

California's Rural Health Transformation Program

Transformative Care Model Initiative

Purpose & Overview

The Rural Health Transformative Care Model Initiative expands access, strengthens the rural workforce, modernizes payment structures, and deploys integrated telehealth solutions to deliver evidence-based care closer to home. Rural communities across the United States face persistent challenges in accessing high-quality primary, specialty, maternity, and aging services. For families and older adults in rural and frontier California, a routine prenatal visit, chronic disease follow-up, or advanced imaging appointment can require hours of travel. When hospitals close labor and delivery (L&D), pediatric, or geriatric units, subsequent births, children's care, and elder services move farther away leaving chronic conditions unmanaged and increasing avoidable hospitalizations. To address these challenges, this transformative initiative preserves and enhances accessibility to appropriate levels of care, through a strengthened rural care continuum that supports clinicians, stabilizes essential hospital services, and aligns financing to sustain consistent, reliable access. This coordinated approach enhances birth safety, timely diagnosis, strengthens chronic disease management, supports aging in place, and promotes long-term financial stability for rural hospitals.

Strategic Objectives

1. **Establish Regional Hub-and-Spoke Networks:**

By aligning financing, governance, and clinical practice, this hub-and-spoke model strengthens rural communities to maintain essential services and deliver modern, patient-centered care that improves outcomes for chronic disease and maternal health.

- Hospital Hubs anchor the regional network with 24/7 specialty expertise.
- Spokes serve as trusted local access points for rural and frontier communities.
- Outpatient nodes, such as community health workers, expand reach into the community.
- The network will implement evidence-based levels of care to provide rural hub-and-spoke systems with a shared, evidence-based framework for capabilities and transfers.

2. Implement Evidence-Based Care Models:

By deploying evidence-based models in both maternity and chronic disease care, rural hub-and-spoke regional networks will expand access, strengthen provider capacity, and deliver high-quality, patient-centered care close to home. The regional networks will enhance:

- Chronic disease management and primary-specialty models.
- Maternity care, including prenatal innovations and perinatal mental health supports.

3. Develop a Rural Payment Model:

A sustainable, patient-centered payment model for rural hospitals combines ongoing standby payments and service-based fee-for-service payments.

4. Expand and Support Rural Workforce Capacity:

The transformative care model needs the right rural workforce with investments in perinatal community health workers (CHWs), clinician upskilling programs, family medicine obstetric fellowships, and Project ECHO (Extension for Community Healthcare Outcomes) training, all of which expand local capacity, reduce provider strain, enhance provider satisfaction, and provide accessible, high-quality maternal and primary care close to home.

- Clinician Train-the-Trainer programs to promote integrated behavioral health management by primary and maternal clinicians.
- CHWs and family obstetric fellowships.
- Telehealth-based collaborative care programs.

5. Create a Digital “Nervous System” of Telehealth Components:

The regional network will rely on telehealth components to create a digitally integrated “nervous system” for rural health, enabling real-time specialty access, e-Consults, patient monitoring, workforce extension, and standardization of care across both maternity and chronic disease domains.

- Enable timely specialty access.
- Patient monitoring.
- Workforce support, and standardized care across maternity and chronic disease management.

6. Award Sustainability Payments:

Rural hospitals have high fixed costs such as 24/7 emergency services, on-call coverage, an aging infrastructure, and low patient volumes. These factors and payer mixes, dominated by Medicare, Medicaid, and the uninsured, result in razor-thin margins, frequent losses, and chronic financial strain. Workforce shortages and the reliance on costly travel nurses and doctors further inflate expenses. Rural hospitals' limited capital, service-line closures, poor revenue

cycle management, and routinely delayed payer payments heighten their insolvency risk.

- Fund hospitals that meet distressed criteria.
- Upfront payments to hospitals.
- Awardees commit to implementing feasible components of Transformative Care Model.
- Accelerator program partners are rural health continuum of care transformation catalysts.
- Accelerator sites will be ‘incubators’ for innovative workforce, technology, payment and reimbursement practices.

