LOUISIANA DEPARTMENT OF HEALTH

Louisiana Rural Health Transformation Program

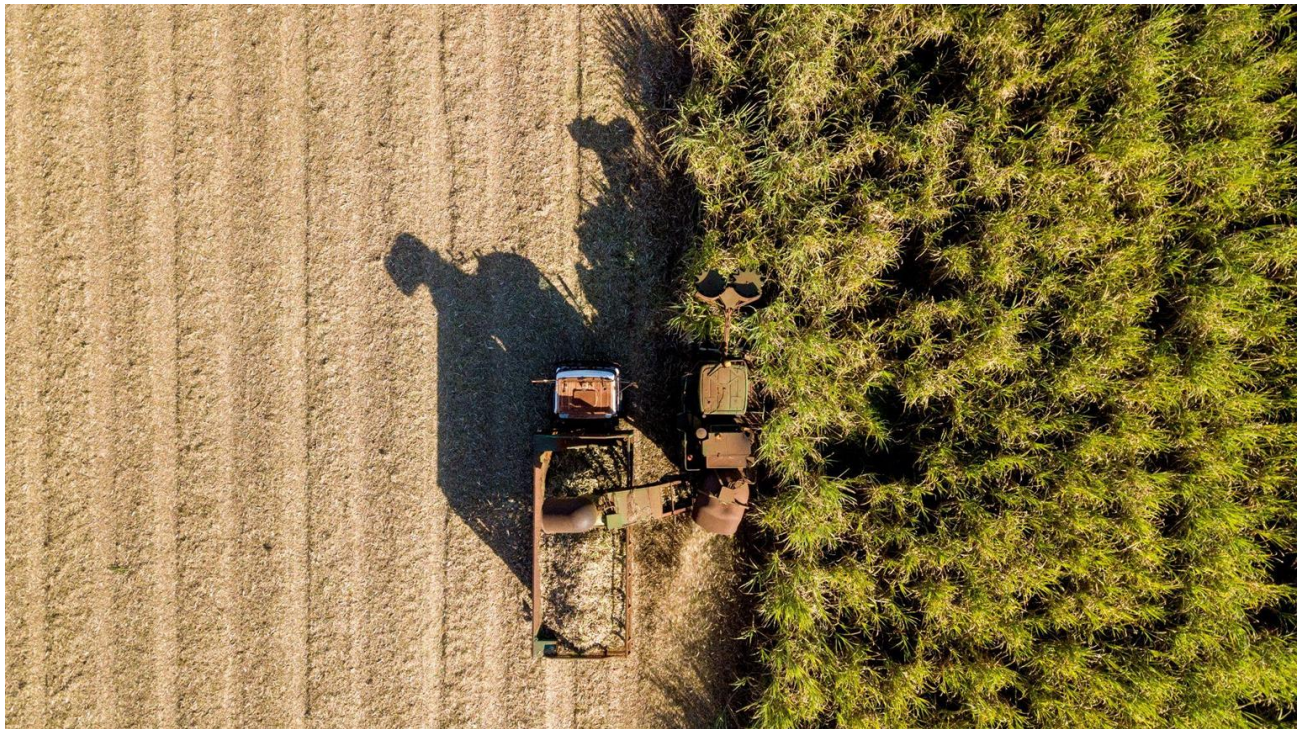
Community Idea Raisers

Welcome

Today’s Agenda

10 Minutes	**Overview of Rural Health Transformation Program**
10 Minutes	**Louisiana Strategy for Rural Health Transformation Program**
90 Minutes	**Input from the audience**
10 Minutes	**Closing**

