



Arizona Rural Health Transformation Program Overview



Acknowledgement of Support

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Rural Health Transformation Program (RHTP)



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AZ RHTP Overview

Arizona's RHTP initiatives were designed to align with CMS's 5 strategic priority areas, ensuring that program investments advance federal objectives while addressing Arizona's rural and underserved community needs.

Strategic Goal	Description
Make Rural America Healthy Again	Focus on preventive care, chronic disease management, behavioral health, and maternal-fetal health using evidence-based approaches. Address root causes of poor health and improve long-term outcomes
Sustainable Access	Help rural providers become long-term, reliable access points by improving efficiency and encouraging collaboration across facilities and systems.
Workforce Development	Strengthen recruitment and retention of health care workers in rural communities
Innovative Care	Promote new ways to deliver care (Value-based payment models or Accountable Care Organizations.)
Tech Innovation	Invest in digital health tools, telehealth, data sharing, and cybersecurity to modernize health care delivery



CMS awarded Arizona \$166,988,956 for administration and implementation of their initiatives and programs in RHTP Budget Year 1.



Arizona's RHTP Initiatives

Below are the **4 initiatives** that Arizona is focusing on to address the key challenges related to access to healthcare in rural communities:

Rural Health Workforce Development and Training Program

- **Recruit, train, and retain skilled health professionals** serving Arizona's **rural and Tribal communities** by creating new and expanding existing workforce initiatives
- Create **financial incentives to encourage recruitment and retention** of healthcare professionals, collaborating with universities colleges, and AHECs, with an emphasis on allied health disciplines

Priority Health Initiatives Grants Portfolio

- Focused on **Behavioral Health & Substance Use Disorder (SUD), Maternal-Fetal Health, and Chronic Disease Prevention & Management**
- **Expand prevention and treatment access** via grant opportunities, including for mobile/digital units, enhancing training, and increasing screening

Making Rural Healthcare Accessible

- Expand access to care in rural communities by deploying mobile units and satellite sites, and expanding telehealth services for **specialty, primary, and preventive care in remote areas**
- Integrate **regional coordination** for referrals, scheduling, and continuity of care, and telehealth-enabled access to improve rural health outcomes

Making Rural Healthcare Resilient

- Implement shared services models to reduce administrative and financial burdens by **leveraging EMRs, HIE, and scaling back-office support**
- Provide **technical assistance** to strengthen rural network **performance and coordination** for better care delivery



Rural Health Workforce Development & Training Program

Workforce Development & Training Program

Purpose: To recruit, train, and retain skilled health professionals serving Arizona's rural and tribal communities

Allocated Amount: \$43,100,000

Activities:

- **Rural Health Education and Training Expansion:** Expands rural clinical rotations, residency slots, and accelerated education programs across universities and community colleges, prioritizing rural students and hard-to-fill specialties.
- **Financial Incentives for Rural Practice:** Provides sign-on bonuses, relocation support, commuting subsidies, childcare assistance, and preceptor stipends tied to a five-year rural service commitment to strengthen recruitment and retention.
- **Micro Grants for Provider Upskilling and Residency Support:** Funds specialized training and wellbeing programs for rural health professionals and offers micro-grants to clinics and hospitals to expand clinical training capacity and retention.
- **Arizona Healthcare Workforce Project:** Establishes a coordinated office at OEO to oversee long-term strategic planning and accelerate enrollment in rural workforce training programs through cross-sector partnerships.

Expected Outcomes: Increased rural health workforce pipeline, Increased rural clinician retention, Increased training rates, Expanded access to care

Priority Health Initiatives Grants Portfolio

Behavioral Health & Substance Use Disorder (SUD) Expansion

Purpose: To expand clinical capacity and access points to behavioral health and substance use disorder treatments in rural and tribal areas, **prioritizing integrated, evidence-based service models.**

Allocated Amount: \$10,000,000

Activities:

- **Opioid overdose prevention through expanded opioid antagonists (e.g., naloxone distribution, etc.) and community-based access in rural areas**
- **Mobile and digital service expansion and rural crisis services**, including clinics, detox centers, and crisis stabilization units—especially in northern Arizona where adults and pediatric crisis care gaps persist.
- **Training and recruitment** of behavioral health professionals in shortage areas.

Expected Outcomes: Improved geographic access to behavioral health and crisis services, Increased treatment engagement via digital therapeutics, Increased individuals engaged in prevention activities, Increased naloxone distribution events and kits provided

Improving Rural Maternal-Fetal Health

Purpose: To improve the health and well-being of **mothers and babies before, during, and after pregnancy** through coordinated prevention and early intervention.