Expected Outcomes

- Improve access to care as evidenced by increasing the percentage of rural patients receiving primary, maternity, specialty, or chronic disease services.
- Increase quality and outcomes by reducing time to specialty referrals, time to treatments, and improved metrics for chronic disease and maternal care.
- Decrease maternal complications.
- Expand workforce capacity by training or supporting rural providers through CHW programs, fellowships, virtual nursing, or Project ECHO participation.
- Increase telehealth utilization as evidenced by number of consultations for direct patient assessments, e-Consults, maternity, and virtual specialty visits.
- Stabilize rural hospitals and clinics by reducing rural hospital bypass, improving workforce retention and stabilizing revenue streams.

Workforce Development Initiative

Purpose & Overview

The Rural Health Workforce Development Initiative drives lasting rural transformation by building a sustainable, locally rooted health workforce. The program invests in regional training pathways, creates connections for high school students to health care careers, and strengthens partnerships with community colleges and California State University (CSU) campuses to prepare students for rural practice. It also develops community-based roles such as community health workers and doulas to expand the rural health workforce and improve access to care. With a clear focus on rural and frontier communities, the program’s incentives, mentoring, and continuing education support

current providers while establishing long-term pathways for new professionals to train and remain in their communities through residencies and fellowships. The goal is to build and sustain a capable, community-based health workforce in rural and frontier California, enabling access to high-quality care through coordinated, data-informed planning; community engagement; comprehensive training pathways; and strategic recruitment, training, and retention.

Strategic Objectives

1. **Establish a Statewide Workforce Mapping and Planning Tool:**

Develop a dynamic data platform to map existing rural and frontier workforce supply, identify demand trends, and pinpoint regional capacity gaps across licensed professionals, support staff, and allied health roles.

- Identify the health workforce needs of rural and frontier communities.
- Fund training and pathway initiatives to address maldistribution of providers.
- Identify gaps in education in training to meet projected workforce needs.

2. **Strengthen Training Pathways and Clinical Placement Networks:**

Connect high schools, community colleges, universities, hospitals, and clinics to expand regional training capacity in rural areas, clinical rotations, and practicum opportunities for health professionals.

- Connect local students from high schools, community colleges, and colleges through career education and counseling, mentorships, internships, fellowships to health professions careers. Includes wrap around support to enable students to access these programs.
- Expand training and education programs in rural counties/regions focused on meeting the needs of those communities.
- Rural and frontier clinical training: Develop a clinical placement network to connect health profession students (e.g., RNs, AA, BS and MS degree level professions) with rural facilities.

3. **Implement Regional Upskilling and Cross-Training Programs:**

Launch scalable “train-the-trainer” programs for physicians, nurse practitioners, nurses and allied staff to gain competencies in maternal health, chronic disease management, behavioral health, and telehealth delivery.

- Connect entry-level job roles (CNA/technicians) to a career lattice for apprenticeships and continuing education to expand the ability and breadth of medical professional capabilities.
- Scholarships, stipends, wrap around support to encourage additional training and upskilling.

- Training in BH for primary and maternity role types through the train-the-trainer, including providers working with the aging population.

4. Expand Non-Physician Clinical Roles:

Support the growth of CHWs, Licensed Vocational Nurses (LVNs), entry level Behavioral Health providers, and other paraprofessionals who provide critical frontline care and improve access, quality, and continuity of services.

- Expand the role of community-based providers like CHWs.
- Train entry-level/allied roles to expand skills aligning with priorities like telehealth, remote monitoring, etc.

5. Strengthen Graduate Medical Education and Fellowships:

Invest in interprofessional learning collaboratives that build a long-term pathway of clinicians with expertise in full-spectrum care, including increasing the number of rural residency tracks, family medicine obstetric fellowships, and other training opportunities focused on rural and frontier practice.

- Expand primary care residency positions with training sites in rural California to build a long-term pathway of clinicians for rural practice.
- Invest in rural residency and fellowships programs including regional collaboration to ensure training occurs in multiple settings to meet training volume requirements and sharing of faculty to remove barriers to expanding residency programs.
- Expand fellowship opportunities to family medicine physicians and advanced practitioners to train in obstetric care.
- Within each regional network, establish learning collaboratives and require the network to build team-based training for their workforce and students training in their facilities.

