

RURAL HEALTH TRANSFORMATION



Background & Legislative Authority

- The RHT Program was established under the *One Big Beautiful Bill Act* (aka H.R. 1).
- Only states (not territories or DC) were eligible to apply.



Funding & Allocation Structure

- Total funding: **\$50 billion** over 5 fiscal years (FY 2026–2030)
- Annual allotment: \$10 billion per year
- Allocation method:
 - 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

Eligible Uses & Strategy Areas

States must propose to use funding in **at least three** of the allowable strategy domains. Some of the key areas include:

- Evidence-based preventive & chronic disease interventions
- Payments to providers for services (per CMS Administrator direction)
- Consumer-facing tech/digital solutions (e.g. remote monitoring)
- Technical assistance / training to adopt advanced technologies (AI, robotics, telehealth)
- Workforce recruitment & retention (with rural service commitments)
- IT infrastructure, cybersecurity, data interoperability
- Right-sizing health care delivery systems (deciding which service lines to maintain)
- Behavioral health, substance use disorder, mental health access
- Innovative models of care / alternative payment models / value-based care
- Other uses that promote sustainable rural health access as determined by CMS Administrator



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

Application & Timeline Key Milestones

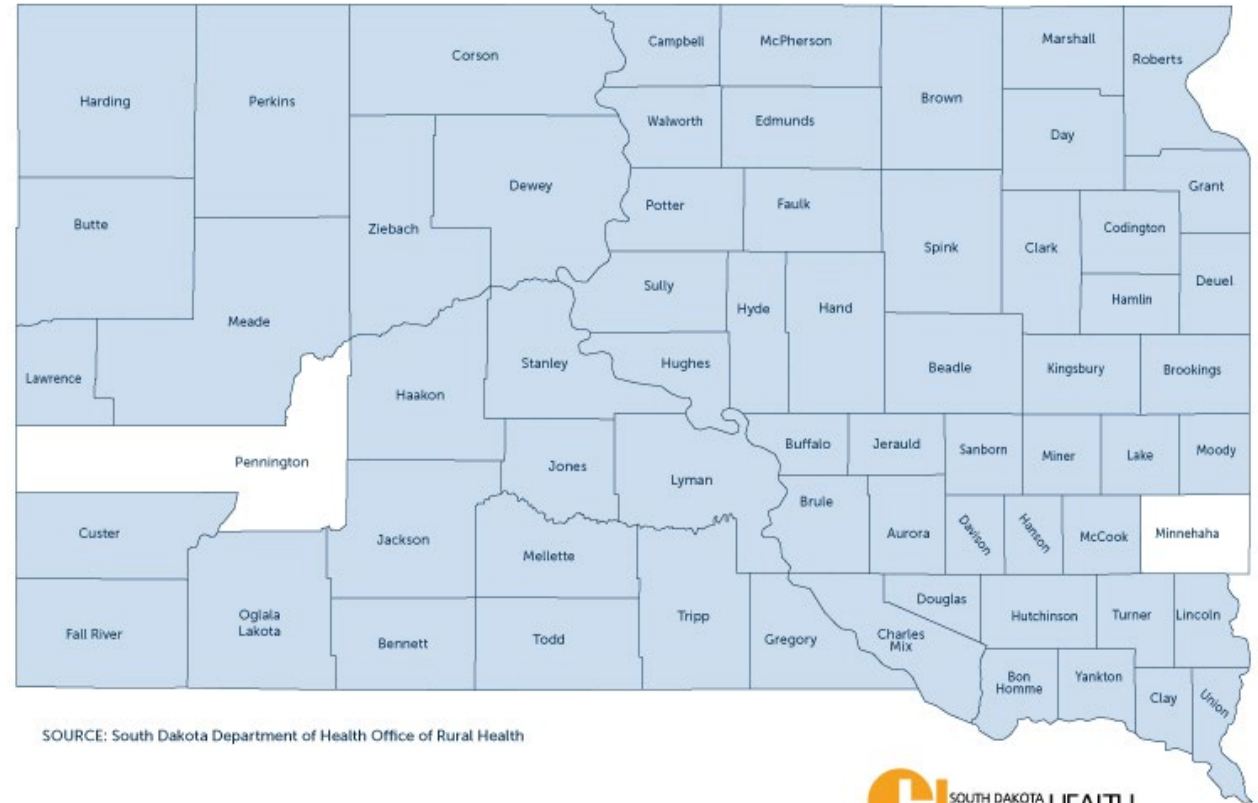
- Award announcements were made December 29
- South Dakota was awarded \$189.4M for FY2026 which runs through October 30, 2026



