

Launching Rural Health Transformation Plans: Lessons from Other Large-Scale State Initiatives

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The federal [Rural Health Transformation Program \(RHTP\)](#), authorized under the 2025 budget reconciliation act (P.L. 119-21), will distribute \$50 billion to all 50 states from 2026 to 2030 — serving as a partial offset to Medicaid cuts.

In designing and launching RHTP plans, state agencies must meet ambitious federal expectations and timelines. Experiences from other large-scale statewide efforts — such as the American Rescue Plan Act, [Opioid Settlement Funds](#), [multisector plans for aging \(MPA\)](#), and the Centers for Medicare & Medicaid Services' (CMS) [State Innovation Models \(SIM\) demonstration](#) — can help inform state planning.

This brief provides practical recommendations to help states establish the administrative infrastructure needed to implement RHTP plans. Drawing on insights from state officials involved with similar transformation efforts, as well as the Center for Health Care Strategies' (CHCS) experience supporting this work, it highlights best practices and common pitfalls across four core domains:

1. [Governance](#);
2. [Stakeholder engagement and communications](#);
3. [Budget tracking, reporting, and contracting](#); and
4. [Data and evaluation](#).

While not exhaustive, this brief outlines practical lessons that state staff can use to guide RHTP activities during the critical first six to nine months of program design and implementation, helping states build a strong foundation for long-term success.



1. Governance

Effective governance with clear rules for decision-making are essential to successful implementation of a large-scale, multi-faceted, and time-limited program like RHTP. Because RHTP is a new and unique program, governance structures will likely need to be built from the ground up. States can leverage existing offices (such as State Offices of Rural Health), personnel, and workgroups, among other resources, to support rapid scaling and ensure efficiency. Using existing cross-agency infrastructure can be especially helpful.

Governance structures have taken diverse forms under similar state transformation initiatives, but states frequently create: (a) a **governance board** to oversee the initiative and make executive-level decisions; (b) a **core team of state staff** to manage day-to-day operations; and (c) **committees and subcommittees** to provide guidance and make decisions that drive ongoing work streams. The governance board typically consists largely of cabinet-level state officials, whereas the committees and subcommittees are composed of leaders within state agencies, key external stakeholders — including community members and community-based organizations — and subject matter experts.

States can consider the following tips when defining RHTP plan governance, including committee composition, decision making, project management, and internal communications.

Committee Composition

Because committees will guide and shape key initiatives within RHTP plans, assembling effective and representative committees can help states make informed decisions under tight timelines. Committee composition tips for states include:

- **Establish strong committee leadership.** Identify one state official and one key external stakeholder leader to serve as co-chairs of each committee. External leaders will need relevant expertise and sufficient time to devote to the co-chair role, which is often a significant commitment.
- **Recruit committed members.** Select participants with the time and capacity to engage consistently, and set clear expectations about time commitments up front.



Build in rapid-cycle improvement for governance structure and RHTP activities. Ensure feedback loops are in place to assess what is working well and identify the practical implementation barriers, such as communications gaps, that are impeding progress.

- State interviewee

- **Ensure broad and diverse stakeholder representation.** Ensure that the full spectrum of stakeholder groups are represented — including those outside of the traditional health care ecosystem — to support well-informed decisions that reflect community needs. Interviewees recommended the following stakeholders to consider:
 - Relevant state agencies, such as Medicaid, public health, department of aging, EMS office, transportation, and labor;
 - Rural provider organizations and statewide or regional industry associations, such as hospital, primary care, home care, Area Agencies on Aging, rural development, community college, and workforce boards;
 - Commercial health plans as well as Medicaid, Medicare, and marketplace managed care organizations; and
 - Rural community-based organizations, faith-based groups, local civic associations and advocacy groups, and rural residents.
- **Structure committees to align with and support major workstreams.** For example, some SIM states created committees that aligned with the primary drivers in their SIM driver diagram. Using this approach, states can direct each committee to establish and oversee projects that will help achieve the aims of that driver.
- **Engage subject matter experts strategically.** Interviewees recommended identifying experts — such as researchers specializing in rural communities — to serve on committees or provide presentations. In other large-scale efforts, states have proactively identified such individuals and documented their expertise and contact information to enable rapid engagement.
- **Streamline committee structure and operations.** Organize committees and subcommittees efficiently and build flexibility into the governance models so groups can be created nimbly and reoriented as needs evolve.
- **Allocate sufficient state staff capacity.** Ensure staff supporting the committees have the time needed to establish governance infrastructure, ensure smooth committee operations, and adhere to tight timelines.