Allocated Amount: \$5,000,000

Activities:

- **Expanding maternal health programs**, including statewide adoption of evidence-based maternal health bundles to standardize obstetric care
- **Enhancing OB and maternal mental health training**, including supporting OB simulation training for rural hospitals to improve emergency response and obstetric care and Perinatal Mental Health Certification (PMH-C) training to build a skilled and sustainable workforce.
- **Ensuring access to critical help lines**, including perinatal psychiatric help for patients, and perinatal help for rural clinicians for real-time provider and patient navigation.

Expected Outcomes: Broader adoption of AIM Maternal Health Safety Bundles; improved rural hospital preparedness for obstetric emergencies; expanded perinatal mental health consultation and education; more providers trained and certified in PMH-C; and increased rates of syphilis care linkage and treatment among pregnant women.

Chronic Disease Prevention & Management

Purpose: To strengthen county and **regional chronic disease prevention capacity** and **improve long-term health outcomes.**

Allocated Amount: \$12,000,000 + OEO subaward \$4,000,000 to ADHS for Provider Upskilling

Activities:

- **Rural health screening events and targeted outreach campaigns** to identify and address chronic disease risk factors early
- **Embedding resources within healthcare environments** to ensure Arizonans who are eligible for health insurance programs become enrolled, and that **Arizonans are connected to social services for which they are eligible.**
- **Provider Upskilling and Residency Support** to increase retention of health professionals and mitigate attrition due to burn out.

Expected Outcomes: Improved rural prevention infrastructure, Increased rural chronic illness screening opportunities/events

Making Rural Healthcare Accessible

Telehealth Digital Transformation, Adoption, & Care Coordination

Purpose: To expand equitable access across rural Arizona to telehealth and **technology-enabled healthcare across all clinical types**. This initiative integrates **investments in telehealth expansion with digital infrastructure modernization**, ensuring that rural patients, providers, and systems are connected through **reliable, interoperable, and secure digital infrastructure** and statewide platforms.

Allocated Amount: \$17,000,000

Activities:

- **Telehealth hubs and remote monitoring:** Establish and expand telehealth hub sites to provide virtual specialty consults and implement remote patient monitoring programs that extend care to patients at home.
- **Grants for technology, including digital infrastructure and access, and care coordination:** Funds modernization of telehealth and digital infrastructure, integrates care coordination across mobile, tele-behavioral, and EMS networks, and expands the AZ REACH Behavioral Health Transfer Program to rural areas.

Expected Outcomes: Increased telehealth utilization, Improved care coordination

Rural Health Innovative Care Pilot Program

Purpose: To establish or expand **long-term rural health access points to preventive, specialty, and primary care services** and pilot innovative care or payment models

Allocated Amount: \$21,000,000

Activities:

- **Mobile & Satellite Site Expansion:** Acquire, equip, and deploy mobile units & satellite sites to deliver specialty, primary, and preventive care
- **Innovative & Alternative Care Models:** Pilot and scale community health worker programs, diversion models, in-home services, and traditional healing supports.
- **Alternative Payment & Value-Based Care Adoption:** Adoption of alternative payment models and value-based care strategies to incentivize quality and efficiency in rural health delivery.

Expected Outcomes: Expanded service reach and rural specialty access, Reduced emergency and hospital utilization, Strengthened local health infrastructure, Accelerated adoption of value-based care

Making Rural Healthcare Resilient

Initiative Overview

Purpose: Build and strengthen **co-located community hubs** and integrated rural networks that achieve efficiencies through **shared services**.

Allocated Amount: \$38,190,060.32

Activities:

- **Medical Diagnostic Equipment and Technology, including EHR Upgrades & Data Sharing:** Supports upgrades to medical equipment and EHR systems for rural providers, improving interoperability with Arizona’s HIE, and strengthening cybersecurity and administrative efficiency.
- **Provider Liaisons Pilot Project:** Funds Provider Liaisons at AHCCCS, DIFI, and ADHS to reduce administrative burden, streamline credentialing, and coordinate compliance reporting to agency leadership and the RHTP Project Officer.
- **Adopt Shared Services Consortiums:** Implements shared staffing, training, data systems, and facilities to strengthen operational efficiency and sustainability in low-population and Tribal areas.
- **Provide Technical Assistance to Improve Operational and Fiscal Performance:** Delivers targeted support to rural healthcare organizations to enhance operations, financial management, and network administration—building long-term community resilience and self-sufficiency.

