

RHTP Funding Paving Way for Improved Rural Health Care, But Infusion Deemed Insufficient to Assuage Rural Hospitals' Medicaid Woes

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The Rural Health Transformation Program (RHTP), authorized under the [One Big Beautiful Bill Act](#) (OBBBA), provides \$50 billion in federal funding across fiscal years 2026 through 2030 to help all 50 U.S. states enhance health care infrastructure in remote communities. The funds support projects that focus on expanding preventative care, strengthening workforce recruitment with minimum 5-year service commitments, adopting modern medical technologies, such as artificial intelligence (AI) and telehealth, and developing sustainable, value-based care delivery models. Earlier this month, the Trump Administration announced that it allocated nearly \$17 million in funding to improve health care accessibility and infrastructure across rural areas in [Kansas](#). This investment focuses on helping local medical providers adopt advanced diagnostic and monitoring technologies while enhancing regional transportation options for patients seeking specialized care. Similarly, in [North Carolina](#), the Administration has allocated \$1.25 million of RHTP funds to enhance medical and behavioral services for students living in rural areas of the state. The funding aims to expand school-based health centers, mobile clinics, and virtual care access across underserved local communities. The latest news on other RHTP funding projects can be found [here](#).

However, hospital organizations and other stakeholders report RHTP funds will fall significantly short of offsetting an estimated \$1 trillion in planned Medicaid cuts over the next decade, and [are voicing frustration](#). Initially envisioned as direct financial relief to stabilize struggling rural facilities and cover uncompensated care, the RHTP's scope shifted under Centers for Medicare & Medicaid Services (CMS) guidelines to prioritize specific long-term initiatives. Healthcare providers are concerned that these shifts in scope, and restrictions like spending caps and a requirement that no more than 15% go toward direct provider payments, are not likely to resolve immediate revenue crises or ensure everyday operational survival.