Given the fast-paced timeline, it's important to acknowledge upfront that mistakes will be made along the way. Don't get bogged down by those — acknowledge, accept, correct and move on to the business at hand.

- State interviewee

Decision-Making

Documenting and clearly communicating decision-making authority, scope, processes, and timelines ensures that all committee members, staff, and stakeholders understand their roles and responsibilities. This shared understanding will help streamline RHTP plan design and implementation efforts. Effective documentation also minimizes disruption resulting from state staff turnover, executive-level transitions, or when onboarding new committees or committee members.

While final decisions will likely reside with the governing board and state staff managing the plan, committees will inform and influence those decisions. The state may also choose to delegate certain decision-making authorities to committees to support speed and efficiency.

Project Management

Successful operation of the governance structure requires a strong, full-time state-employed project manager, who is responsible for implementing the governance structure, developing the overall program work plan, and supporting staff on executing day-to-day functions. The project manager is responsible for the functioning of the governance structure, operationalizing the decision-making processes, and effective communications. They play a critical role in supporting effective governance by overseeing the operations of the governing board and committees, supporting co-chairs on agenda setting and timely decision-making, and managing operational decisions that arise outside formal governance structures. The project manager should be empowered to take stock frequently on project management, decision-making, and communication processes: what is working well, what challenges are occurring, and how to address those challenges with new approaches.

The project manager also plays a central leadership role, guiding the core state team, serving as a liaison with CMS, and overseeing budgets and reporting. In CHCS' interviews, state representatives emphasized the critical importance of this position, with many describing it as a “make-or-break” role when implementing large-scale, statewide initiatives.

Internal Communications

Effective internal communications are essential for fast-moving initiatives like RHTP, which have many parallel and integrated work streams. Time should be dedicated upfront to establish processes that ensure the right people receive relevant information when they need it. Interviewees emphasized that bi-directional communication between committees, the state, and key stakeholders is essential. States report using the following strategies successfully to support internal communications:

- Regular, possibly weekly, governing board meetings during the first few months;
- Weekly, “all-hands” meetings among the core state team;
- Brief monthly write-ups on workstream activities to keep relevant parties informed;
- Standing contacts with other state agencies or workgroups that may not be directly involved in RHTP planning, but have related missions; and
- Quarterly debriefs for all cabinet secretaries to identify collaboration opportunities and leverage agency expertise.



Coordinate with the state legislature and Congressional members to make sure that there are no surprises and that there is alignment across branches of government.

- State interviewee

2. Stakeholder Engagement and Communications

Because RHTP is designed to respond to diverse regional and community needs, states will need deliberate structures and processes to gather input, create feedback loops, and maintain momentum. States can often build upon existing local engagement structures, relationships and communications channels to achieve these goals, but will likely need to establish new mechanisms to support rapid planning and transparent decision-making.

States’ approaches vary, but they frequently include: (a) a **stakeholder engagement strategy** to surface priorities, barriers, and ideas; and (b) an **external communications approach** that builds awareness, sets expectations, and keeps stakeholders informed. States can consider the following tips when designing stakeholder engagement and external communications.