One Big Beautiful Bill Act Rural Health Transformation Program Overview



Rural Health Transformation Program – Executive Summary

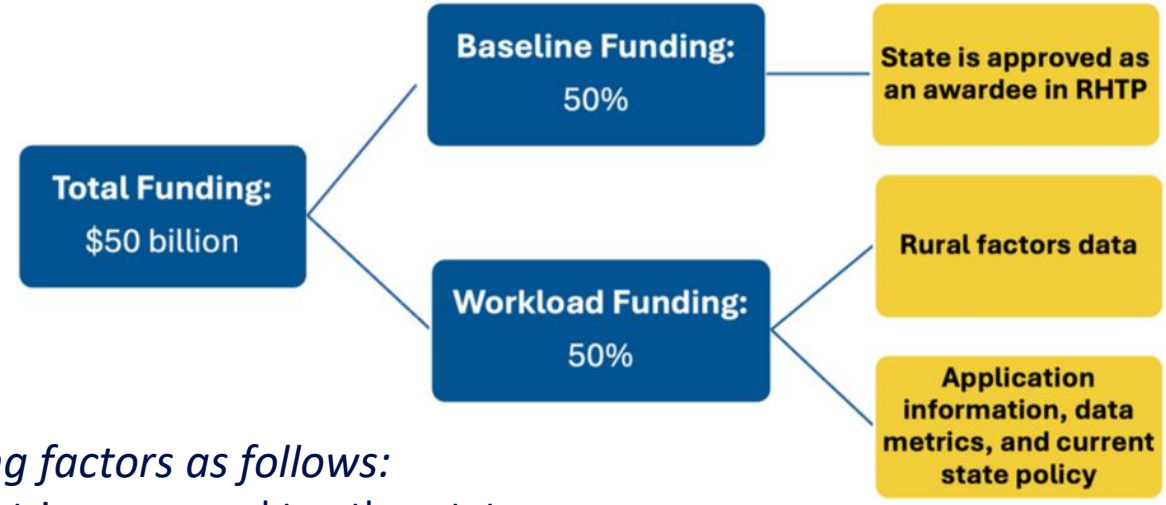
- **Section 71401 of the Reconciliation Bill** allocated transformative funding to rural health systems – strategic readiness is critical.
- **$50 Billion** earmarked over 5 years for rural health infrastructure, workforce, and access.
  - Would mean approximately $200 million per year over 5 years for La.
- **Prioritizes underserved areas with high morbidity and provider shortages.**
- Must submit transformation plans by a **tight timeframe**.

FEDERAL UPDATES:

Funding Distribution

50% BASELINE FUNDING:

Distributed equally among all approved states



50% WORKLOAD FUNDING:

Half of the total funding available each budget period; funding factors as follows:

- **Data-driven metrics**: Points awarded based on value of metrics compared to other states
- **Initiative-based:** Points awarded based on qualitative assessment of programmatic initiatives outlined and subsequent follow-through
- **State policy actions:** Points awarded based on current State policy, proposed policy action you commit to by accepting the award, and subsequent follow-through toward meeting commitments

EST. AWARD DATE: 12/31/2025

Funding is provided in five budget periods, 10 months for the first budget period and 12 months for each subsequent period.

- CMS will re-calculate each approved State's technical score and corresponding Workload funding amount for each subsequent budget period based on information and data provided in annual reporting. Funding appropriate for FY 2027, to be determined by 10/31/2026 and so forth through fiscal year 2030

Rural Health Transformation Program – Rural Health Facilities

Hospitals meeting specific rural or hospital - type criteria defined in Title XVIII of SSA

- Critical access hospital
- Sole community hospital
- Medicare-dependent, small rural hospital
- Low-volume hospital
- Rural emergency hospital
- Medicare subsection (d) hospital in rural area

- Rural health clinic
- Federally qualified health center
- Community mental health center
- Opioid treatment program
- Health center receiving a grant under section 330 of the Public Health Service Act
- Certified community behavioral health clinic located in rural census tract

FEDERAL UPDATES:

Use of RHT Program Funds

1. **Prevention and chronic disease:** Promoting evidence-based, measurable interventions to improve prevention and chronic disease management.
2. **Provider payments:** providing payments to health care providers for the provision of health care items or services, subject to restrictions
3. **Consumer tech solutions:** Promoting consumer-facing, technology-driven solutions for the prevention and management of chronic diseases
4. **Training / technical assistance:** For the development and adoption of technology-enabled solutions that improve care delivery in rural hospitals, including remote monitoring, robotics, AI, and other
5. **Workforce:** Recruiting and retaining clinical workforce talent to rural areas, with commitment to serve rural community for minimum of 5 years
6. **IT advances:** Providing TA, software, and hardware for significant IT advances designed to improve efficiency, enhance cybersecurity capability development and improve patient health outcomes
7. **Appropriate care availability:** Assisting rural communities to right size their health care delivery systems by identifying needed preventative, ambulatory, pre-hospital, emergency, acute inpatient care, outpatient care and post-acute care service lines
8. **Behavioral Health:** Supporting access to opioid use disorder treatment services, other substance use disorder treatment services, and mental health services
9. **Innovative Care:** Developing projects that support innovative models of care that include value-based care arrangements and alternative payment models, as appropriate
10. **Capital expenditures and infrastructure:** Investing in existing facility buildings and infrastructure, subject to restrictions
11. **Fostering collaboration:** Initiating, fostering, and strengthening local and regional strategic partnerships between rural facilities and other health care providers to promote quality improvement, improve financial stability of rural facilities, and expand access to care

