

Illinois Rural Health Transformation Program Update

Illinois General Assembly

NOVEMBER 13, 2025



RHT NOFO Summary and Scoring

Application and program timelines

Timeline

- Program established by HR 1 July 4, 2025.
- NOFO released September 15, 2025.
- LOI submitted September 30, 2025.
- Application was submitted November 5, 2025.
- Awards will be decided and announced by December 31, 2025.

Note: this is an overview of a federal program and funding opportunity. To see exactly how the Centers for Medicare and Medicaid Services explains the goals, notice of the funding opportunity, and other requirements for this program, please visit <https://www.cms.gov/priorities/rural-health-transformation-rht-program/overview>.

RHT Funding Overview | HR-1 appropriated \$50B to the Rural Health Transformation (RHT) Program

Baseline funding

Equal distribution of \$25B among all states that submit an approved application

- If all 50 states receive grants, each would receive \$100M per year for five years
- States must submit a complete application conforming to NOFO requirements (i.e., initiatives align with **all 5 strategic goals & at least 3 use of funds categories**)

Workload funding

Distribution of \$25B based on the “content and quality” of the application and “rural factors”



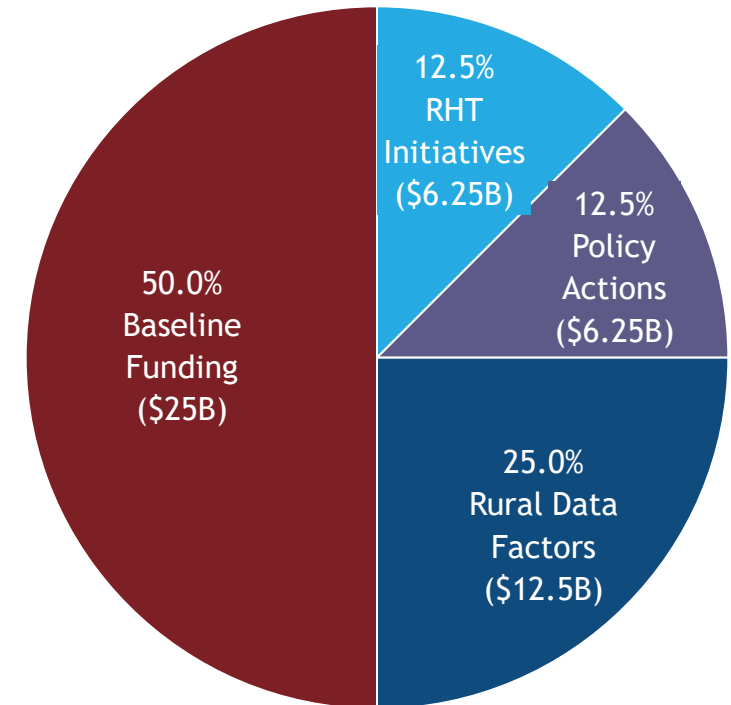
50% will be distributed based on **rural data factors**



25% will be distributed based on a state’s **alignment with administration policy goals**



25% will be distributed based on a qualitative assessment of a **proposed RHT funded initiatives**, as described in the state’s grant application





Rural Data Factors | Weights and Potential Scoring

Points will be awarded based on how a state scores *relative* to other states.

Rural Facility and Population Score Factors		% Weight	IL Potential Score
A.1	Absolute size of rural population in state	10%	2.939 out of 4.00 ¹
A.2	Proportion of Rural Health Facilities in the State	10%	3.7 ² out of 4.00 ¹
A.3	Uncompensated care in a State	10%	2.286 out of 4.00 ¹
A.4	% of State population located in rural areas	6%	0.98 out of 4.00 ¹
A.5	Metrics that define a State as being frontier	6%	0.9 out of 4.00 ¹
A.6	Area of a State in total square miles	5%	0 out of 20.86 ³
A.7	% of hospitals in a State that receive Medicaid DSH payments	3%	2.04 ⁴ out of 4.00 ¹



This may translate to approximately \$55M a year, based on available data for other states, which may be incomplete



Policy Actions | Context

- 12.5% of total federal RHT funding (or \$6.25B) will be distributed based on states' comparative scores on policy actions.
- For each policy component, point totals are awarded based on how the State's policy score compares to other states.
- States can receive partial credit for expressing willingness to move toward some policy components. States will have until October 2028 to fully implement the selected policies or funding associated with those points can be clawed back.



RHT Initiatives | NOFO Parameters

Strategic Goals

Initiatives should align with all 5 strategic goals:

Make rural America healthy again:

- Use evidence-based programs to expand preventive, chronic, behavioral, and prenatal care.

Sustainable access:

- Help rural facilities partner, streamline operations, and remain reliable hubs for primary, specialty, and emergency services.