Stakeholder Engagement

Engaging stakeholders is a critical part of the startup process and ongoing RHTP operations. Beyond including external stakeholders within the governance structure, states will need to develop [structures, mechanisms, and effective feedback loops](#) for stakeholders at the regional or community levels to understand and address priorities and concerns. Key state insights for designing an effective engagement strategy include:

- **Establish deep engagement activities with rural community members.** This helps generate buy-in, build trust, more effectively meet community needs, and ultimately achieve the desired health impacts. For example, states can [form structures](#) such as a rural resident advisory committee and regularly hold events in rural communities, such as listening sessions or implementation updates. Active participation from state staff and leadership in these events helps to convey the state’s commitment to understanding and addressing community needs and supporting providers.

- **Dedicate state staff to stakeholder outreach and engagement.** States often underestimate the significant staffing required to effectively engage and communicate with stakeholders. Employing a dedicated team to manage, nurture, and grow stakeholder relationships is a successful practice among states, and often creates a mechanism for conveying insights and barriers to the state-level committees.
- **Be transparent with stakeholders.** Interviewees emphasized the importance of being transparent. Be clear about decisions and tradeoffs that have been made, and what types of activities the funding can and cannot cover (e.g., RHTP funds cannot cover services already reimbursed by health plans). While it may be difficult to tell a stakeholder that a request is out of scope or justify an unpopular decision, transparency builds long-term trust and partnership more effectively than delaying bad news.
- **Celebrate achievements along the way.** Do not underestimate the importance of momentum in maintaining engagement and its value in achieving desired plan goals. Celebrate project successes and milestone achievements, recognize team member contributions, and plan other ways to maintain engagement and buy-in over time.



Don't skimp on stakeholder engagement. Timelines are important, but should not impede you from including stakeholders in the conversation.

- State interviewee

External Communications

External communications with stakeholders and community members are essential for managing awareness and expectations, building buy-in, and maximizing the impact of RHTP plans. States recommend establishing communications processes at the outset that promote transparency around operations and decisions made through the governance structure. Key state insights for designing an external communications approach include:

- **Tell the RHTP story.** What needs are the state's RHTP plan designed to meet for rural communities and what investments will enable the state to achieve its goals? It's important to go beyond goal statements and link the most pressing health-related challenges facing rural communities to RHTP activities and investments, in ways that center human connection and acknowledge rural community strengths. Use both quantitative data and qualitative storytelling to communicate messages. Incorporate communications best practices, like [health literacy approaches](#), into your messaging.

- **Use proactive, targeted outreach to foster transparency.** While a dedicated public web page is important, simply posting information — like meeting minutes — does not keep stakeholders engaged. Interviewees suggested establishing mechanisms to provide regular updates through email subscriptions, social media, or webinars as effective ways to support proactive communication. Keep messaging brief, easy to digest, and written at accessible reading levels. User-friendly tools, such as California’s searchable [MPA Implementation Tracker](#), help stakeholders stay up to date on progress and accomplishments.
- **Convene in-person public events within rural communities.** These gatherings offer [opportunities to solicit input and feedback](#), share progress, and elevate the coordination that is happening across formal and informal networks. Holding these meetings in rural communities rather than in state capitals or major cities encourages participation from local organizations and shows commitment from the state.
- **Value and prioritize honest communication.** There will be many tough decisions made throughout the RHTP planning process, particularly funding decisions. Clearly communicating these decisions and the rationale helps manage expectations, foster trust, and keep the work progressing.

3. Budget Tracking, Reporting, and Contracting

CMS is currently establishing and communicating key details to states regarding policies and oversight for budgeting, tracking, reporting, and contracting. As federal requirements continue to evolve, the following tips from similar efforts can help states get on the right footing.

Budget Tracking and Reporting

Given the scale of state RHTP budgets, tracking, monitoring, and data reporting activities are critical to providing effective oversight and are central to partnering with CMS. States recommend undertaking the following activities early in the RHTP process:

- **Identify the information required for reporting.** CMS requirements may evolve, expand, or change over time. Plan to collect and share more documentation related to RHTP expenditures, staffing, and contracts than may ultimately be required. This helps ensure compliance and reduces inefficiencies from time spent retroactively gathering information or rearchitecting systems.