FEDERAL UPDATES:

Funding Limitations

1. Pre-award costs
2. Meeting matching requirements for other federal funds / local entities
3. Services, equipment, or supports legal responsibility of another party under federal, State, or tribal law, such as voc rehab or education, or under any civil rights law, such as modifying workplace or providing accommodations
4. Goods or services not allocable to the project
5. Supplanting existing State, local, tribal, or private funding of infrastructure or services, such as staff salaries
6. Construction or building expansion, purchasing or significant retrofitting of buildings, cosmetic upgrades, or any other cost that materially increases the value of the capital or useful life as a direct cost
7. Cost of independent research and development
8. Funds related to any activity designed to influence enactment of legislation, appropriations, regulation, administrative action, or executive order
9. Purchase of covered telecommunications and video surveillance equipment as well as financial assistance to households for installation and monthly broadband internet costs
10. Meals
11. Activities prohibited under federal law and HHS Grants Policy, including but not limited to, paying salary or expenses of any grant recipient or lobbying

FEDERAL UPDATES:

Unallowable Costs

1. New construction is unallowable.
   - *Supplanting funding for in-process or planned construction projects or directing funding towards new construction builds is unallowable. Renovations or alterations are allowed only if they are clearly linked to program goals, not to exceed 20% of total funding in a given budget period.*
2. To replace payment for clinical services that could be reimbursed by insurance.
   - *Will not accept payments to clinical services if they duplicate billable services and/or attempt to change payment amounts of existing fee schedules. If fund direct health care services, must justify why they are not already reimbursable, how payment will fill a gap in care coverage, and/or how they transform current care delivery mode.. Funding not to exceed 15% of total funding in given budget period.*
   - *Cannot be used for initiatives that fund certain cosmetic and experimental procedures that fall within definition of specified sex-trait modification procedure.*
3. No more than 5% of total funding in given budget period can support funding the replacement of an EMR system if previous HITECH certified EMR system is already in place as of 9/1/2025.
4. Funding towards initiatives similar to “Rural Tech Catalyst Fund Initiative” cannot exceed lesser of (1) 10% of total funding in given budget period; or (2) $20M of total funded in given budget period.
5. Clinician salaries or wage supports for facilities that subject clinicians to non-compete contractual limitations.
6. None of the funding shall be used for expenditure that is attributable to IGT, certified public expenditure, or any other expenditure to finance the non-Federal share of expenditures.
7. SSA Section 2105(c), paragraphs 1, 7, and 9 apply as funding limitations.
   - *This includes general limitations, limitations on payment for abortions, and citizenship documentation requirements.*

FEDERAL UPDATES:

