

Rural Health Transformation in Pennsylvania: Access and Care Delivery

Dr. Val Arkoosh, MD, MPH, Secretary, Department of Human Services

Center for Rural Pennsylvania

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Thank you for the opportunity to share testimony on Pennsylvania's Rural Health Transformation Plan (RHTP). The Pennsylvania Department of Human Services (PA DHS) appreciates the Board's interest in the RHTP and our shared goals of improving health and access to health care for rural Pennsylvanians.

Before I get into the details of how the RHTP will operate in Pennsylvania over the next five years, I want to take a moment to review the Shapiro Administration's focus on rural health prior to the passage of HR 1 and how that informed the development of Pennsylvania's plan.

Pennsylvania's RHTP is the product of more than two years of collaboration, conversation, and planning to design strategies and opportunities to improve health and strengthen access to care in rural Pennsylvania driven by rural leaders, like yourselves, rural residents, and local hospitals, clinics, educational institutions, business leaders and other stakeholders.

The 2023 announcement that the Center for Medicare and Medicaid Innovation would not continue the Pennsylvania Rural Health Model required a shift in the planning and approach to improving rural health in Pennsylvania. In 2024, the Shapiro Administration held the first of many rural health convenings with stakeholders to facilitate interagency coordination, participate in a dialogue with hospital leaders, and develop strategies in response to these conversations.

We built on these initial conversations through Regional Rural Health Summits bringing local leaders and community members together to talk about ways to improve healthcare in their area. Each summit focuses on the unique needs and goals of that region. The aim is to build stronger partnerships, improve collaborative use of local resources, and create new paths for growing the healthcare workforce. These efforts are intended to support rural community's efforts to keep quality healthcare available and support long-term economic growth. There have been eight summits so far, with another summit scheduled on May 29 at King's College.

These summits and the investments in rural health during those first two and one-half years of the Shapiro Administration became the foundation for Pennsylvania's RHTP. Pennsylvania was able to draft our application and submit it to the Centers for Medicare and Medicaid Services (CMS) with substantial input and ideas from rural Pennsylvanians at the core of our submission. What we heard during over two years of direct engagement was that while the challenges across rural Pennsylvania are similar, different regions have different priorities and resources with which to determine the solutions.

HR 1's passage in July established RHTP funding, creating a five-year, \$50 billion nationwide grant designed to support rural health. Funding was allocated by CMS based on rules established by Congress dictating that \$100 million per year will be distributed to each approved applicant state with opportunities to receive additional funding based on state characteristics including rural population, land area, amount of uncompensated care, and the grant submission itself, to be awarded at discretion of CMS leadership. The scoring of the "state characteristics" disadvantaged Pennsylvania. However, each year, states will be rescored based on annual reporting. The rescoring presents an opportunity to receive additional funding in future years.

In addition to engagement through Rural Health Summits, the Department also put out a public call for concepts in late summer and received over 300 submissions from stakeholders. Both the call for ideas and more than two years of engagement in rural communities positioned Pennsylvania well to respond to a fast-paced application process.

States had just over 50 days to apply for RHTP funding after CMS released the notice of funding opportunity. Pennsylvania worked to align our plan to the strategic goals outlined by CMS in the funding opportunity. Contrary to some of the messaging, CMS designed the RHTP to foster innovative system-wide change by transforming the healthcare delivery ecosystem. CMS emphasized sustainability over one-time infusions of funding that would bolster providers for the duration of the program. The strategic goals included:

- **Make rural America healthy again** – by supporting rural health innovations and new access points to promote preventative health and address root causes of chronic disease management, behavioral health, and prenatal care.
- **Sustainable access** – by improving efficiency and sustainability, sharing or coordinating operations, technology, primary and specialty care, and emergency services.
- **Workforce development** – by attracting and retaining healthcare providers by strengthening recruitment and retention in rural communities and helping rural providers practice at the top of their license and developing a broader set of providers to serve a rural community's needs.
- **Innovative care** – by sparking the growth of innovative care models to improve health outcomes, coordinate care, and promote flexible care and payment arrangements and incentivizing providers to reduce health care costs, improve quality of care, and shift care to lower cost settings.
- **Tech innovation** – by fostering use of innovative technologies by rural facilities, providers, and patients and supporting access to remote care, improve data sharing, strengthen cybersecurity, and invest in emerging technologies.

