



**The Rural Health  
Transformation Program:  
Opportunities for Supportive  
Housing Providers**

MARCH 2026



# THE RURAL HEALTH TRANSFORMATION PROGRAM



RHTP funding can help rural supportive housing providers close workforce gaps, modernize health technology, and expand services for people with complex needs.

## OPPORTUNITIES FOR SUPPORTIVE HOUSING PROVIDERS

Recent changes in Medicaid eligibility and financing have raised concern among rural supportive housing partners. These providers often operate with low client volume, limited funding for overhead and administration, and serve people with highly complex and acute service needs. New federal funding from the Rural Health Transformation Program (RHTP) presents an opportunity for rural supportive housing and service providers to improve care. However, providers will need to actively participate in state planning and implementation processes given the large number of health systems and stakeholders seeking RHTP funding.

# INTRODUCTION

On December 29, 2025, the Centers for Medicare and Medicaid Services (CMS) released Rural Health Transformation Program grants totaling \$50 billion, with average awards of \$200 million per state per year over five years.<sup>1</sup> The funding, enacted through the 2025 reconciliation bill, aims to help states implement various technologically-based and efficiency-oriented strategies to sustain rural providers as Medicaid enrollment declines.

## WHAT THIS MEANS FOR THE SUPPORTIVE HOUSING FIELD

While each state was able to design its own RHTP structure, most states are focusing on behavioral health system enhancements, technology upgrades, and workforce incentives—all of which could benefit supportive housing service providers in rural areas.

There are three primary areas where supportive housing partners may benefit from RHTP:



### Workforce

Funding for training and recruiting community health workers and specialty care professionals, especially psychiatry. Access to these services is often limited in rural communities. Supportive service providers may explore eligibility for recruitment incentives or consider partnerships with rural behavioral health providers expanding care.



### Technology

Technical assistance, shared management services, and funding to procure and implement digital and remote technologies. These may include electronic health records as well as remote health monitoring tools and risk assessment systems.



### Financing

Locally driven funding applications that address specific service gaps and needs in rural communities.

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<sup>1</sup> [CMS Announces \\$50 Billion in Awards to Strengthen Rural Health in All 50 States | CMS](#)

## STATE SPECIFIC PLANS

The following highlights from eight state RHTP plans show potential opportunities for supportive housing providers. Providers should review state-specific eligibility restrictions, as some states limit RHTP funding to current Medicaid providers.

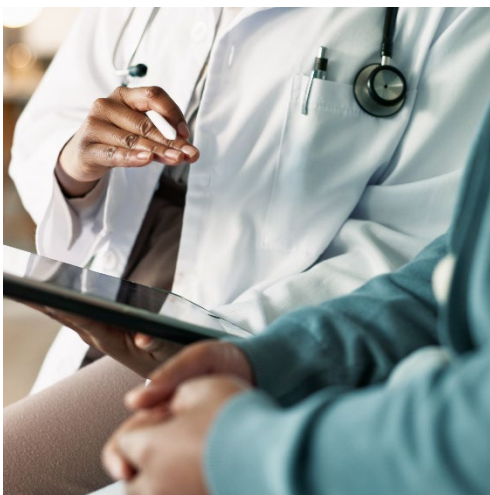
### ***Arizona’s Behavioral Health and SUD Expansion Grants; Improving Outcomes Initiative***

Arizona will invest \$10 million per year to enhance behavioral health care and expand access to evidence-based addiction services. An additional \$57 million per year will be awarded to rural providers through a competitive application process.<sup>2</sup>

*How this helps:* Supportive housing providers could pursue overdose prevention tools, behavioral health provider training, and recruitment incentives. Through the competitive grant program, they may also apply for workforce and technology investments that reduce administrative costs and enhance service delivery.



### ***California’s Technology and Tools investments***



Rural providers in California will have access to grant funding, technical assistance, and digital technologies aimed at streamlining care and reducing administrative burden.<sup>3</sup>

*How this helps:* Small rural supportive housing providers often lack the capacity to invest in electronic health records and remote monitoring tools. Shared purchasing models and hands-on technical assistance could help modernize care, reduce per-patient costs, and free up resources for direct services.

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<sup>2</sup> Arizona’s submitted plan is found at the following link: [Project Narrative.docx](#)

<sup>3</sup> California’s Project Narrative is found at the following link: [RHTP Project Narrative](#)

## ***Nevada’s Workforce Recruitment and Rural Success Program***

Nevada will invest \$80 million per year to offset tuition expenses and recruit providers in rural communities.<sup>4</sup>

*How this helps:* Access to addiction medicine and psychiatric providers is a persistent challenge in rural communities. Incentives such as tuition reimbursement and enhanced compensation can increase provider availability. High-fidelity models like Assertive Community Treatment depend on psychiatric care, which could improve through these workforce investments.