Workforce development:

- Recruit, retain, and broaden the roles of clinicians and allied professionals serving rural communities.

Innovative care:

- Pilot value-based models that coordinate services, cut costs, and shift care to lower-cost settings.

Tech innovation:

- Provide secure telehealth, data-sharing, and emerging digital tools to enhance rural care delivery.

Use of Funds

Applications must reflect investments in at least 3:

- Prevention and chronic disease
- Provider payment
- Consumer tech solutions
- Training and technical assistance
- Workforce
- IT advances
- Appropriate care availability
- Behavioral health
- Innovative care
- Additional allowable uses:
- Capital expenditures and infrastructure
- Fostering collaboration

Initiative-based scoring

Applications will be scored by these factors

- B.1 Population health clinical infrastructure
- B.2 Health and lifestyle
- C.1 Rural provider strategic partnerships
- C.2 EMS
- D.1 Talent recruitment
- E.1 Medicaid provider payment incentives
- E.2 Individuals dually eligible for Medicare and Medicaid
- F.1 Remote care services
- F.2 Data infrastructure
- F.3 Consumer facing tech

* Metric also has a data-based or policy component

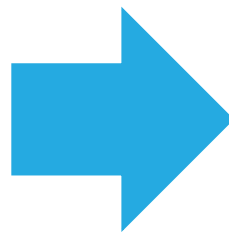
Stakeholder Engagement

Approach to Designing Initiatives | Engagement with subject matter experts heavily influenced the RHT strategic design

Stakeholder engagement included 9 state agencies, over 20 provider associations, numerous rural hospitals, health centers and community mental health centers, Illinois universities and community colleges, legislators, and numerous vendors.

Stakeholder Engagement Overview

1. Conducted **38** one-on-one discussions
2. Held public listening session with nearly **300** attendees
3. Received over **120** written public comments
4. Held **46** follow-up conversations

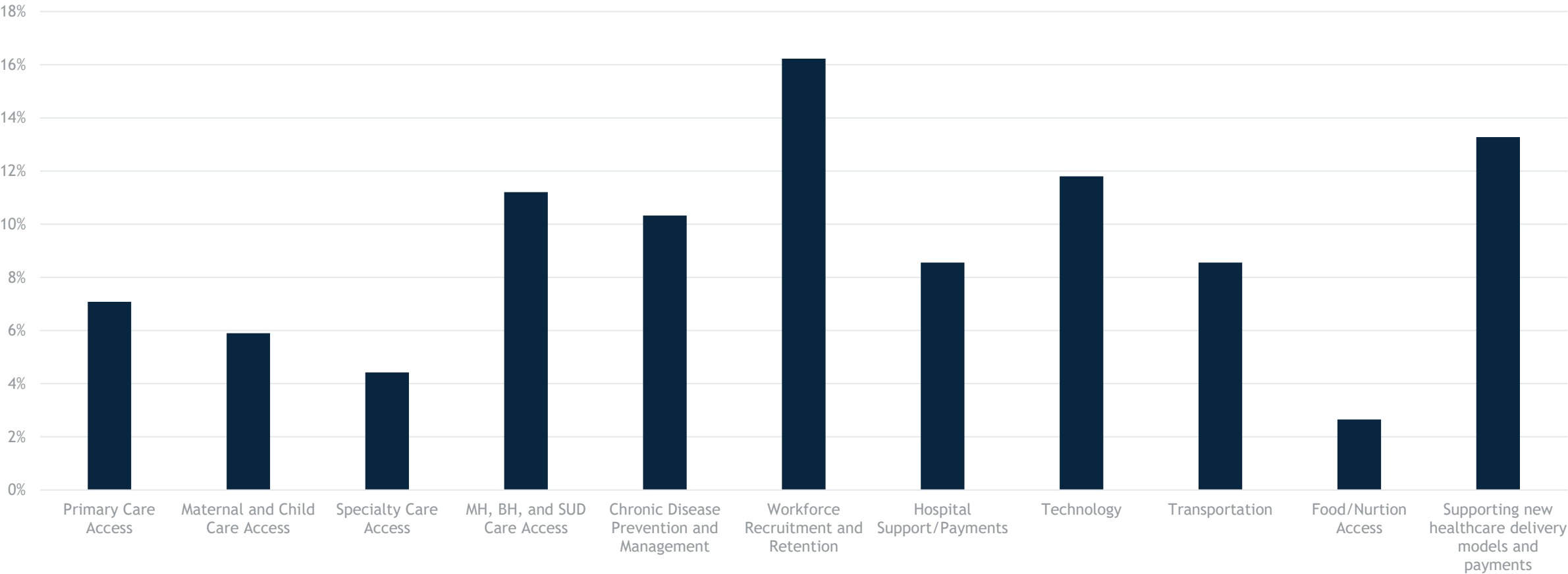


Application Formulation

1. Organized by NOFO strategies
2. Align with state assets and needs
3. Research of best practices across states
4. Finalized application initiatives

