).
A. 2. Proportion of rural health facilities in the state	10%	Ranks states based on the number of rural health facilities (considering both hospitals and certain predefined facilities) in the state.
A. 3. Uncompensated care in a state	10%	Ranks states based on the amount of uncompensated care (charity care and bad debt) their hospitals provide as a percentage of hospital operating expenses.
A. 4. % of state population located in rural areas	6%	Ranks states by the percentage of their total population that lives in rural areas using HRSA's definition of rural.
A. 5. Metrics that define a state as being frontier	6%	Ranks states based on the percentage of their population living in "Frontier and Remote" (FAR) areas, which are very geographically isolated places with low populations.
A. 6. Area of a state in total square miles	5%	Ranks states by their total land area in square miles. Only those states at or above the 90th percentile receive a share of points.
A. 7. % of hospitals in a state that receive Medicaid DSH payments	3%	Ranks states based on the percentage of their hospitals that receive Medicaid Disproportionate Share Hospital (DSH) payments, which are hospitals that care for a disproportionate share of Medicaid and other low-income patients.

Sources selected by CMS.

Scoring Workload Funding: Technical Factors / Initiative-Based Factors

Factor	Weight	Description
B. 1. Population health clinical infrastructure	3.75%	Based on a qualitative review of a state's plans to improve community-based care initiatives and strengthen the population health clinical infrastructure.
C. 1. Rural provider strategic partnerships	3.75%	Based on a qualitative review of a state's plans to create partnerships between rural providers to share resources, expand specialty services, and improve financial stability.
C. 2. EMS	3.75%	Based on a qualitative review of a state's plans to improve emergency medical services (EMS) in rural areas, to include supporting coordination with other providers.
D. 1. Talent recruitment	3.75%	Based on a qualitative review of a state's plans to recruit and retain health care workers in rural areas through initiatives like new training programs and relocation grants.
E. 1. Medicaid provider payment incentives	3.75%	Based on a qualitative review of a state's plans to create value-based payment models in Medicaid.
E. 2. Individuals dually eligible for Medicare and Medicaid	3.75%	1. Based on a qualitative review of plans to enroll dual-eligible individuals in integrated care plans (50%) and 2. Based on data-driven metrics like the state percentage of duals in such plans (50%).

Scoring Workload Funding: Technical Factors / Initiative-Based Factors, Cont.

Factor	Weight	Description
F. 1. Remote care services	3.75%	1. Based on a qualitative review of a state's plans to enhance remote care and telehealth infrastructure (50%) and 2. Based on state policies like Medicaid payment for telehealth services (50%).
F. 2. Data infrastructure	3.75%	1. Based on a qualitative review of a state's plans to improve data infrastructure such as electronic health records and interoperability (75%) and 2. Based on the quality of the state's Medicaid and Children's Health Insurance Program (CHIP) data reporting to CMS (25%).
F. 3. Consumer-facing tech	3.75%	Based on a qualitative review of a state's plans to develop and deploy consumer-facing health technology tools like symptom checkers and AI chatbots.
B. 2. Health and lifestyle	3.75%	1. Based on a qualitative review of initiatives promoting lifestyle changes (75%) and 2. Based on whether the state requires schools to reestablish the Presidential Fitness Test (25%). The policy part of the measure is only scored starting in the second year.

Scoring Workload Funding: Technical Factor Scoring/State Policy Actions

Factor	Weight	Description
B. 3. SNAP waivers	3.75%	Based on a state's progress in getting a USDA waiver to prohibit using SNAP benefits for non-nutritious foods like soda and candy.
B. 4. Nutrition continuing medical education	1.75%	Based on whether a state requires physicians to complete continuing medical education (CME) in nutrition. This measure will only be scored starting in the second year.
C. 3. Certificate of need (CON)	1.75%	Based on how restrictive a state's Certificate of Need (CON) laws are across a variety of facility types and services. States with no CON laws score the best.
D. 3. Scope of practice	1.75%	Based on the extent to which states allow non-physician clinicians, like nurse practitioners and physician assistants, to perform tasks within their training and license. States with less restrictive "scope of practice" laws receive more points.
D. 2. Licensure compacts	1.75%	Based on a state's participation in specific interstate licensure compacts for physicians, nurses, EMS providers, psychologists, and physician assistants, which make it easier for providers to practice in multiple states.
E. 3. Short-term limited-duration insurance (STLDI)	1.75%	Based on whether a state allows short-term limited-duration insurance (STLDI) plans to be sold with no more restrictions than what federal rules require.