South Dakota Rural Demographics & Target Populations

- 64 of 66 counties rural by HRSA
- 39 frontier counties
- Large Tribal regions
- Low-income and high-poverty counties

South Dakota Rural Counties



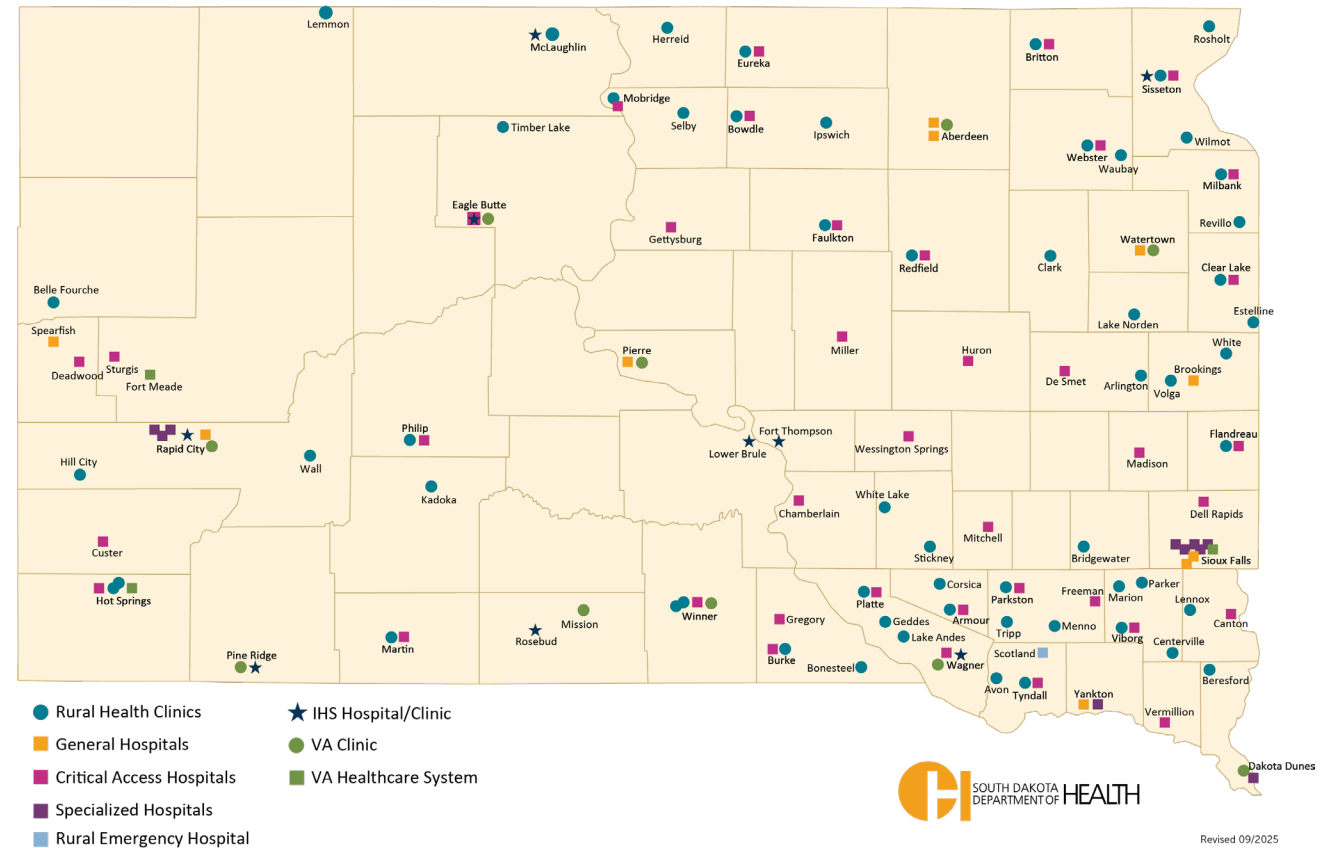
SOURCE: South Dakota Department of Health Office of Rural Health



