California Rural Health Transformation
Frequently Asked Questions

Updated March 13, 2026

1. **What is the federal Rural Health Transformation Program and what is California's Rural Health Transformation program[1]?**

   The Rural Health Transformation Program (RHTP) is a Centers for Medicare & Medicaid Services (CMS) program created in federal law and funded at $50 billion over five years to help states improve rural health access, quality, and outcomes through health system transformation. California's approach is the California Rural Health Transformation (CalRHT) program, led by the Department of Healthcare Access and Information (HCAI), and built around three interrelated initiatives: the Transformative Care Model, Workforce Development, and Technology & Tools.

2. **What are the main goals of the California Rural Health Transformation Program?**

   The CalRHT program's goal is to improve health care across California's rural and frontier communities.

3. **What is the current status of CalRHT award?**

   On December 29, 2025, CMS announced Fiscal Year (FY) 2026 RHTP awards. California is an awardee, with a FY26 award amount of $233,639,308. On January 30, 2026, as required by CMS, California submitted a revised CalRHT budget that further describes CalRHT planning for the award. After receipt of the revision, CMS has up to 45 additional days to review the CalRHT revised budget and notify California if further revisions are needed or if it will accept the revised budget.

4. **When will CalRHT grantees receive their funding?**

   Prior to receiving any funding, every CalRHT grantee must have CMS approval.

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[1] The CalRHT program is supported by the Centers for Medicare & Medicaid Services (CMS) of the U.S. Department of Health and Human Services (HHS) as part of a financial assistance award totaling $233,639,308.46 with 100 percent funded by CMS/HHS, pending budget approval. The contents are those of CalRHT and do not necessarily represent the official views of, nor an endorsement, by CMS/HHS, or the U.S. Government.

After CalRHT selects a grant recipient, CalRHT will submit grantee proposal and budget details to CMS. CMS will then review the revised submission and either:

(a) approve the CalRHT grantee,

(b) request modifications from the grantee or modify the CalRHT grant award, or

(c) deny the CalRHT award.

Once CMS responds to CalRHT with their decision, CalRHT will then notify the recipient of the final award amount and the terms for disbursement.

5. **Who is the day-to-day program lead and best contact information for the CalRHT program?**

   The CalRHT program will be led by the CalRHT Program Director. While recruitment for a permanent Program Director is under way, HCAI's Senior Policy Advisor for Health Workforce Development will serve in this role.

   For stakeholder inquiries and participation, email CalRHT@hcai.ca.gov.

6. **How do I apply for funding under CalRHT?**

   CalRHT will release a Request for Application (RFA) that will provide an online portal for hospitals, clinics, tribal entities, and other providers to apply for grant funding. The current plan is to release the RFA in spring 2026.

7. **When can I apply for CalRHT funding?**

   The CalRHT program anticipates posting the Request for Application (RFA) in spring 2026. The RFA will describe detailed applicant submission requirements including a description of the grant proposal and the financial structure of the applicant entity.

8. **How long will the CalRHT application process be open?**

   The Request for Application (RFA) solicitation pathway has not been finalized. The current plan is to release the RFA in spring 2026.

9. **What application templates and reporting resources will be provided to guide applicants and partners?**

   Once CalRHT is ready to accept applications, specific application templates will be published with the CalRHT Request for Application (RFA). For now, the most reliable way to stay informed is to monitor the CalRHT webpage for updates, opportunities, requirements, and deadlines.

   You can email CalRHT@hcai.ca.gov with any questions and ask to be added to the CalRHT listserv.

10. **Who is eligible to apply for funding under CalRHT?**

    Any applicant who provides program services in rural California as defined by the Health Resources & Services Administration (HRSA) is eligible to apply for CalRHT funding. Eligibility varies by initiative, but typical applicants include hospitals, clinics, Tribal nations, government agencies, health care providers, educational institutions, nonprofits, and other partners capable of implementing rural health projects.

11. **What types of facilities are eligible?**

    All facilities that provide services in rural and frontier communities are eligible to apply for funding. CMS did not specify restrictions in the Notice of Funding Opportunity (NOFO) requiring that provider organizations be physically located in rural areas, so long as care is provided to rural communities. Facilities can be rural hospitals, rural health clinics, rural community health centers, community-based organizations, behavioral health facilities, and Tribal clinics, and other providers of care in rural and frontier communities. Activities will be implemented consistent with the CalRHT Project Narrative and applicable CMS guidance that describes the allowable uses of funds.