State Policy Actions: Health and Lifestyle

Policy	Current Situation	Additional Information	Florida Points/ Available Points	Weight
B. 2. Health and lifestyle Whether a state requires schools to reestablish the Presidential Fitness Test. This factor will not contribute to a state's overall points score until the budget period beginning after October 31, 2026. States will have until December 31, 2028, to enact this policy change if a policy was enacted prior to submission of the application. • **100 points** added to total score if added by deadline. • **0** points otherwise.	The state currently does not require the utilization of the Presidential Fitness Test in public schools. (0 points)	State policy: Florida does not mandate the Presidential Fitness Test.	0/100 (0%)	0.94%

State Policy Action: SNAP Waivers

Policy	Current Situation	Additional Information	Florida Points/ Available Points	Weight
B. 3. SNAP waivers Whether a state has a USDA SNAP Food Restriction Waiver that prohibits the purchase of non-nutritious items, including one or more of the following: soda (including sweetened drinks), candy, energy drinks, fruit and vegetable drinks with less than 50% natural juice, and prepared desserts. • **100 points** if full USDA approval for waiver.	On August 4, 2025, Florida received authorization for a SNAP program waiver to exclude soda, energy drinks, candy, and prepared desserts. Effective date is 1/1/2026. (100 points)	State policy: implemented in Florida	100/100 (100%)	3.75%

State Policy Action: Nutrition CME

Policy	Current Situation	Additional Information	Florida Points/ Available Points	Weight
B. 4. Nutrition Continuing Medical Education (CME) Whether a state has a requirement for nutrition to be a component of CME. This factor will not contribute to a state's overall points score until the budget period beginning after October 31, 2026. States will have until December 31, 2028, to enact this policy change. • **0 points** States with no requirement and no pending bill imposing the requirement • **25 points** States with an active bill in the state legislative process or a proposed regulation • **75 points** States with a requirement in law or regulation, but not yet implemented or enforced • **100 points** States with requirement currently in place and enforced	Florida does not specifically include nutrition within the physician continuing medical education curriculum. (0 points).	State policy: CME for nutrition is optional. If a bill were filed this year, we could earn 25 points for a max score of 25 points.	0/100 (0%)	1.75%

State Policy Action: Certificate of Need

Policy	Current Situation	Additional Information	Florida Points/ Available Points	Weight
C. 3. Certificate of Need (CON) Level of restrictiveness of CON laws, based upon a report by the Cicero Institute. Total state score as defined by the Cicero report, converted to a 100-point score: • **0 points**: 100 score from Cicero - states with universal CONs, all facility types • **25 points:** 80-99 score from Cicero for states with stringent CONs, all facility types • **50 points:** 45-79 score from Cicero - states with moderate CONs across facility types • **75 points:** 1-44 score from Cicero report for states with limited CONs across facility types • **100 points:** 0 score from Cicero report for states with no CONs across facility categories	Florida does not use CON for most facilities, including hospitals. Florida does use CON for hospice, intermediate care facilities, and skilled nursing facilities. Cicero gave Florida a score of 15 out of 100.	State policy: based on the Cicero report score, Florida only earns 75 points.	75/100 (75%)	1.75%