Statewide Rural Health Challenges

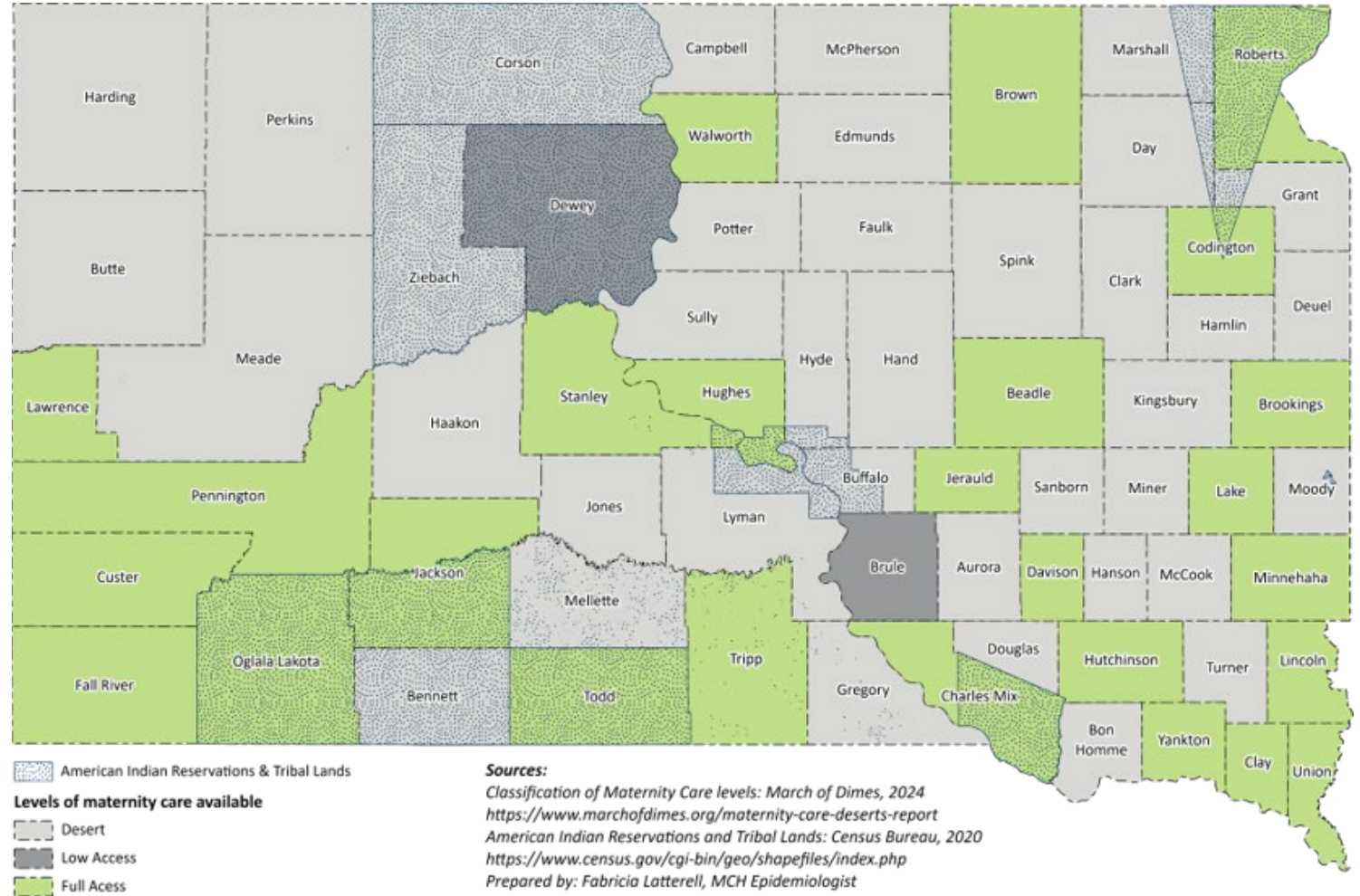
- Vast geography and low population density
- Long travel distances for care
- Workforce shortages
- Rural and Tribal health disparities
- High chronic disease burden

