

## *Transforming Rural Health Care Through Medicaid Innovation:* Improving Access to Integrated Care for Dually Eligible Individuals in Rural Areas

**What's the issue?** About [20% of people dually eligible](#) for Medicare and Medicaid live in rural areas, yet only about [one in four](#) have access to Medicare-Medicaid coverage options that fully integrate care across the two programs. Without integration, enrollees must navigate two separate systems with different rules, providers, and billing processes — leading to confusion and fragmented care. Expanding integrated care options in rural communities is critical to improving access, coordination, and outcomes for this population.

**The Medicaid connection.** Federal and state policymakers are working to better integrate the delivery, financing, and administration of Medicare and Medicaid services to improve care for dually eligible individuals. However, to scale integration into rural areas, policymakers need to address [unique barriers](#) these communities face.

### TRANSFORMING RURAL HEALTH CARE THROUGH MEDICAID INNOVATION SERIES

This resource is part of a series exploring how states can leverage innovative Medicaid approaches to improve rural health care delivery and strengthen access, workforce capacity, and sustainability in rural communities. [LEARN MORE](#)

### How can integrating Medicare and

### Medicaid support priorities of the Rural Health Transformation (RHT) Program?

States can use integrated Medicare-Medicaid models to support RHT Program priorities around sustainable access and innovative care. Investments in integrated care align with several RHT Program categories, including appropriate care availability and innovative care, among others. Notably, how a state addresses dually eligible individuals is a scoring factor in the RHT Program application.

**Opportunities and examples.** States can pursue several strategies to expand integrated Medicare-Medicaid models in rural communities, including:

- **Increasing collaboration with rural stakeholders.** States could work with rural stakeholders to:  
(1) identify the barriers to care for dually eligible individuals and the levers to address them; and  
(2) elevate best practices for health plan, provider, and community-based organization partnerships. These efforts could be modeled after [multisector plans for aging](#) (MPAs). Several counties in [California](#) use local MPAs to build partnerships that address challenges facing older adults in rural communities.
- **Requiring health plans to work with local entities.** States can strengthen provider networks and care coordination by leveraging contracts with dual eligible special needs plans (D-SNP) and Medicaid managed care organizations (MCOs) to require [collaboration with local rural entities](#). Through these partnerships, plans can identify community-based resources and supports that can help them meet federal and state requirements for provider networks, care management, and care teams. For example,

states can require plans to include [community health workers](#) in provider networks to strengthen rural workforce capacity.

- **Implementing policies to boost enrollment.** Integrated care plans need sufficient enrollment to offset the higher costs associated with operating in rural areas. While states cannot require dually eligible individuals to enroll in D-SNPs with affiliated Medicaid MCOs, they can use [default enrollment](#), which can allow those D-SNPs to build enrollment over time.
- **Adopting models that build on the state's delivery system.** States with established Medicare and Medicaid managed care systems can use MCO and D-SNP contract requirements to advance statewide integration. States with little or no managed care infrastructure may explore provider-based integration models, such as the [Program of All-Inclusive Care for the Elderly \(PACE\)](#). States without managed care may also consider advancing integration through [accountable care organizations](#), [community care hubs](#), or [health homes](#) that can improve care coordination. For example, [Washington State](#) requires D-SNPs to contract with health home providers for enrollees with complex care needs.
- **Adopting rural-specific payment policies and enhanced payment rates.** Flexible Medicaid payment models for plans or providers can help expand integrated care in rural areas and address provider network challenges. For example, [North Dakota](#) adds enhanced rates for services like personal care and respite care when delivered in rural areas.

**Key considerations for implementation.** Implementing integrated Medicare-Medicaid models in rural areas involves addressing challenges that broadly apply to health care delivery in these communities, including workforce shortages, long travel distances to access care, low enrollment that threatens health plan viability, and infrastructure gaps such as limited broadband access. While these realities may be difficult to fully overcome, recognizing and thoughtfully addressing them can help states design integration strategies that better align with the unique needs of dually eligible individuals in rural communities.

**Potential impact.** Implementing integrated care models in rural areas can significantly improve care for dually eligible individuals. People enrolled in integrated care programs experience [better care quality](#), [improved health outcomes](#), and [greater satisfaction](#) compared to people navigating separate systems.

**What's next?** States can pursue innovative approaches and [cross-sector partnerships](#) at the state and local levels that engage rural providers and community partners. To ensure long-term sustainability, states can also use Medicaid levers, such as contracting with MCOs and D-SNPs, to advance integration options statewide. The Centers for Medicare & Medicaid Services' [Integrated Care Resource Center](#) offers direct support to states in implementing integration strategies.

## Additional resources for more information:

- [\*\*Expanding Access to Integrated Medicare-Medicaid Programs in Rural Communities\*\*](#) – Explores the goals, barriers, and opportunities for implementing integrated care in rural communities. (*Center for Health Care Strategies, August 2025*)
- [\*\*The Health Equity & Access for Rural Dually Eligible Individuals \(HEARD\) Toolkit\*\*](#) – Reviews access challenges facing dually eligible individuals in rural areas and offers a portfolio of actionable solutions to address these challenges. (*Health Management Associates, January 2023*)
- [\*\*Rural Health Information Hub\*\*](#) – National clearinghouse on rural health issues, funded by the U.S. Health Resources and Services Administration, that includes state-specific examples of rural health models. (*September 2024*)

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### ABOUT THE CENTER FOR HEALTH CARE STRATEGIES

The Center for Health Care Strategies (CHCS) is a policy design and implementation partner devoted to improving outcomes for people enrolled in Medicaid. CHCS supports partners across sectors and disciplines to make more effective, efficient, and equitable care possible for millions of people across the nation. For more information, visit [www.chcs.org](http://www.chcs.org).