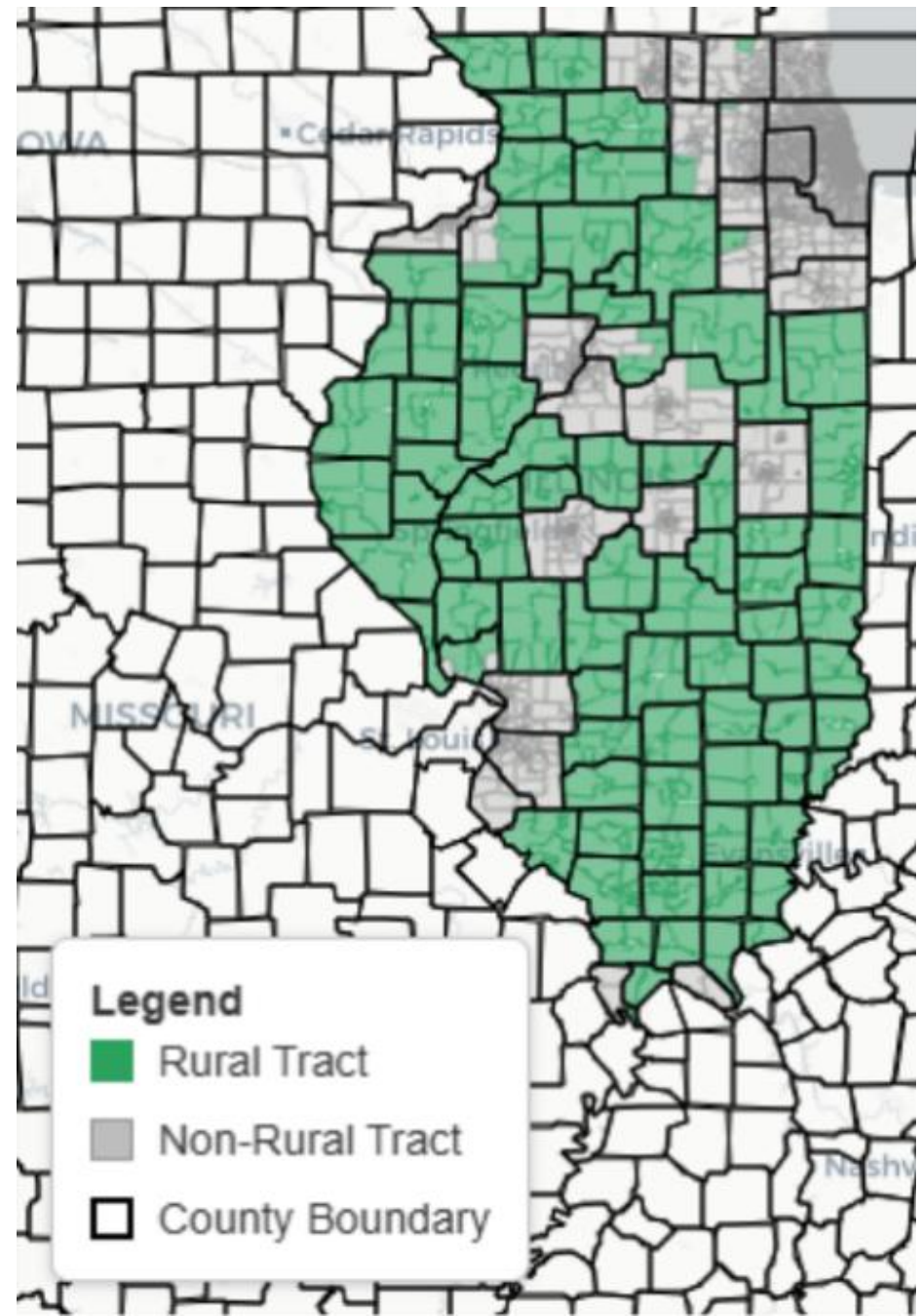
What HFS heard from stakeholders

Recommended RHTP Funding Priorities
Response Percentage



Rural Illinois

- The state has 1.9 million rural residents (approximately 15% of state population)
- Rural residents reside in census tracts that span over two-thirds of counties (85 of 102)
- The state has:
 - 277 Rural Health Clinics (RHC)
 - 441 Federally Qualified Health Centers (FQHCs)
 - 83 rural hospitals



Overview of Initiatives

Overview of Proposed RHT Initiatives

Transformation: Transforming Rural Healthcare Delivery

Catalyzing value based care models, regional health care partnerships in the hospital and primary care practice spaces, practice transformation, and population health improvement