Expected Outcomes: Increased co-located care sites, Increased improved care coordination, Reduced service duplication, Improved operational sustainability, Expanded cybersecurity capabilities for providers

Allowable Use of RHTP Funds

This outlines **eligible funding usage & funding restrictions** under CMS guidance and notes that Arizona must select *at least 3 eligible activities* as part of the RHTP application:

ELIGIBLE FUNDING USAGE



- Providing **IT tools and upgrades**
- Right-sizing rural health systems
- Improving **access to mental health** and substance use care
- Developing innovative care models
- Ensuring **sustainable access** to high-quality rural healthcare
- Training and technical assistance
- Providing **payments to healthcare providers**
- Promoting consumer-facing technologies
- Promoting **evidence-based interventions**
- Recruiting & retaining **clinical workforce**

FUNDING RESTRICTIONS*



- **New construction**
- Meeting **matching requirements** for any other federal funds or local entities
- Replacement of **payment for reimbursable clinical services** or **changes to existing fee schedules**
 - Provider payments cannot exceed 15% of total funding per budget year
- 5% limitation per budget year for **EMR replacement** if system is in place as of 9/1/25
- **Broadband infrastructure**
- Clinician salaries for facilities that subject clinicians to non-compete agreements.
- **Meals**, including medically tailored meals
- **Supplanting** existing State, local, Tribal, or private funding of infrastructure or services.



Request for Grant Applications (RFGA) Timeline

AHCCCS is releasing a total of **seven Requests for Grant Applications (RFGAs)** this year. We are on track to release all by the first week of August. The timeline below outlines the **solicitation schedule** for each RFGA:

JULY 10	Opioid Antagonist Distribution Initiative (\$1,500,000) <i>Strengthens rural overdose prevention through naloxone distribution, community training, and integrated multi-county response networks in EMS-limited areas.</i>
JULY 17	Telehealth Digital Transformation, Adoption & Care Coordination Grant (\$17,000,000) <i>Modernizes rural healthcare delivery through telehealth hub expansion, remote patient monitoring, and HIE-integrated digital infrastructure across rural and Tribal communities.</i>
	Medical Diagnostic Equipment & Technology, EHR Upgrades & Data Sharing Initiative (\$30,000,100.32) <i>Equips rural and Tribal facilities with advanced diagnostic technology, upgraded EHR systems, and enhanced cybersecurity to reduce transfers and expand local specialty care.</i>
JULY 24	Rural Health Innovative Care Pilot Program (\$21,000,000) <i>Pioneers innovative rural care models, including mobile units, community health workers, and value-based payment strategies. to expand access to preventive, specialty, and primary care.</i>
	Technical Assistance for Operational and Fiscal Performance (\$2,800,000) <i>Builds rural provider capacity through targeted operational, revenue cycle, and compliance support , strengthening long-term financial sustainability across rural health networks.</i>
JULY 31	Expansion of Mobile Digital Services Access Points, Clinics & Crisis Services in Rural Communities (\$8,500,000) <i>Deploys mobile behavioral health teams, digital access points, and crisis stabilization units to deliver BH/SUD treatment and same-day crisis care in underserved rural communities.</i>
	Adopt Shared Services Consortia (\$5,000,000) <i>Drives rural provider sustainability through shared staffing, billing, data systems, and co-located service hubs; Reducing overhead and building economies of scale.</i>

AZ RHTP Protections Against Supplanting

Under CMS guidance, supplanting is explicitly prohibited for RHTP. All funds **must be used to support new, expanded, or enhanced activities** rather than to offset costs that are already covered by other funding sources.



ALLOWABLE EXPANSION

Hiring new staff for new services

Funding a new community health worker to deliver a new chronic disease management program in counties B, C, and D.

New equipment for expanded services

Purchasing new telehealth equipment and devices for a new remote endocrinology consult service not previously offered.

New populations in new geographies

Extending an existing pilot program to three new rural counties that were not previously served.

New technology-driven capabilities

Adding AI-powered diagnostic tools, remote patient monitoring, or data infrastructure capabilities that did not previously exist.



SUPPLANTING (NOT ALLOWED)

Shifting existing staff salaries

Using RHTP funds to pay the salary of a nurse already employed and funded by the State or county health department.

Replacing current equipment costs

Using RHTP to cover the replacement cost of equipment in County A that is already funded by the county budget.

Covering existing operating expenses

Redirecting RHTP funds to pay for rent, utilities, or supplies already budgeted by the local health department.

Duplicating billable services

Paying for clinical services already reimbursable through Medicaid, Medicare, or private insurance.