Application Requirements

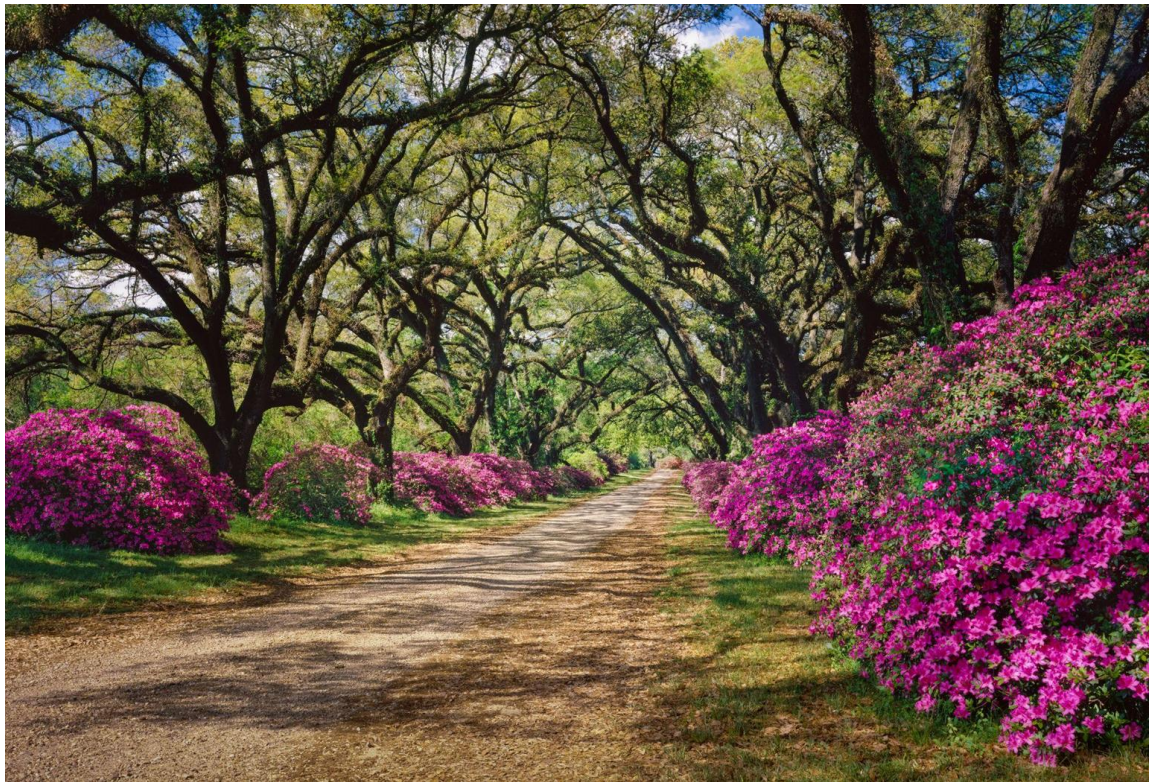
1. **Project summary: (1 Page)**
   Summary of the proposed project, including purpose and outcomes.

2. **Project narrative: (Up to 60 pages)**
   Address proposed goals, measurable objectives, and milestones
   - Rural health needs and target population: Current landscape and challenges plan seeks to address.
   - Rural health transformation plan: Goals and strategies: Present vision, goals, and strategies
   - Proposed initiatives and use of funds
   - Implementation plan and timeline
   - Stakeholder engagement
   - Metrics and evaluation plan
   - Sustainability plan

3. **Budget narrative: (Up to 20 pages)**
   Includes added detail and justifies the costs asked for

Key Dates	Action
9/19/25, 9/25/25	Program Webinars
9/30/25	Optional Letter of Intent
11/5/25	Application Submission
12/31/25	Expected Award Date

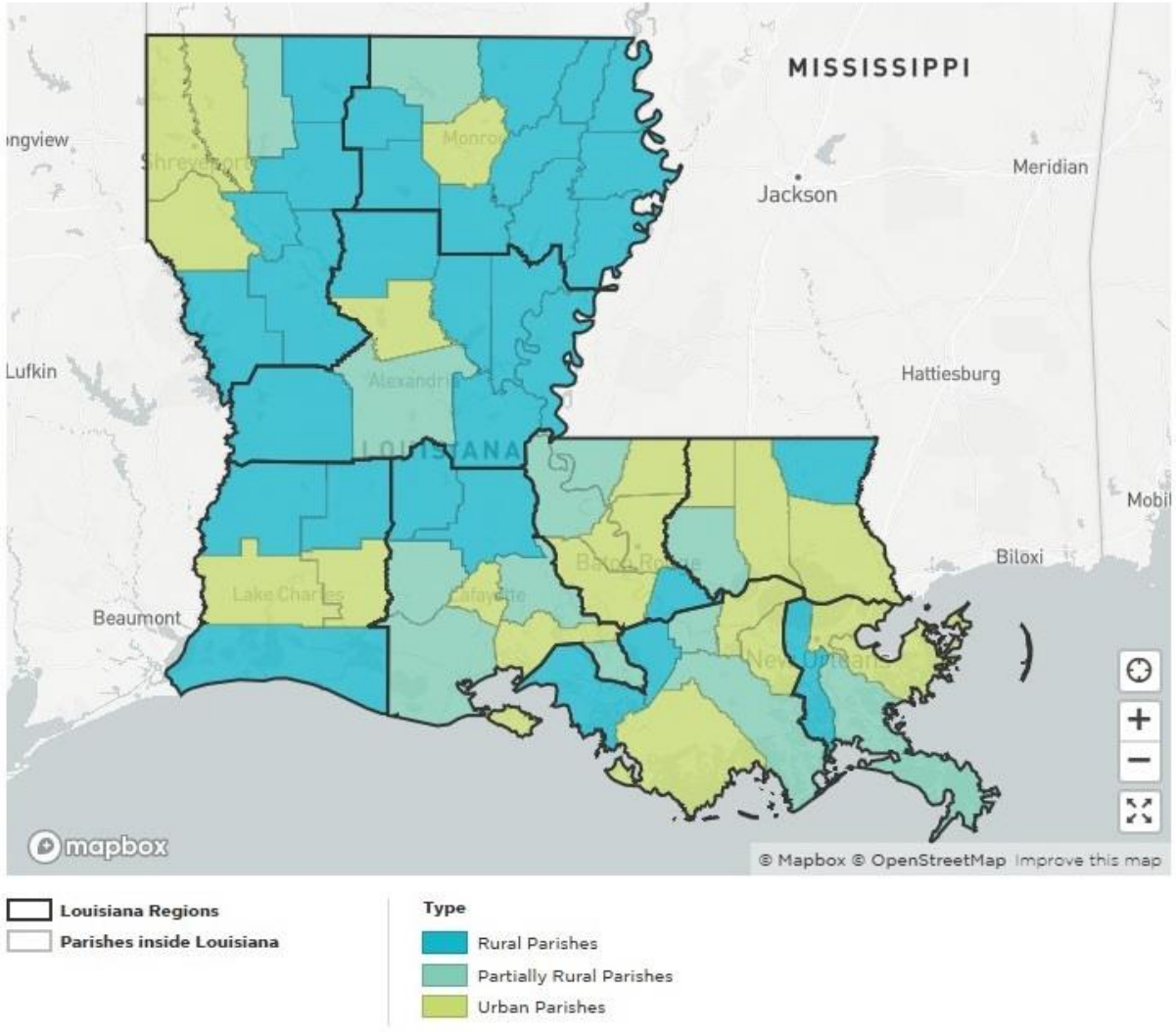
Louisiana Strategy for Rural Health Transformation Plan