State Policy Action: Interstate Licensure Compacts

Policy	Current Situation	Additional Information	Florida Points/ Available Points	Weight
D. 2. Licensure compacts Whether a state participates in five specified licensure compacts for health care professionals. For each licensure compact: • **0 points** if state is not a Member State • **50 points** if state has introduced a bill to become a Member State • **75 points** if state has enacted law and is becoming a Member State • **100 points** if state is a Member State	Florida is a Member State in three of the five compacts. • **Physician** – Participating in the Interstate Medical Licensure Compact (100 points) • **Nurse** – Participating in the Nurse Licensure Compact (100 points) • **EMS** – Not participating (0 points) • **Psychology** – Participating in the Psychology Interjurisdictional Compact (PSYPACT) (100 points) • **Physician Assistant** – Not participating (0 points)	State policy: Florida does not participate in the EMS or Physician Assistant interstate compacts.	300/500 (60%)	1.75%

State Policy Action: Practitioner Scope & Supervision

Policy	Current Situation	Additional Information	Florida Points/ Available Points	Weight
D. 3. Scope of practice Extent to which a state allow certain non-physician clinicians, to perform tasks within their training and license, and, in some instances, without supervision. States with less restrictive laws receive more points. **Up to 100 points** per type of licensure depending on specified criteria.	Florida has restricted the scope of practice for nurse practitioners and dental hygienists and has limited authority for pharmacists. • **Physician Assistant**: Reduced Scope of Practice (0 points) • **Nurse Practitioner**: Restricted Scope of Practice (0 points) • **Pharmacist**: State with Formulary-Based Authority (Cicero score = 5, 50 points) • **Dental Hygienist**: Restricted Scope of Practice (0 points)	State policy: FL has restricted the scopes of practice for NPs and dental hygienists, and limited authority for pharmacists.	50/400 (12.5%)	1.75%

State Policy Action: Remote Care & Telehealth

Policy	Current Situation	Additional Information	Florida Points/ Available Points	Weight

F. 1. Remote care services
Extent to which states has broadly supportive policies on access to remote care services and services via telehealth, remote patient monitoring, or other modalities. State Policy Action factor:
• Medicaid payment for:
  ○ a form of live video (100 points)
  ○ store and forward (100 points)
  ○ remote patient monitoring (100 points)
• In-state licensing requirement exception (100 points)
• Telehealth license/registration process (100 points)
	• Yes - Medicaid payment for at least one form of live video (100 points)
	• Yes - Medicaid payment for store and forward (100 points)
	• Yes - Medicaid payment for remote patient monitoring (100 points)
	• Yes - In-state licensing requirement exception (100 points)
	• Yes - Telehealth license/registration process (100 points)
		State policy: Florida meets all criteria	500/500 (100%)	1.88%