Sub-award Monitoring & Reporting Requirements

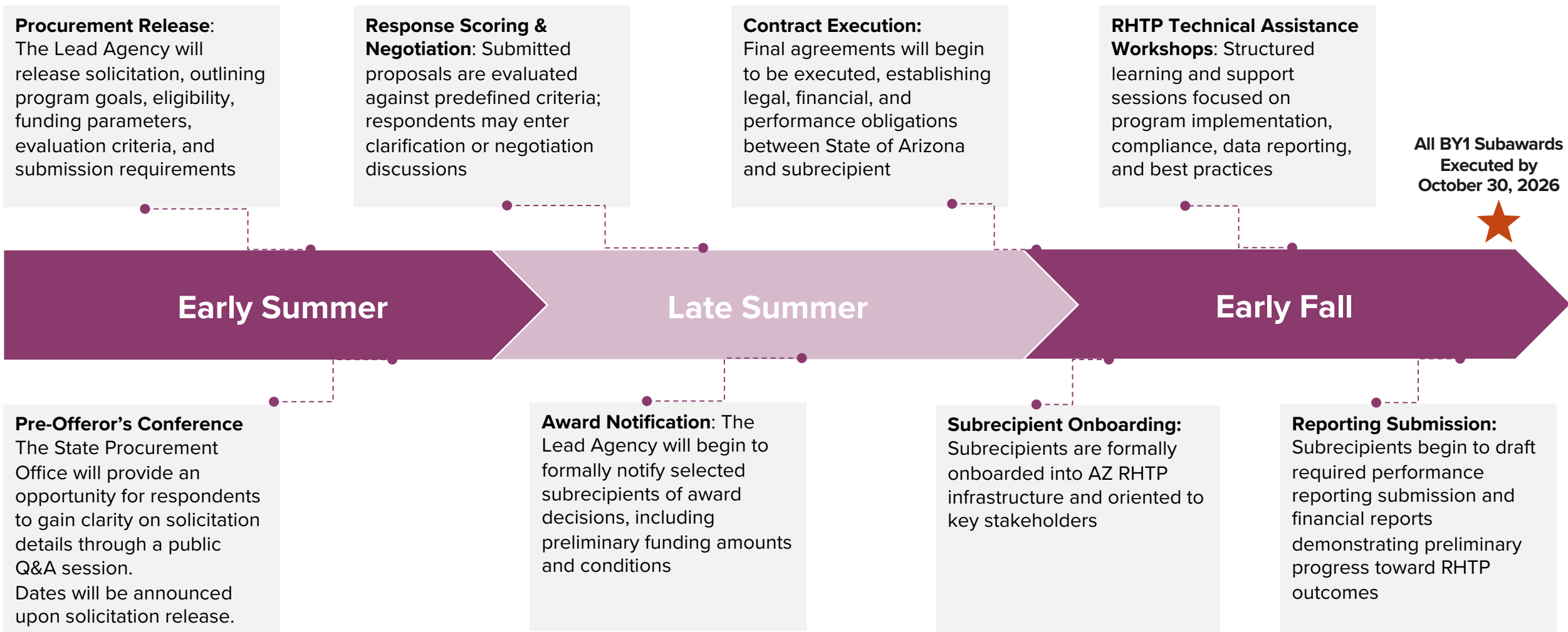


RHTP is a **cooperative agreement**, with Arizona working closely with CMS to advance innovative and sustainable solutions for rural and Tribal communities. **Continued funding is tied to outcomes, requiring rigorous reporting, compliance, and performance accountability from subrecipients and contractors.** Awarded partners are expected to comply with the following requirements:

- **Programmatic Reporting:** Regular progress reports demonstrating alignment to RHTP goals, CMS priorities, and approved workplans, including milestone and outcome tracking
- **Financial Reporting:** Timely submission of detailed expenditure reports, budget-to-actuals, and documentation supporting allowable and allocable costs
- **Performance & Outcome Metrics:** Collection and reporting of required CMS and State-defined performance measures to support statewide outcome reporting
- **Compliance Oversight:** Adherence to federal, state, and CMS RHTP requirements, including procurement standards, data integrity, and record retention
- **Monitoring Activities:** Participation in desk reviews, site visits, audits, and corrective action processes as required by the State

Remaining Budget Year 1 Timeline

The timeline below highlights the milestones and programmatic activities aligned to CMS performance requirements. It applies to all competitive solicitations only; it doesn't include direct partnerships initiated through Intergovernmental Agreements (IGAs), Competition Impracticable Awards, and Interagency Service Agreements (ISAs).



Learn More about AZ RHTP

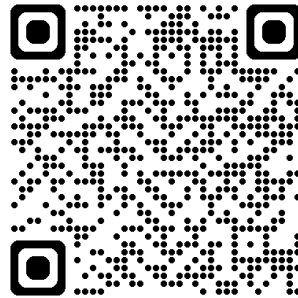
Learn more about AZ RHTP and its **current and upcoming** funding opportunities by visiting the [Arizona Rural Health Transformation Program \(RHTP\)](#) website.

Stay informed on the latest RHTP announcements, deadlines, and program updates by subscribing to the [AHCCCS Distribution List](#).

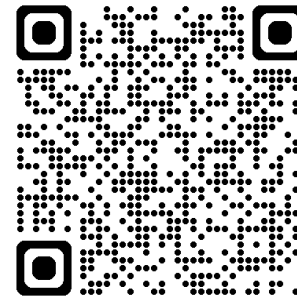
Checking these resources regularly is the best way to stay current as new RFGAs are released.



Scan the QRs Below!



AZ RHTP Webpage



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