



Policy explainer Rural Health Transformation Program funding in Ohio

January 2026

Federal Rural Health Transformation Program background

- The Rural Health Transformation (RHT) Program was created as part of the federal reconciliation bill [HR 1](#), sometimes referred to as the One Big Beautiful Bill Act, which was signed into law in July 2025.
- The program, managed by the Centers for Medicare and Medicaid Services (CMS), will allocate \$50 billion over five years, with \$10 billion allocated in the first year:
 - Half of the first-year funding was awarded evenly among all 50 states (\$100 million per state).
 - The other half of the funding was awarded based on state-submitted applications. CMS scored state plans based on factors including rural population and the proportion of rural health facilities in the state, as well as states' adoption of certain policy priorities, such as restricting the purchase of unhealthy foods and drinks with SNAP benefits, scope of practice expansion and loosening certificate of need laws.



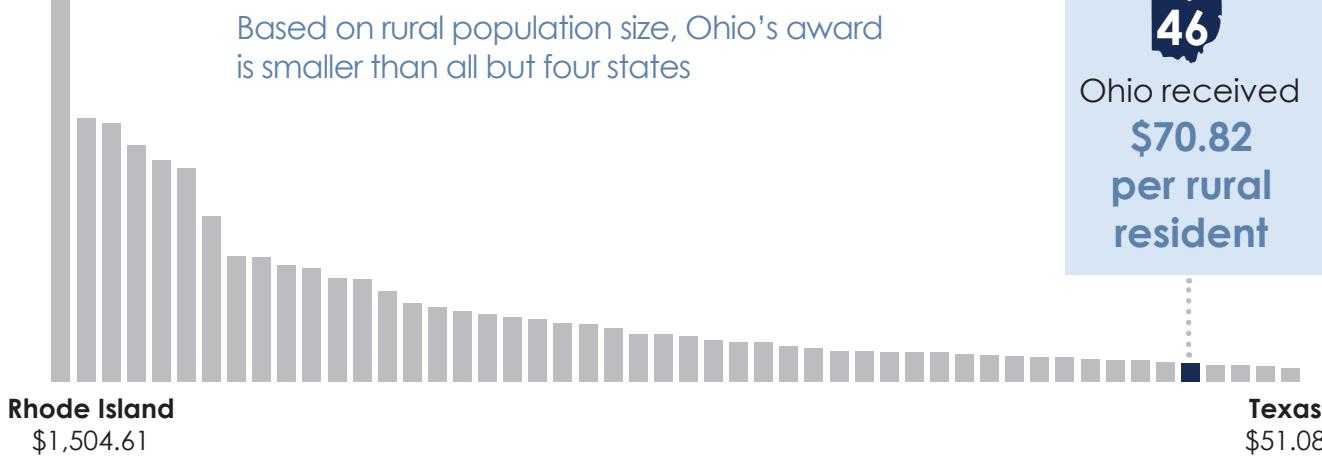
Ohio's application
Ohio's RHT application is [posted](#) on the Ohio Department of Health's website. You can learn more about Ohio's application on the next page.

First-year award for Ohio

On Dec. 29, 2025, CMS announced total first-year Rural Health Transformation awards. Ohio will receive \$202,030,262, the 25th highest total amount. However, Ohio was awarded the 46th-most dollars per rural resident, as illustrated below. Even after subtracting the portion of funding allocated equally to states (which inherently disadvantages larger states like Ohio), the state received the fifth-lowest amount of funding per rural resident from the application-based portion of the award. The only states to receive less funding per rural resident were Michigan, Pennsylvania, North Carolina and Texas.

RHT Program year one funding per rural resident, by state

Based on rural population size, Ohio's award is smaller than all but four states



46
Ohio received
\$70.82
per rural
resident

Rhode Island
\$1,504.61

Texas
\$51.08

Sources: Centers for Medicare and Medicaid Services and 2024 American Community Survey one-year estimates

Ohio's plan for RHT funds

In November, the state of Ohio submitted an [RHT proposal](#) to CMS that included initiatives with a total estimated cost between \$181 million to \$252 million. States were advised to budget with the assumption of an even split of \$200 million per state. How Ohio ultimately allocates its year-one award has yet to be determined.

Funding limitations

Funding guidelines for the RHT Program include limitations on how the money can be spent by states. For example, no more than 15% of a state's RHT funds can be spent on provider payments and no more than 20% can be spent on capital expenditures and infrastructure.

Initiatives included in Ohio RHT proposal, with cost estimates

Initiative	Low-end estimate	High-end estimate
Ohio Rural School Based Health Centers (SBHCs)	\$20 million	\$25 million
Ohio Student Eye Exam (OH SEE), vision, hearing and dental services for rural students	\$25 million	\$30 million
Ohio Rural Health Innovation Hubs	\$90 million	\$125 million
Rural Ohio Emergency Care Transformation	\$12 million	\$18 million
Rural Health Workforce Pipeline and Development Projects	\$10 million	\$15 million
Maternal and Infant Wellness Home Visiting in Rural Ohio	\$6 million	\$8 million
Rural Hospital Training and Technical Assistance Center (RHTAC)	\$800,000	\$1.5 million
Electronic Medical Record Access for Pharmacies	\$3 million	\$4.5 million
Healthier Ohio Initiatives	\$15 million	\$25 million
Total	\$181,800,000	\$252,000,000

Sources: [Ohio's Rural Health Transformation Program Proposal](#), Ohio Department of Health



Key takeaway

While Ohio will receive more than \$202 million in federal dollars this year through the RHT Program, the amount is one of the lowest in the nation based on rural population size. In addition, the funding will not replace all of the losses to rural health funding expected due to other provisions in HR 1 (\$5.6 billion for Ohio over the next 10 years, according to [KFF estimates](#)).

Resources

- [Rural Health Transformation Program homepage](#) — CMS
- [Ohio Rural Health Transformation page](#) — Ohio Department of Health
- [RHT Program state project abstracts](#) — CMS
- [Overview of the RHT Program, including scoring methodology](#) — State Health & Value Strategies
- [Analysis of state awards](#) — KFF (Note: KFF uses a different source for rural population, which found Ohio ranked 49th on amount per rural resident).
- [Data snapshot: Health in rural and Appalachian Ohio](#) — HPIO
- [Ohio Rural Health Improvement Plan](#) — Ohio Rural Health Association



Learn more about the Health Policy Institute of Ohio at:
www.hpio.net