Connection: Overcoming Geographic Barriers to Care

Creating opportunities for individuals in rural settings to receive appropriate access to services while remaining in their communities

Foundation: Building a Resilient Rural Workforce

Foundational investment to fill urgent gaps in the rural healthcare workforce

Overview of Proposed Initiatives |

1 Transforming Rural Healthcare Delivery

<i>Initiative</i>	<i>Recipients</i>	<i>Strategic Goals</i>
A Regional Care Transformation	Hospitals, health systems, HTCs	Innovative Care
B Community Care Infrastructure	Primary care, outpatient BH	Innovative Care
C Disease Prevention	Hospitals	Make Rural America Healthy Again

2 Overcoming Geographic Barriers to Care

<i>Initiative</i>	<i>Recipients</i>	<i>Strategic Goals</i>
A Transportation and Mobile Health Clinics and Mobile Crisis Units healthcare	Hospitals, EMS, primary care, and outpatient BH	Sustainable Access
B Technological Innovation for Virtual Care	HIT vendors <i>or</i> providers	Tech Innovation

3 Building a Resilient Rural Workforce

<i>Initiative</i>	<i>Recipients</i>	<i>Strategic Goals</i>
A Incentives for Clinicians and Non-Clinicians	State universities, community colleges	Workforce Development
B Training and Recruitment Program for Non-Traditional Healthcare Workers	State universities, community colleges	Workforce Development
C Rural Health Education	UIC	Workforce Development

1 Transforming Rural Healthcare Delivery

Initiative	Overview of Investment
A Regional Care Transformation	<ul style="list-style-type: none">• Transformation: Fund regional partnerships of rural healthcare providers to right-size service lines, improve care coordination, and test value-based payment models (planning, staffing, IT, renovations).• Technical Support: Provide technical assistance to develop and implement tailored transformation plans.• Interoperability: Procure a statewide health data interoperability platform for care coordination and telehealth.
B Community Care Infrastructure	<ul style="list-style-type: none">• Integrated Care Models: Fund rural primary care and behavioral health providers to build integrated care models, improve care coordination, and embed new provider types (e.g., CHWs, peers, doulas) into care teams.• Technical Support: Provide technical assistance and learning collaboratives for care transformation and quality management.
C Disease Prevention	<ul style="list-style-type: none">• Public Health Improvement: Funding to foster collaboration with hospitals and existing programs through local health departments (e.g., diabetes prevention, mental health first aid, physical activity programming)

2 Overcoming Geographic Barriers to Care

Initiative	Overview of Investment
A Expansion of Transportation	<ul style="list-style-type: none">• Remove Barriers: Expand access through investments in EMS and mobile healthcare.• Infrastructure Investment: Fund vehicles, equipment, IT systems, and staffing for Resource Hospitals to deploy through the EMS systems under their oversight to meet community needs for emergency response and to test innovative community paramedicine models.• Mobile Healthcare: Fund rural primary care and behavioral health providers to stand up or expand mobile clinics and mobile crisis models of care.
B Technological Innovation for Virtual Care	<ul style="list-style-type: none">• Expand Telehealth Access: Invest in statewide platforms to deliver specialty and emergency care in rural areas.• Provider Collaboration: Enable virtual consultations, training, and mentoring through programs like ECHO.• Bridge Gaps with Tech: Build health IT systems and telehealth hubs to improve care coordination and reach home-bound patients.

3 Building a Resilient Workforce

Initiative	Overview of Investment
A Incentives for Clinicians and Non-Clinicians	<ul style="list-style-type: none">• Attract & Retain: Offer targeted bonuses for providers committing to rural service for 5+ years.• Focus on High-Need Roles: Prioritize behavioral health, maternal care, and other critical specialties.• Leverage Partnerships: Expand university programs and collaborate with local providers for regional alignment.
B Training and Recruitment Program for Non-Traditional Healthcare Workers	<ul style="list-style-type: none">• Close Workforce Gaps: Establish local training for roles like community health workers, doulas, and peer support professionals.• Collaborative Approach: Partner with colleges, health systems, and community organizations to design rural-focused programs.• Retention & Incentives: Provide funding and support to keep trained professionals in rural communities.
C Rural Health Education Pipeline	<ul style="list-style-type: none">• Expand Pathways: Create healthcare career programs for rural high school students.• Hands-On Learning: Offer shadowing, mentorship, and workshops via UIC AHEC Rockford.• Build Sustainability: Partner with hospitals and schools to align with workforce needs.

Ongoing Engagement and Next Steps | Based on our strategic approach, HFS will be further engaging stakeholders and planning for implementation

Immediate Next Steps

- Continued stakeholder engagement
- Subsequent engagement with grant partner entities and trade groups
- Plan staffing for implementation at HFS in partnership with other state agencies
- Post funding decision- Budget reconciliation with CMS



Thank You
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Questions