PA DHS drafted our application along with our partner Commonwealth agencies to align with these strategic goals and to reflect the needs of Pennsylvania's rural communities. On December 29, 2025, CMS awarded Pennsylvania more than \$193 million in federal funding for the first year of the RHTP. This funding will go toward supporting health in rural areas as defined by the federally approved application. All counties Class 6 through 8 and counties Class 2a through 5 containing a Health Resources and Services Administration (HRSA) rural census tract qualify as rural based on Pennsylvania's application.

From the experience with the Rural Health Summits, we knew that it was integral to have a regional approach. Our approach is based on the already established Partnerships for Regional Economic Performance (PREPs). PREPs are designed to encourage regional coordination in economic development efforts. One of the key mechanisms for sustainability of Pennsylvania's RHTP is ensuring that local leaders are involved and that the RHTP is part of broader economic development in rural areas.

Each of the eight PREP regions will establish a Rural Care Collaborative (RCC) with the support of a PA DHS staff member from that region. The Department will facilitate meetings of the RCCs in the Central, North Central, Northern Tier, Northeast, Northwest, Southern Alleghenies, South Central, and Southwest regions of the Commonwealth. The RCCs will have guidance and support from the Department to identify the priorities for their region.

For the first year of the RHTP, the goal is for the RCCs to meet, establish governance structures, and begin determining the priorities for their region based on PA DHS' federally approved application. In Year 1, PA DHS will also be distributing funding through various opportunities, including the rapid response stabilization program. In year two, RCCs will provide recommendations to the Department on funding priorities. RCCs will have support and guidance from PA DHS, including analysis of the healthcare landscape in their region, an advisory council of subject matter experts that a RCC can call upon as needed, and the RCC committee to share ideas and successes among regions.

PA DHS has already begun to promote involvement in the RCCs by requesting nominations through an online form. RCC meetings will be public and will be the center of RHTP discussions once they begin to meet. Through the involvement of local health care providers, business leaders, regional hospital leadership, federally qualified health centers, public health officials, educational institutions, community-based organizations, and state and local elected officials, RCCs will take the guidance provided by the

Department and the structure of the federally approved application to identify their priorities based on the parameters set forth by CMS and available funding.

The RHTP prioritizes projects in six initiative areas. Examples follow:

- **Aging and Access:** Facilitating safe transition from hospitalization to care at home, supporting quality of care in rural long-term care facilities through the Long-Term Care Quality Investment Program, launching a nurse aide training hub to build a sustainable pipeline for direct care workers, improve training and supports, and advance career pathways, and expanding Pennsylvania's LIFE program for dually eligible older adults to rural counties currently without LIFE coverage
- **Behavioral Health:** Expanding 988 services & continuing public education on crisis response services, growing remote behavioral health consultation services that connect providers to specialists able to assist in real-time, and funding educational awards for peer support and recovery specialists to expand behavioral health workforce in rural communities
- **EMS and Transportation:** Facilitating safe transition from hospitalization to care at home, and expanding access to car seats in the Medical Assistance Transportation Program
- **Maternal Health:** Developing comprehensive maternal health hubs to provide service navigation, increasing access to behavioral health supports, and expanding training opportunities in obstetrics for family medicine practitioners
- **Technology and Infrastructure:** Growing reach and use of consumer-facing applications that support access to primary and specialty care, supporting availability of telehealth, catalyzing AI investments for rural providers, and expanding clinical integration of electronic health records
- **Workforce:** Investing in comprehensive rural health care workforce development with support for allied health, EMS, nurses, nurse practitioners, physician assistants, dentists, pharmacists, and physicians, and supporting incentives such as educational awards, mentoring, short-term housing, stipends based on a five-year commitment to service in rural communities.

These initiatives are also the backbone of the rapid response stabilization program. The Department recently posted the first payment opportunity for hospitals, health care providers, and rural health facilities within specific regions to receive funding for supplies, equipment, renovations, and structural improvements. This is the first funding opportunity for the rapid response stabilization program, which recognizes the urgency of the challenges in rural communities.

We are looking forward to making these investments in rural health and supporting rural communities across Pennsylvania. Thank you again for the opportunity to testify. I look forward to answering your questions.