## ***New York’s Rural Health Community Integration Initiative***



New York’s plan emphasizes integrated and collaborative care, including behavioral health and social needs of rural residents.<sup>5</sup>

*How this helps:* The state plans to tailor investments through consultation with local providers and community-based organizations. Rural supportive housing partners should engage in this planning process to identify opportunities to expand and strengthen services.

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<sup>4</sup> Nevada’s Project Narrative is found at the following link: [Nevada rural health transformation grant application](#)

<sup>5</sup> New York has a website for materials related to its RHTP, which can be found here: [Transforming Rural Healthcare in New York](#)

## ***Oregon's Healthy Communities and Prevention Program***

Oregon plans to invest in “remote care infrastructure and technology supporting the provision of remote patient monitoring and telehealth services, such as tablets, audio visual equipment, and kiosks and associated clinical solutions.”<sup>6</sup>

*How this helps:* Access to basic hardware and technology is often cost-prohibitive for rural community-based organizations and their clients. Grants to cover telehealth equipment can improve access to specialists, support clinical monitoring, and help social workers and case managers stay connected with their clients.



## ***Tennessee's Health Technology and Infrastructure***



Tennessee will establish a statewide electronic health information exchange.<sup>7</sup>

*How this helps:* Electronic health record systems and staff training are often too costly for small rural organizations with low patient counts. By covering software, upgrades, and training, the state can reduce provider burden. Statewide data sharing and referral networks may also enhance care delivery throughout the state.

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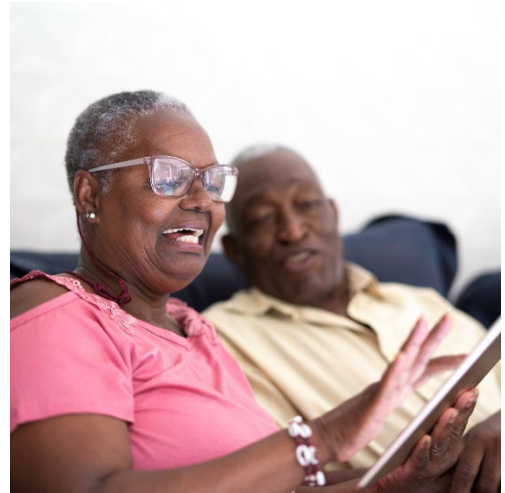
<sup>6</sup> Oregon's RHTP narrative and summary materials can be found at the following link: [Oregon RHT Project Summary and Narrative.pdf](#)

<sup>7</sup> Tennessee's application for RHTP can be found at the following link: [TN\\_RHTF\\_Application\\_Full\\_Document.pdf](#)

## ***Washington’s Partnerships, Technology, and Data Modernization***

Washington’s Rural Collaborative and State Office of Rural Health will facilitate regional planning, best practice resource sharing, and transitions to Certified Community Behavioral Health Clinics to improve financial sustainability and quality of care. The state is also planning to provide solutions for shared provider credentialing and billing processes.<sup>8</sup>

*How this helps:* Supportive housing partners may benefit from technical assistance and grant opportunities promoted by the state. Shared credentialing and billing systems may reduce administrative burden.



## ***Wisconsin’s Community Health Worker and Workforce Extender Investments***



Wisconsin’s plan highlights behavioral health provider shortages and limited reimbursement for community health workers and peer specialists. The state proposes testing the efficacy of these “workforce extenders” with potential inclusion in Medicaid.<sup>9</sup>

*How this helps:* Community health workers and peer specialists can deliver home-based services for supportive housing residents. If successful, these roles could become long-term financing tools for supportive housing services.

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<sup>8</sup> Materials related to Washington State’s RHTP can be found at the following link: [Rural Health Transformation Program | Washington State Health Care Authority](#)

<sup>9</sup> Wisconsin’s plan and related materials can be found at the State’s website: [Rural Health Transformation Program | Wisconsin Department of Health Services](#)

## POTENTIAL ADVOCACY

Supportive housing may not be a central focus of the Rural Health Transformation Program. However, service providers supporting rural residents with complex needs and extremely low incomes face many of the same financial vulnerabilities as rural hospitals and other low-volume providers. CSH encourages supportive housing partners to stay engaged in state planning and oversight of RHTP to ensure they access resources that enhance service delivery and improve cost effectiveness.