SOUTH DAKOTA HOSPITALS & CLINICS



Healthcare Access Barriers

- 60 - 120+ minute travel times
- Limited specialty and maternal care
- 38 counties are maternity care deserts
- Statewide mental health professional shortage area



Chronic Health Conditions

- High rates of heart disease, diabetes, COPD
- Increasing obesity
- High suicide and overdose rates
- Disparities for American Indian and low-income residents



Transformation Strategy Overview

South Dakota Strategic Pillars:



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

Tech and Data Connection for a Healthier SD

Technology and Data Connection

- The **Technology and Data Connection** initiative will modernize healthcare delivery across South Dakota through a comprehensive approach to digital health infrastructure and health information exchange. The initiative addresses both clinical and technology needs – from basic electronic health records to advanced interoperability – and essential operational infrastructure including telecommunications, cybersecurity, equipment, and emergency preparedness systems that enable modern healthcare delivery in rural settings.
- The initiative will also create a one-stop data portal called the **Data Atlas** that will allow providers and facilities to make data-driven decisions using an easy-to-access portal with available local and state agency data.



Tech and Data Connection for a Healthier SD

The Technology and Data Connection for a Healthier South Dakota initiative aims to modernize rural health infrastructure across South Dakota by investing in certified electronic health record (EHR) systems, statewide data sharing, telehealth tools (equipment + connectivity), and cybersecurity to support secure data and care delivery.

This foundation enables investment areas to work together — improving access, quality, and sustainability of rural care.



South Dakota Health Data Atlas

South Dakota Health Data Atlas

- The Data Atlas will integrate publicly available state agency and local data into a one-stop portal that will allow providers and facilities to access data to make data-driven decisions that will drive improved outcomes.



Tech and Data Connection for a Healthier SD

The **Technology and Data Connection** outcomes include:

- **EHR Adoption:** Establish baseline EHR functionality in previously underserved facilities
- **Enhanced Preventative Care Delivery:** Use population health tools and automated outreach to increase evidence-based screenings
- **Clinical Decision Support:** Reduce adverse events through real-time clinical alerts, advanced interoperability among EHRs, and evidence-based guidance
- **Innovation Diffusion:** Pilot and scale advanced health IT capabilities across regions
- **Improve Population Health Outcomes:** Track key health conditions and disparities across counties
- The **Data Atlas** outcomes include:
 - **Strengthen Public Health Impact:** Increase the number of assessments (city, county, or hospital), state agency plans, initiatives, or reports, or other health-focused strategies that cite the use of data from the Data Atlas



Advance the Rural Workforce

- Building a Sustainable Rural Healthcare Workforce
- Expand and Strengthen Rural Community Health Worker Workforce
- Rural Health Forward: Training and Resource Hub



