



SOUTH DAKOTA

RURAL HEALTH TRANSFORMATION

ruralhealthtransformation.sd.gov

Background & Legislative Authority

- Established through federal legislation supporting rural health system redesign
- South Dakota participation authorized beginning January 2026
- Program goal: strengthen rural health access, workforce, and sustainability
- Funding Authority from SD Legislature: HB 1044 signed on Jan. 29, 2026



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Federal Allocation and Funding Authority

- Total funding: **\$50 billion** over 5 fiscal years (FY 2026–2030)
- Annual Distribution: \$10 billion per year
 - 50% distributed equally among all approved states.
 - 50% allocated by CMS based on criteria such as rural population share, number of rural facilities, hospital stresses, and other state-level factors.
- SD award for FY 2026: approximately \$189.4M
- Multi-year investment to support transformation across rural and frontier communities

Eligible Uses & Strategy Areas

States must select at least **three program** domains:

- Preventive and chronic disease interventions
- Innovative provider payment models
- Technology and telehealth expansion
- Workforce recruitment and retention
- Health IT and cybersecurity upgrades
- Behavioral health expansion
- Innovative, community-centered care models

South Dakota Rural Landscape

- 64 of 66 counties classified as rural; many frontier-level
- Tribal nations and high-poverty regions facing persistent disparities
- Barriers: long distances to care, limited specialty access
- Gaps: maternity care deserts, mental health workforce shortages
- Elevated chronic disease rates in several regions

South Dakota Rural Counties



SOURCE: South Dakota Department of Health Office of Rural Health



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Strategic Goals & Themes

The program is guided by five overarching strategic goals:



Make rural America healthy again – promote prevention, address root causes, chronic care



Sustainable access – strengthen rural providers, networks, coordination



Workforce development – recruit, retain, expand provider capacity in rural areas



Innovative care models – encourage flexible care, new payment models, better coordination



Tech innovation – support telehealth, data sharing, cybersecurity, advanced tools



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Transformation Strategy Overview

South Dakota Focus Areas:



1. Connect Technology and Data for a Healthier South Dakota



2. Advance the Rural Workforce



3. Keep Healthcare Access Local and Strong



4. Transform Systems for Sustainability



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Technology & Data

- Upgrade electronic health records and interoperability
- Expand telehealth and remote monitoring tools
- Improve cybersecurity infrastructure
- Develop a statewide rural health data platform to improve decision-making



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Rural Workforce

- Recruitment incentives for clinicians and support staff
- Workforce retention strategies
- Expanding and strengthening the rural workforce
- Rural Health Forward Training Hub to coordinate education and support



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Keep Healthcare Access Local & Strong

- Grants to strengthen hospitals, clinics, and local access points
- Maternal and infant health initiatives
- Chronic disease management and community-based care supports





Transform Systems for Sustainability

- Integrated behavioral health models (Collaborative Care, CCBHC approaches)
- Regional EMS system improvements, including data sharing and workforce training
- Support for long-term financial and operational sustainability across rural systems
- Primary care transformation through alternative payment models



Implementation Timeline

Early 2026 (January-March)

- Launch of foundational RFPs and planning efforts
- Focus areas: technology and data modernization, Medicaid transformation, chronic disease planning, behavioral health frameworks
- Workforce and EMS initiatives center on planning and stakeholder engagement

Spring 2026 (March-May)

- Major release of programmatic RFPs and RFAs
- Focus areas: chronic disease, maternal and infant health, behavioral health, Medicaid providers, rural training and resources
- Proposal review and awards begin

Early Summer 2026 (June)

- Transition from planning to program launch
- Initial awards for digital modernization, chronic disease, and behavioral health programs

Mid to Late 2026 (Summer-Fall)

- Additional funding rounds and technical assistance
- Expanded behavioral health funding, Medicaid PACT support, and remote patient monitoring initiatives



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Contract and Grant Opportunities

- The state Central Bid Exchange on the South Dakota Bureau of Administration website under the Office of Procurement Management is where opportunities for Request for Proposals (RFP) and Request for Applications (RFA) will be posted. sd.gov/bhra
- Register to bid for contract and grant opportunities on the website.
 - Review your notification options on your profile to receive notifications when new opportunities are released
 - Complete the SB189 Vendor Certification Form
 - Note: “Invitation Only” means the system sends notifications only to vendors registered with the relevant National Institute of Governmental Purchasing (NIGP) codes. “Open Invitation” sends notifications to all registered vendors. These labels reflect notification settings only. RHT RFPs remain fully open and publicly accessible to any vendor, regardless of the notification type displayed in the system.
- Log in to this site to browse and view posted opportunities on the Central Bid Exchange.
- Opportunities funded by the Rural Health Transformation Program will have "RHT" in the RFP or RFA number.
- If applying for grant funding opportunities, please ensure you have an active SAM.gov registration that is searchable. [SAM.gov](https://sam.gov)
- Unique Entity Identifier (UEI) will be required on grant applications.



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