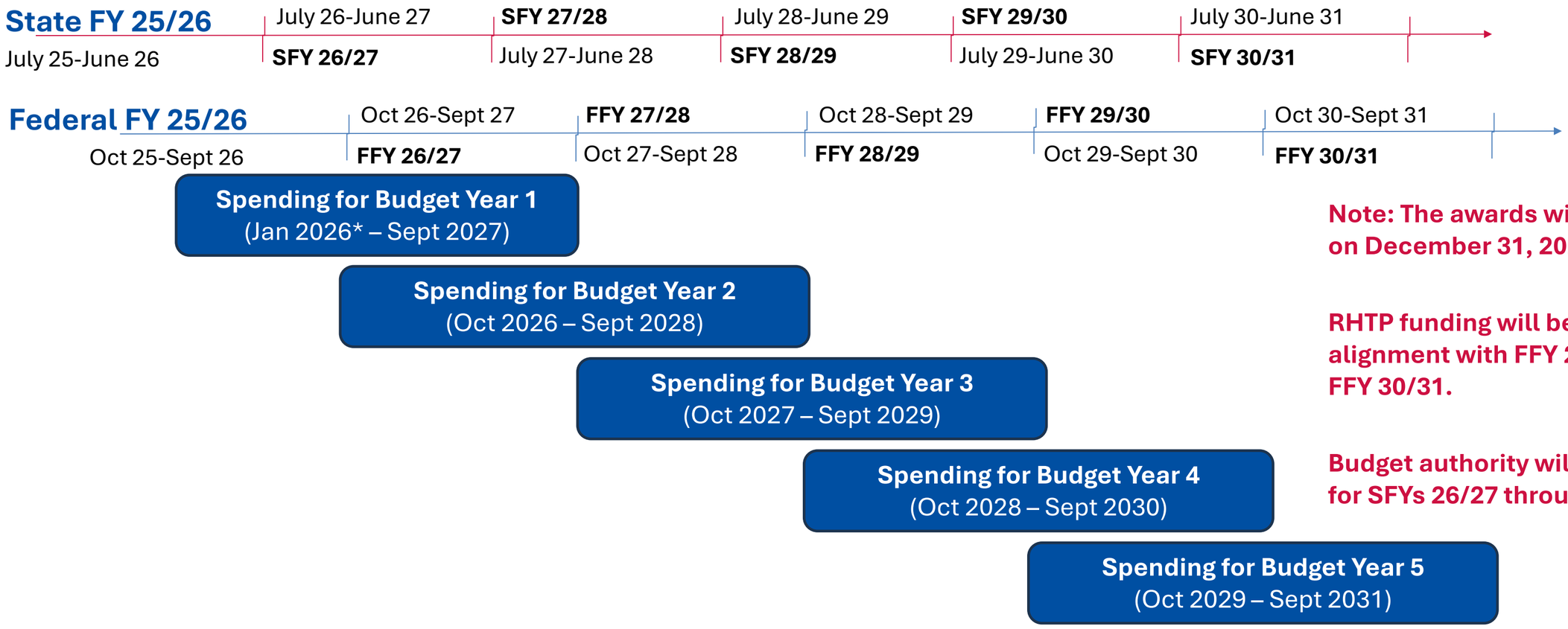
Federal Timelines

Post-Award Timeline

- Federal funding is available for **five federal fiscal years**.
  - The first funding period will begin on December 31, 2025.
  - Each of the following four funding periods will begin on October 31.
  - The first funding period will last 20 months while the subsequent funding periods will last 23 months.
- Each subsequent year will include:
  - Baseline funding as approved by CMS in grant award.
  - Unspent state funds reallocated to states.
- As part of the grant award, CMS will be conducting an annual reassessment of the state's program.
  - The award amount will be different every year and announced on the same day as the beginning of the funding period.
- The annual reassessment will be based on the state's annual reporting, which must include:
  - Status on implementation(s).
  - Expenditure reporting.
  - Progress towards state's goal(s) using state-defined metrics for success.

Federal Timelines

Post-Award Timeline



Note: The awards will be posted on December 31, 2025.

RHTP funding will be issued in alignment with FFY 25/26 through FFY 30/31.

Budget authority will be needed for SFYs 26/27 through 30/31.

Implementation of the Program

- **Program Readiness:**
  - The Agency will be standing up a team of professionals to conduct management, oversight, tracking, and monitoring activities for the grant.
- **Award Distribution:**
  - In compliance with Florida's procurement laws, the Agency will be issuing a Request for Applications to solicit proposals from the provider community servicing Florida's rural health communities.
  - The Agency plans to award the most comprehensive, sustainable plans with the greatest impact on rural health outcomes.
  - The Agency will collaborate on a regional basis.