Introduction

Louisiana's Rural Parishes

- Non-metropolitan parishes.
- Outlying metropolitan parishes with no population from an urban area of 50,000 or more people.
- Census tracts with RUCA codes 4-10 in metropolitan parishes.
- Census tracts of at least 400 square miles in area with population density of 35 or fewer people per square mile with RUCA codes 2-3 in metropolitan parishes.
- Census tracts with RRS 5 and RUCA codes 2-3 that are at least 20 square miles in area in metropolitan parishes.



Sources: Health Resources and Services Administration, Feb. 2020

Big Picture

- **44 of Louisiana's 64 parishes are designated as fully or partially rural.**
- **Approximately 29.1% of Louisiana's population live in rural areas.**
  - **11% of adults in rural Louisiana have heart disease.**
    - 32% higher than urban prevalence of 8%.
  - **20% of adults in rural Louisiana have diabetes.**
    - 42% higher than urban prevalence of 14%.
  - **43% of adults in rural Louisiana are obese.**
    - 21% higher than urban prevalence of 38%.
  - **39% of adults in rural Louisiana use tobacco.**
    - 12% higher than urban prevalence of 27%.

Data available on Well-AheadLA.com.

Louisiana Strategy for Transformation Plan Development

- Task Force Engagement
- Community Idea Raisers
- Dedicated website and e-mail: (RuralHealthTransformation@la.gov)
- Request for Information
- Research on Best Practice Models
- Louisiana Data/Policy Analysis

RURAL HEALTH TRANSFORMATION PROGRAM:

Projected LDH Application Timeline

Projected Timeline	Action
September 15 – October 3, 2025	• Continue task force work • Community Idea Raisers • Analyze RFI results
September 22 – October 15, 2025	• Continue task force work, including ad-hoc meetings • Prioritize strategies and write application • Solicit letters of support for application
October 16 – October 29, 2025	• Communication with key stakeholders • Final editing of application • Submit application

Discussion

Considerations for Initiatives

- What are we wanting to accomplish?
- What issue or problem are we hoping to address?
- How will we measure success?
- What is the estimated annual cost to do this?
- How will we sustain success from this activity once the grant funding is over in 5 years?

Now it’s your turn…

- Please introduce yourself.

- From your perspective, what are the current barriers or challenges for rural Louisianans in relation to healthcare and health outcomes?
- What are your suggestions for where the Department should prioritize allowable funding that will result in long term sustainable improvements promoting positive outcomes for rural residents?

Closing

Want to share more:

RuralHealthTransformation@la.gov

MAHARural@cms.hhs.gov

LOUISIANA DEPARTMENT OF HEALTH

Thank You!