

Rural Health Transformation Fund and Community Health Workers

Key points:

- States are eligible to receive at least \$100 million for each of the next 5 years to improve rural health in their state, through a new \$50 billion Rural Health Transformation Fund (RHTF) created by the “One Big Beautiful Bill Act”
- Between now and December 2025, states are developing their plan for how to use this 5-year funding. Many states are [publicizing](#) opportunities for public input
- The Rural Health Transformation Fund can be used for a broad range of investments to improve rural health, including investing in community health workers (CHWs)
- CHWs and CHW allies have a **time-sensitive opportunity** to inform their states’ Rural Health Transformation Plan and secure funding for the CHW workforce

About the Rural Health Transformation Fund (RHTF):

The Rural Health Transformation Fund provides \$50 billion total for state grants (DC and U.S. territories cannot apply) over 5 years, through two different funding formulas:

- Half (\$25 billion) will be distributed by the U.S. Centers for Medicare and Medicaid Services (CMS) “equally among all states with an approved application”
- The other half (\$25 billion) will be distributed to states based on need, rural population size, and other factors at the discretion of CMS

States can apply to use RHTF funding in a variety of ways, including the following investments in the CHW workforce (though CHWs are not explicitly named):

- Funding training and certification programs for CHWs
- Adopting reimbursement models for CHWs, including through a Medicaid State Plan Amendment (SPA)
- Funding CHW positions in a variety of employment settings
- Developing and adopting **value-based care arrangements and alternative payment models**, which may provide sustained funding sources for CHWs

Now is a key time for CHWs and CHW allies, following the leadership of their local CHW network or association, to advocate for your vision of how CHWs can be funded in your state Rural Health Transformation Plan. See if your state has any public listening sessions, comment periods, or input forms (tracked [here](#)), or reach out to your contacts at a state agency that might be working on this

Learn more:

- Longer [policy brief](#) on the Rural Health Transformation Fund and CHWs
- [State Health & Value Strategies](#): Tracking State Preparation for the Rural Health Transformation Program
- [KFF](#): A Closer Look at the \$50 Billion Rural Health Fund in the New Reconciliation Law
- [Holland & Knight](#): One Big Beautiful Bill Act Includes \$50 Billion Rural Health Transformation Program
- [ASTHO](#): Understanding and Applying for the Rural Health Transformation Program