Building a Sustainable Rural Healthcare Workforce

- The initiative will build a sustainable rural healthcare workforce by combining recruitment incentives, retention supports, and education partnerships. This will attract new professionals through sign-on bonuses and relocation stipends, while helping current workers advance their skills through funded education and training.
- Outcomes:
 - **Rural Healthcare Workforce Recruitment:** Increase the number of healthcare professionals practicing in rural and frontier communities through targeted recruitment incentives.
 - **Rural Workforce Retention:** Strengthen the stability of the rural healthcare workforce through long-term service commitments and education-based retention supports.
 - **Healthcare Education Advancement:** Expand education and career advancement opportunities for healthcare professionals serving rural communities.
 - **Improved Patient Access to Care:** Increase availability of care closer to home by expanding and stabilizing the rural healthcare workforce.



Expand and Strengthen Rural CHW Workforce

- This initiative will expand the CHW/CHR workforce — increasing training, certification, Medicaid billing support, and organizational integration.
- Outcomes:
 - **Expanded Workforce:** Expand CHW workforce, provide training that equips them to improve access to care and address social drivers of health in rural SD
 - **Increase Certification:** Increase the number of Certified CHWs and CHRs
 - **Create New CHW Programs:** Support new CHW/CHR programs in South Dakota
 - **Support More Medicaid Recipients:** Expand access to CHW/CHR services for Medicaid recipients



Rural Health Forward: Training & Resource Hub

- The Rural Health Forward: Training and Resource Hub will provide continuing education and training (virtual and in-person) for physicians, nurses, community health workers (CHWs/CHRs), EMS providers, doulas and other rural health staff — supporting skill development, workforce retention, and improved care quality statewide.
- Outcomes:
 - **Provider Training Participation:** Expand access to training for healthcare professionals across disciplines.
 - **Geographic Reach:** Ensure equitable training for providers in rural, frontier, and Tribal communities
 - **Knowledge and Skill Improvement:** Improve clinical knowledge and application of evidence-based practices
 - **Workforce Retention and Impact:** Strengthen long-term workforce stability and provider retention in rural and underserved areas.



Medicaid Primary Accountable Care Transformation (PACT)

- This initiative will implement an alternative payment model, moving primary care services away from fee-for-service and towards value for interested providers.
- This new model:
 - Replaces primary care E&M billing with a *Prospective Primary Care Payment*, a predictable monthly investment in each patient that allows physicians to focus on high-value care rather than visit volume
 - Uses year-end primary care HEDIS measures to calculate quality payments that reward outcomes instead of processes
 - Creates shared case management infrastructure option to support rural clinics who cannot support this resource alone
 - Creates structure for patient-directed quality goals to encourage engagement and wellness



Outcomes of PACT



Increase Quality of Care for South Dakota Medicaid Recipients -- Focusing on quality instead of volume and investing in primary care will lead to improved chronic disease management and primary prevention.



Reduce Utilization of Medically Unnecessary Emergency Department Visits -- Investing in primary care and population health tools, engaging with patients and their clinicians, and improving access to case management will decrease costs by decreasing the utilization of medical unnecessary services.



Improve Sustainability of Primary Care for Clinicians -- By increasing support via case management, additional tools/technology, and changing reimbursement, the model strengthens rural primary care sustainability by ensuring predictable revenue that rewards quality and enables practices to maintain comprehensive services.



Transform South Dakota Primary Care Landscape -- SD Medicaid will partner with stakeholders including other payors to achieve payor alignment and transform primary care in the state.



Medicaid Rural Health Access & Quality Grants

- The Medicaid Rural Health Access and Quality Grants program will help rural hospitals and clinics in South Dakota evaluate and update their care delivery models to ensure long-term access to essential healthcare. Through a competitive RFP process, providers can seek funding for professional services, regional partnerships, service line expansion, and operational improvements. The grants aim to strengthen financial stability, improve care quality, and expand access—especially for specialty and maternal health services.
- Outcomes:
 - **Healthcare Access Preservation:** Ensuring essential services remain available locally
 - **Strategic Partnerships:** Expanding specialized care access through collaboration
 - **Operational Efficiency:** Supporting sustainability through streamlined operations
 - **Community Health Impact:** Improving population health to reduce crisis-driven care



