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GENERAL MEMORANDUM 26-001

The Centers for Medicare and Medicaid Services Announces Rural Health Transformation Program Awards

On December 29, 2025, the Centers for Medicare and Medicaid Services (CMS) announced that all fifty states will receive funding as part of the Rural Health Transformation Program, which was created in the One Big Beautiful Bill Act (H.R.1) that passed in July 2025. According to the CMS press release, this funding is intended to "help states expand access to care in rural communities, strengthen the rural health workforce, modernize rural facilities and technology, and support innovative models that bring high-quality, dependable care closer to home." The Rural Health Transformation Program was created to assuage the concerns of certain members of Congress, particularly from rural areas, who worried that the One Big Beautiful Bill Act's Medicaid reforms would harm healthcare delivery in rural communities.

States will receive an average of $200 million each year across five years, with allocations ranging from $145 million to $281 million. Half of the funding is distributed equally, while the remaining half is allocated based on factors such as rurality and strength of application. Total annual allocations for each state, in order of the amount received, are as follows:

- Texas: $281,319,361
- Alaska: $272,174,856
- California: $233,639,308
- Montana: $233,509,359
- Oklahoma: $223,476,949
- Kansas: $221,898,008
- Georgia: $218,862,170
- Nebraska: $218,529,075
- Missouri: $216,276,818
- North Carolina: $213,008,356
- Kentucky: $212,905,591
- New York: $212,058,208
- New Mexico: $211,484,741
- Florida: $209,938,195
- Iowa: $209,040,064
- Arkansas: $208,779,396
- Louisiana: $208,374,448
- Indiana: $206,927,897
- Tennessee: $206,888,882
- Mississippi: $205,907,220
- Wyoming: $205,004,743
- New Hampshire: $204,016,550
- Wisconsin: $203,670,005
- Alabama: $203,404,327
- Ohio: $202,030,262
- Colorado: $200,105,604
- South Carolina: $200,030,252
- West Virginia: $199,476,099
- North Dakota: $198,936,970
- Oregon: $197,271,578
- Utah: $195,743,566
- Vermont: $195,053,740
- Illinois: $193,418,216
- Pennsylvania: $193,294,054
- Minnesota: $193,090,618
- Maine: $190,008,051
- Virginia: $189,544,888
- South Dakota: $189,477,607
- Hawaii: $188,892,440
- Idaho: $185,974,368
- Washington: $181,257,515
- Nevada: $179,931,608
- Michigan: $173,128,201
- Maryland: $168,180,838
- Arizona: $166,988,956
- Massachusetts: $162,005,238
- Delaware: $157,394,964
- Rhode Island: $156,169,931
- Connecticut: $154,249,106
- New Jersey: $147,250,806

State applications were evaluated across a range of factors, including whether or not they engaged with stakeholders as they crafted their plans. Tribal Nations were included in the list of stakeholders that states should work with, but the application did not require formal consultation. Still, many state plans include Tribal-specific components, according to the collection of state abstracts:[1]

- Oregon has a dedicated set-aside for the nine federally recognized Tribes in the state.
- Idaho will set aside 3.5% of the funding it receives for "Tribal rural health transformation support."
- North Dakota's plan acknowledges the "widening outcome gaps for Tribal and frontier communities" and plans to address this problem with its funding.
- Washington states its initiatives will support, among other things, "increasing training capacity for Tribal providers, nurses and long-term care workers."
- New Mexico's plan looks to "build and sustain a rural and Tribal health workforce by expanding local career pathways, strengthening clinical training pipelines and educational opportunities, and supporting long-term retention through housing, mentorship, and community-based incentives." The state will also allow Tribes to apply for a competitive grant program funded by New Mexico's allocation.
- Alaska, Michigan, Rhode Island, Montana, and Nebraska list Tribes or Tribal organizations as subrecipients of the state's funding allocation.
- Minnesota states that rural Tribal Nations are a potential subgrantee of its funding allocation.
- Virginia plans to dedicate a portion of its funds to a competitive grant program that federally recognized Tribes can apply for.
- Oklahoma, Connecticut, New York, Utah, and Wisconsin include information about partnering with Tribal Nations to implement their plans in the most effective way possible.

Please let us know if you would like assistance reaching out to your state to inquire about their plan to work with Tribal Nations.

Inquiries may be directed to:
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[1] This summary is intended to provide a general overview of the landscape and reflects only the information states included in their abstracts. It is not a comprehensive assessment of each state's plans to work with Tribes, and some states may include additional initiatives involving the Indian health system in their broader applications.