

Rural Health Transformation Program

Overview for AAPD Public Policy Advocates (PPAs) to Advocate for Rural Pediatric Oral Health Services via the Rural Health Transformation Fund in their State

BACKGROUND

- **Public Law No 119-21** (the FY2025 congressional budget resolution) established [the Rural Health Transformation Program \(RHT\)](#), a **\$50 billion fund** for rural healthcare providers.
- **Timeline:** Funding begins **FY 2026** and runs through **FY 2030**; **annual distributions of \$10 billion**.
- **Approved uses** include:
 - Preventive healthcare interventions
 - Workforce improvements
 - Technology innovations
 - Payment for services
 - Administrative improvements
- **Strategic goals:**
 - Make Rural America Healthy Again
 - Sustainable Access
 - Workforce Development
 - Innovative Care
 - Tech Innovation
- **Eligibility:** States only (no territories).
 - One application per state for the entirety of the program.
 - Applications must include a detailed rural health transformation plan outlining use of funds.

Distribution process:

- \$25 billion: divided equally among all approved applicants.
- \$25 billion: awarded to at least 25% of states with eligible applications, based on:
 - **Ruralness** (statutory criteria + CMS-determined factors)
 - **State policies and commitments** (policies adopted to support rural health)
 - **Quality of application** (plans for fund usage)
- Note: Early indications suggest a focus on **rural hospital services**, which may influence how oral health linkages are proposed.

When:

- **Application timeline:**
 - Launch: September 15, 2025
 - **Applications due: November 5, 2025**
 - Approvals/denials: by **December 31, 2025**
- **Guidance webinars:** CMS will hold sessions once the application process launches.
 - [September 25th registration](#) for CMS Webinar
- Additional details via [Notice of Funding Opportunity \(NOFO\)](#)

Act Now:

- Early engagement with **state oral health stakeholders** is essential to coordinate and strengthen applications.
- Key contacts:
 - Governor's office health staff
 - [State Medicaid Director](#)
 - [State Dental Director](#)
 - [State Oral Health Office](#)
- Some states are already soliciting public input
 - [Check this state tracker](#) for what your state is doing
- Action steps:
 - Monitor your [state health department's website](#) for feedback opportunities.
 - Begin coordination now to improve competitiveness for funding.
 - Inquire with other oral health advocates about opportunities for collaboration:
 - [State dental associations](#)
 - [State oral health coalitions](#)

ORAL HEALTH IDEAS FOR GRANT FUNDING

Payment:

- **Rural add-on encounter payment within Medicaid dental programs**
 - Modeled after [Massachusetts' approach](#) (see "rural" references in their Medicaid documentation)
 - Would help offset higher costs of providing care in low-volume rural practices.
- **Reimbursement rates**
 - Increase Medicaid dental reimbursement to better align with provider costs and incentivize participation.
- **Bonus payments**
 - For rural dentists who accept **direct referrals from hospital emergency departments**, reducing inappropriate ED utilization.
 - For dentists who treat **pregnant women in designated rural areas**, improving maternal and infant oral health outcomes.

Increasing Eligible Providers- Education:

- **Dedicated rural dentist funding**
 - Example: [Mississippi's rural dentist incentive programs](#), which provide grants to support practice establishment.
- **Student loan repayment/forgiveness**
 - Modeled after [California's programs](#).
 - Expand eligibility by linking repayment amounts to the percentage of **Medicaid patients served** or designation as a **HRSA low-provider area**.
- **Rural/satellite dental schools & residency pipelines**
 - Establish rural training tracks that connect residents directly with rural clinics.
 - Evidence shows rural-trained providers are more likely to practice long-term in underserved areas.

Increasing Eligible Providers- Authorization:

- **Public Health Dental Hygienists**
 - Modeled [after Massachusetts](#); expand their scope and authority to reach underserved populations.
 - **Expanded Function Dental Assistants (EFDAs) & Dental Therapists**
 - Leverage mid-level providers to increase access in areas with few dentists.
 - Provide pathways for licensing and integration into rural oral health teams.
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Hospitals:

- **Hospital-based dental equipment for rural hospitals**
 - Example: [Iowa's FIND Program](#), which reduced long wait times for pediatric dental surgery.
 - Allows hospitals to provide comprehensive dental treatment under anesthesia, decreasing travel and wait times for families.
- **Integrated oral health in rural hospitals**
 - Position dental services as part of broader hospital-based preventive and specialty care. Pitch using funds to support dental equipment and spaces.
 - Supports coordination between oral health providers and medical teams.

ADDITIONAL RESOURCES

- Hidden Crisis: Pediatric Oral Health in Rural America ([AAPD](#))
- Compendium of Rural Oral Health Best Practices ([NRHA](#))
- National Rural Health Association Policy Paper ([NRHA](#))
- Improving Dental Care Access for Vulnerable Populations ([ADA](#))
- Overview of Rural Health Transformation Program ([CMS](#))
- A Closer Look at the \$50 Billion Rural Health Fund in the New Reconciliation Law ([KFF](#))
- Rural Health: A Strategic Opportunity for Governors ([NGA](#))