Relationship-building with CMS is important. Proactively look for ways to foster understanding and alignment, including sharing both progress and barriers that you are encountering with your program officer.

- State interviewee

- **Understand allowable and unallowable expenditures.** For example, understand what costs are included in administrative expenses, which are limited to 10 percent of the total budget for state RHTP plans. States may be able to use department-specific, federally approved formulas for certain calculated administrative costs, such as overhead and fringe benefits.
- **Engage state finance teams.** Partner with these teams to map federal expenditure reporting requirements to internal systems' capabilities and develop an approach for reporting. Some states may need to develop alternative processes if state systems do not support the level of detail required by CMS.
- **Develop budget documentation checklists.** States can vet these checklists with CMS and share them with staff, contractors, and grantees to clarify documentation and reporting requirements.

Contracting

States will expend a significant share of their RHTP budgets on contracts and grants, including with entities that may be new to government contracting. Meeting short timelines for disbursement and ensuring effective oversight of these expenditures may require substantial scaling of existing procurement processes. States we spoke with shared the following high-level tips for contracting:

- **Engage state procurement experts.** Partner with procurement officials early to share information about CMS requirements, explore ways to adapt current processes, set feasible timelines, and identify specific RHTP communication processes and documentation that can support an effective partnership.
- **Develop RHTP-specific contract and grant templates.** Templated language ensures consistency and supports efficient contracting. As part of agreement terms, states recommend defining which entity owns data generated by the contract or grant (the state or the contracted entity) and the permissible uses. This helps states oversee how RHTP plan data are used. States also shared that creating synopses for each contract/grant scope of work was valuable for CMS reporting.
- **Include a documentation checklist.** Integrate the checklist into contract language as part of the invoicing requirements. State staff can use the checklist to ensure that payments are not made until the documentation is complete.
- **Understand CMS contract approval parameters.** States can clarify if CMS will review and approve individual contracts. If so, understanding the documentation requirements, submission processes and timelines, and integrating that into work plans will be essential upfront activities.

4. Data and Evaluation

In addition to the data that states will need to collect for expenditure reporting requirements, data will be an important component of assessing opportunities, measuring impact, and communicating with stakeholders.

One critical first step is to identify upfront what data is readily available within state agencies and other sources. For RHTP, it will be important to understand the level at which data are available, including if they can be disaggregated at the zip code or county level to help understand insights on rural populations. Data mapping will help states identify the data needed to track process and systems changes, understand intermediate and long-term outcomes, and communicate RHTP impact to stakeholders. Regardless of what metrics are selected, aligning data collection with RHTP governance structures or workstreams can support accountability, effective evaluation, and transparent communication.

States can consider the following tips to inform RHTP measure selection and evaluation:

- Develop an evaluation strategy at the onset and update it as needed along the way.
- Define a set of metrics early, considering what data are currently available and what type of data will be important to measure progress.
- Select metrics that reflect a mix of process measures and near-term outcomes and can be measured at the county level — understanding that many outcomes will take more than five years to materialize.
- Identify a focused core set of agreed-upon metrics that best reflect the RHTP goals and rural health needs.
- Engage the data-analytics team early, including experts in data integration.

Conclusion

Taken together, these implementation tips can help states translate RHTP funding into a focused, coordinated plan that reflects rural community priorities and can be executed on tight timelines. Clear governance and project management, paired with meaningful stakeholder engagement and transparent communications, create the conditions for timely decision making and sustained buy-in. In parallel, disciplined budget tracking, reporting, and contracting processes can reduce compliance risk and prevent avoidable rework as federal requirements continue to evolve.

As states move through early months of planning, it will be important to treat administrative infrastructure as a central task and to build simple, repeatable processes that can scale across workstreams and regions. Establishing baseline data and an evaluation strategy early can also help states target investments, demonstrate progress, and tell a meaningful story about impact, even when longer-term outcomes will take years to materialize. With these foundations in place, states will be better positioned to direct RHTP resources toward practical, community-informed strategies that strengthen accessible, high-quality, and sustainable health care in rural areas.

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