

# Maryland Rural Health Transformation Program

## Pillar 2 Transformation Funds Update



Together with Maryland state agency partners, the Maryland Department of Health (MDH) will award a series of subawards totaling \$134.8 million during Budget Period 1 of the Maryland RHTP, which will be available through competitive procurement processes. Applications will be evaluated based on clear potential impact across the three RHTP focus areas, or Pillars: (1) Transform the Rural Health Workforce, (2) Promote Sustainable Access and Innovative Care for Rural Marylanders, and (3) Empower Rural Marylanders to Eat for Health. Funding will be distributed to the most promising and innovative projects, advancing CMS core principles of choice and competition.

### **Pillar 2: Combined RFA for Three Transformation Funds**

To best support transformative and sustainable innovation, the three Pillar Two Transformation Funds (Sustainable Access Through Service Expansion and HIT Advances; Behavioral Health Service Expansion; and Innovative Care) will be combined into one competitive funding opportunity, with a targeted release date of late April 2026.

The combination of the three Transformation Funds under a single Request for Application (RFA) process gives greater flexibility to Applicants in defining their proposed project scope. Applicants can propose a project that falls within one Transformation Fund, or a project that crosses two or three Transformation Funds.

The goals of these Transformation Funds remain the same as described in Pillar 2 of [Maryland's Rural Health Transformation Program Plan](#). Across rural Maryland:

- Expand primary care, specialty care, and behavioral health care to meet current demand and build long-term capacity to improve health outcomes;
- Promote efficient and effective management of chronic somatic and behavioral health conditions, including by empowering residents to manage their conditions through tech-enabled solutions;
- Leverage technology to bring healthcare directly to rural residents; and
- Help providers and communities develop and adopt innovative, value-based care models

Proposed projects must make transformational and sustainable change in rural communities. The total amount of funding anticipated for all awards under this RFA is approximately \$73 million.

### Eligible Applicants

There are two types of eligible applicants:

1. **Transformation Collaborative:** Transformation Collaboratives are multi-partner groups (three or more organizations) operating under shared governance to implement cohesive solutions that no sole organization could achieve alone. The designated Lead Applicant of the Collaborative must be a non-profit.
2. **Sole Organization:** Non-profit healthcare providers can apply as sole applicants.

For-profit entities (e.g. private practice providers, technology vendors) can be partners in a Collaborative or serve as subcontractors to either category of applicant.

### **Future Funding**

While there is no guarantee of future federal RHTP funding, the State anticipates receipt of awards for funding RHTP Budget Periods 2 through 5. Thus the State encourages Applicants to develop their Budget Period 1 proposals as the first step in a multi-year initiative. Alternatively, Applicants may propose an initiative confined to Budget Period 1 alone if the proposal can reasonably achieve sustained transformational goals within a single year.

### **Funding Source**

The Maryland RHTP is facilitated by the MDH State Office of Rural Health and financially supported by the Centers for Medicare & Medicaid Services (CMS) of the U.S. Department of Health and Human Services (HHS) as part of a financial assistance award totaling \$168,180,837.61 with 100 percent funded by CMS/HHS. The contents of this document are those of the State and do not necessarily represent the official views of, nor an endorsement, by CMS/HHS, or the U.S. Government.