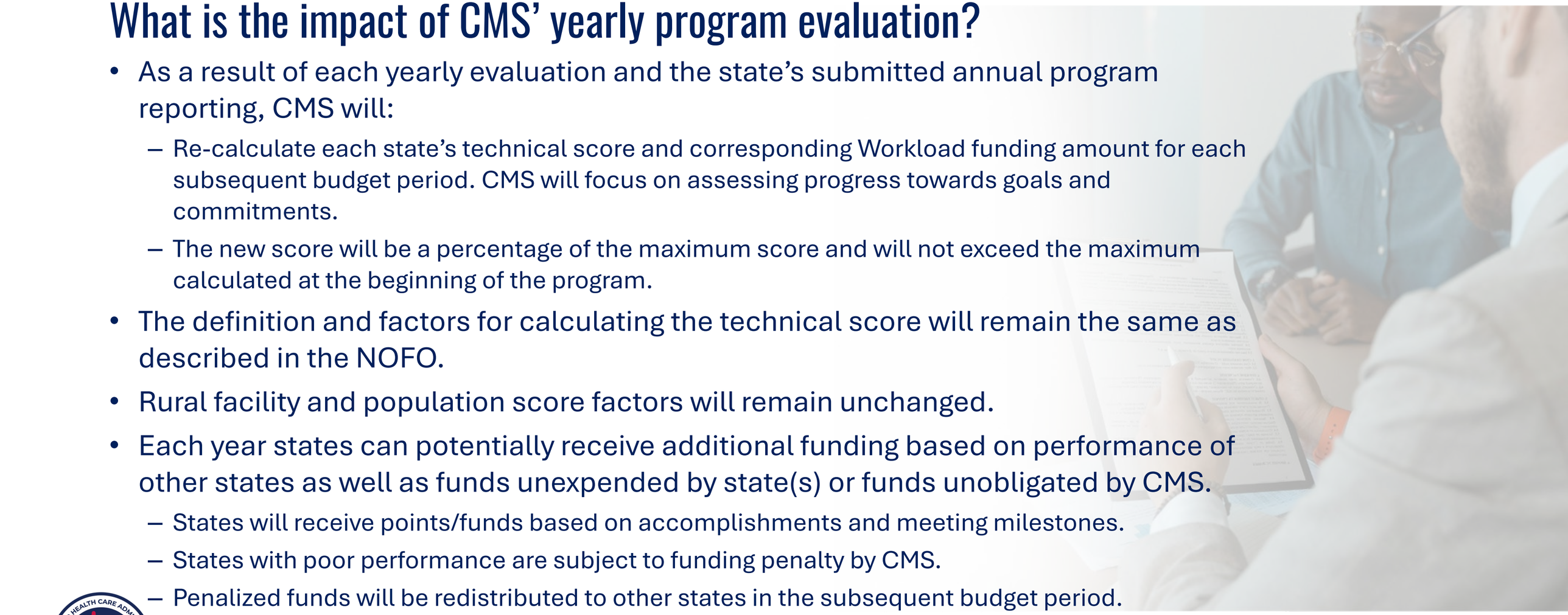
Program Evaluation

The State's program will be evaluated each year of the program.

- CMS will meet with states on a consistent basis to conduct evaluations.
  - Monthly technical assistance check-ins.
  - Annual evaluation of progress and expenditures.
- States must:
  - Submit the performance measures agreed upon in the submitted application.
  - Attend monthly calls with the CMS project or grants management specialist to discuss the project's progress and challenges.
- States will be required to demonstrate progress on goals and initiatives in each yearly evaluation.
  - CMS will be looking for clear progression toward state-defined goals in the context of state-defined metrics to achieving those goals.

Program Evaluation Cont.

What is the impact of CMS' yearly program evaluation?



- As a result of each yearly evaluation and the state's submitted annual program reporting, CMS will:
  - Re-calculate each state's technical score and corresponding Workload funding amount for each subsequent budget period. CMS will focus on assessing progress towards goals and commitments.
  - The new score will be a percentage of the maximum score and will not exceed the maximum calculated at the beginning of the program.
- The definition and factors for calculating the technical score will remain the same as described in the NOFO.
- Rural facility and population score factors will remain unchanged.
- Each year states can potentially receive additional funding based on performance of other states as well as funds unexpended by state(s) or funds unobligated by CMS.
  - States will receive points/funds based on accomplishments and meeting milestones.
  - States with poor performance are subject to funding penalty by CMS.
  - Penalized funds will be redistributed to other states in the subsequent budget period.

Next Steps

- In accordance with the requirements in the NOFO, the Agency will submit the final Rural Health Transformation Program Grant within the grants.gov system **by November 5, 2025.**

- Once the grant has been submitted, the Agency will continue its efforts to ensure programmatic implementation is ready once grant funding is available.

- Once awarded, the Agency will need to work with the Legislature to obtain budget authority to begin grant implementation activities.

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