Strengthening Chronic Disease Management

- The initiative invests in chronic disease management across rural South Dakota — funding providers, pharmacies, schools and public health partners to deliver evidence-based interventions like remote patient monitoring, chronic disease self-management programming, and caregiver supports.
- **Outcomes:**
 - **Reduce Hospital Readmissions:** Reduce 30-day readmission rates for patients with chronic health conditions in rural hospitals.
 - **Remote Patient Monitoring – Blood Pressure Control:** Increase the number of participants in remote patient monitoring programs achieving controlled blood pressure (<140/90), with current medication adherence and no medication changes needed.
 - **Chronic Disease Self-Management Workshops:** Increase participation in certified chronic disease self-management workshops.
 - **Medicaid Health Home Quality Incentive Performance:** Improve outcomes on Medicaid Health Home Quality Incentive Payment metrics.



Regional Maternal & Infant Health Hubs

- This initiative will establish and fund three regional OB hubs focusing on clinical care and broader care coordination, supported by spoke sites that integrate community social-support networks
- **Outcomes:**
 - **Prenatal Care Initiation:** Increase percentage of women receiving prenatal care in the first trimester
 - **OB Hybrid Hub and Spoke Implementation:** Increase number of pregnant and postpartum women served through the hybrid hub and spoke model
 - **Care Coordination and Referrals:** Increase percent of women who receive referrals to address behavioral health, housing, nutrition, and other social needs
 - **Doula Workforce Expansion:** Increase number of doulas in the state



Integrated Behavioral Health

This initiative will enhance South Dakota's Behavioral Health Care System to expand regional coverage, provide timely access to care, and integrate clinical improvement standards.

- The **Certified Community Behavioral Health Clinic (CCBHC)** model, through certified clinics, provides comprehensive, coordinated behavioral health care through same-day access, 24/7 crisis services, and integrated physical and behavioral health care.
- The **Collaborative Care Model**, through primary care settings, coordinates care between physicians, behavioral health case managers, and psychiatric consultants.

Together, these evidence-based models will serve as the foundation for delivering high-quality behavioral health care closer to home for rural and frontier patients. When both models are in place, they work in tandem to provide unified, coordinated support.



Integrated Behavioral Health Outcomes

These two models enhance behavioral health care through team-based, integrated approaches allowing patients to receive high-quality behavioral health care, no matter where they enter the health care system.

Outcomes:

- **CCBHC Regional Coverage:** Implement at least one CCBHC in each of SD's Behavioral Health Regions.
- **Timely Access to Behavioral Health Care:** Patients receive urgent care within 24 hours and follow-up care within 7 days post-hospitalization or crisis.
- **Integrated Clinical Improvement:** Patients with co-occurring behavioral and physical health conditions receive integrated care, promoting symptom reduction and improved medication adherence.
- **Timely Intervention:** Patients with newly identified behavioral health concerns in primary care receive prompt, collaborative interventions to reduce treatment delays and promote early symptom management.



Enhancing Sustainable Emergency Medical Services

This initiative will strengthen South Dakota's Emergency Medical Services by addressing workforce challenges, advancing regionalized EMS hubs, and improving technology and data integration. This initiative also supports training and professional development while promoting long-term sustainability and financial stability, ensuring reliable, high-quality emergency care for rural, frontier, and Tribal communities across South Dakota.

OUTCOMES:

- **EMS Regional Coverage:** Establish regional EMS hubs to ensure coordinated, timely emergency response and advanced life support coverage across South Dakota
- **Enhance EMS Data Integration & Technology Use:** Achieve seamless integration of EMS electronic patient care records with the state's health information exchange
- **Improve EMS Response Times:** Reduce delays in emergency response
- **Grow and Train the EMS Workforce:** Expand recruitment, certification, and training



Implementation Timeline