6. Recruitment and Retention:

Develop an organization-based recruitment and retention program focused on funding the needs of facilities within a regional collaboration.

- Offer loan repayment to encourage new providers to move to rural communities or retain existing providers. Require facilities in a community or region to work together to ensure providers are fully utilized across the community.
- Fund retention bonuses to help clinics maintain and support providers that are already practicing in rural and frontier communities.
- Fund recruitment bonuses with fixed term service requirements.
- Provide funding for the supervision and training of students and for the licensure mandated supervision of certain providers.

Expected Outcomes

- Improved recruitment and retention of rural clinicians and paraprofessionals as evidenced by an increased number of licensed and paraprofessional health workers in rural areas.
- Increased training and certification rates (if applicable) among CHWs, LVNs, and allied health professionals as shown through increased rural clinicians and staff that complete cross-training or certification in high-need areas.
- Reduced vacancy rates and improved continuity of care as illustrated by reduction in turnover and increase in average tenure in rural service.
- Expanded telehealth and e-Consult services, improving patient-to-provider ratios and reducing travel distance to care.
- Increased provision of integrated whole person care through BH training for primary and maternity care providers.

Technology & Tools Initiative

Purpose & Overview

The Rural Health Technology & Tools Initiative will equip rural health providers with the technical capacity necessary to strengthen clinical care and improve efficiency. This initiative will advance high-quality primary, maternity, and specialty care in rural communities through grant funding, technical assistance, and shared opportunities for collaboration, shared learning, procurement and management of technology services. The initiative addresses disparities in telehealth access, data interoperability, and consumer engagement enabling communities to benefit from high-quality, affordable, and coordinated care. In support of Transformative Care and Workforce Development, this initiative enables California's rural health care providers to deliver high-quality care by modernizing technology systems and improving interoperability to strengthen clinical integration and financial stability.

Strategic Objectives

1. Infrastructure Enhancement:

Support and optimize technical systems needed to connect rural hospitals, clinics, and other facilities to regional hubs and telehealth providers.

- Implement a multi-year technology grant program supporting access to telehealth and transformative care models.

2. Technical Assistance:

Develop a Technical Assistance Center that provides coaching and hands-on support to improve connectivity and health information exchange, which may

include Electronic Health Record (EHR) enhancements, data sharing improvements, and cybersecurity fortification. Technical Assistance will include the introduction of technologies to optimize workflows, minimize barriers to prior authorizations, and improve an entity's revenue cycle maximization.

- Access to hands-on implementation support, coaching and other technical assistance including vendor management.
- Training and certification to develop and sustain local expertise.
- Capabilities assessment and feedback.

3. Expand Regional Collaboration:

Expand regional collaboration through opportunities for group purchasing, and shared management of technological services. Leverage and share technology and tool adoption across and among regions.

- Regional facilitation towards collective and transparent reporting and evaluation.
- Group purchasing that allows economies of scale.
- Shared services implementation and support.

4. Patient-Centered Digital Tools:

Encourage patient-centered digital tools that empower individuals to make decisions about their health care by capturing and sharing person and home-generated data that integrate into clinical workflows, enhancing care coordination and decision-making.

- Coaching and training patients on the use of monitoring tools.
- Collaborating with CHWs, doulas, care navigators, and nurses to integrate patient monitoring information into their workflows.
- Rapid learning and integration of patient self-monitoring by community workers, clinics, and hospitals.

Expected Outcomes

- Improved health information exchange and interoperability among rural providers as measured by the increased number of rural hospitals reporting data exchange capabilities, including sending and receiving electronic event notifications.
- Increased adoption of telehealth and e-Consult services as evidenced by increased telehealth or e-Consult visits for patients with chronic conditions (e.g., diabetes, hypertension), maternity and other specialty needs.
- Enhanced cybersecurity and data privacy through comprehensive assessments and sustained certification.
- Reduced upfront and ongoing costs derived from economies of scale through network purchasing and shared service agreements.

- Increased utilization of patient portal to access patients' own health records and/or number of patients who have successfully connected their health data to a third-party application (relies on API usage metrics).