12. **How can I determine if my organization, project, or program qualifies for CalRHT funding?**

    Review the Request for Application (RFA) eligibility criteria and NOFO allowable uses to confirm your organization type, service area, and proposed activities meet the program requirements. If they align, your organization, project, or program may be eligible to apply. You can check your activity site rural eligibility using the HRSA Rural Health Grants Eligibility Analyzer.

13. **Can an organization with headquarters in another state but serving rural California qualify?**

    If an applicant can meet state contracting and grants requirements, any applicant who provides program services in rural or frontier California may be eligible to apply for CalRHT funding.

14. **Can organizations located in non-rural or urban areas apply for CalRHT funding?**

    Any applicant who provides program services in rural or frontier California may be eligible to apply for CalRHT funding. Initiatives must be in a rural location but providers can be based in non-rural locations.

15. **How will applications be reviewed, funding decisions be made, and when will grantees receive funding?**

    The Request for Application (RFA) will describe applicant submission requirements for the grant proposal and seek specific details about the financial structure of the

applicant entity. The CalRHT team will review the applicant submission with criteria and selection processes aligned with CMS requirements, such as rural impact, feasibility, sustainability, and budget effectiveness.

16. **What restrictions are outlined by CMS in the NOFO as to how funds can be used?**

    CalRHT grants cannot be used to pay for direct patient care from doctors, hospitals, and other providers. The CMS NOFO states that any use of funds is non-duplicative and non-supplanting of any existing federal program funding. For a complete list of restrictions, see pages 18-22 of the NOFO and the CMS FAQ.

17. **When must the CMS Rural Health Transformation Program (RHTP) state award funds be spent, and can annual funding amounts change over time?**

    CMS rules state that funding is awarded in annual budget periods with defined spending windows. For example, any 2026 grant funding must be spent by the end of September 2027. If a grantee does not spend their award within this time period, CMS will identify unspent or unallocated funds and redistribute them to other states. Funding can be recalculated annually based on CMS's ongoing monitoring and updating of scores and states' progress.

18. **Where can I find materials related to California's application to the RHTP program?**

    HCAI's CalRHT page includes links to CalRHT webinar presentations, a program overview, the project narrative, budget narrative, and multiple listening session recordings.

19. **What is the Rural Health Policy Council (RHPC)?**

    The Rural Health Policy Council (RHPC) is an advisory council for rural health stakeholders to discuss the CalRHT program implementation. The Council will consider and discuss questions from the CalRHT team, propose ideas for CalRHT consideration, provide subject matter expertise, help communicate CalRHT program updates to their community, and share program performance feedback from rural California communities.

20. **When will RHPC appointments be announced?**

    The HCAI Director will appoint members to the RHPC starting in 2026, subject to the timing of CMS' budget approval. The Council will have stakeholders with rural health experience and subject matter expertise to ensure a qualified, representative Council.

21. How will stakeholders engage with CalRHT?

CalRHT incorporates stakeholder input through multiple channels. Ongoing engagement includes the CalRHT web page as the central hub for program information, updates, timelines, plus a dedicated email inbox (CalRHT@hcai.ca.gov) for questions. The CalRHT web page and emails will also offer an opportunity to subscribe to a CalRHT listserv for updates. In addition, the RHPC will be a public forum for rural health stakeholders to discuss CalRHT program implementation.

22. Are California's RHTP initiatives in the Project Narrative final?

The CalRHT initiatives proposed in the project narrative are final. Per CMS rules, initiatives cannot be added or removed, but CalRHT may adjust funding, goals, and timelines within the initiatives. During its annual program review, CMS may also adjust the annual CalRHT budget and could reduce or eliminate previously approved budget activities.

23. What is the Transformative Care Model (TCM) and what will it do?

The first initiative, TCM, seeks to create regional care collaboratives and networks that leverage a hub-and-spoke model to create clinical partnerships between rural hospitals, clinics, and other providers, including Tribal partners. For more details, see the CalRHT project narrative.

24. Does the application review include considerations for Tribal communities?

CalRHT will allocate at least 5% of program funds to support rural Tribal communities.

25. Why is there a 5-year service obligation for retention and relocation grants?

CMS and federal law require that retention and relocation grant recipients must be physically located in a rural or frontier community for a minimum of 5 years. Please visit the CMS FAQ for more information.

Reference Links

- HCAI CalRHT Page
- CMS RHTP FAQ (PDF)
- CMS NOFO (PDF)
- HRSA Rural Health Grants Eligibility Analyzer