

Oregon Rural Health Transformation Program – Budget Narrative for Application 11/5/25

The budget distribution plan is described below for costs across the five initiatives (Regional Partnerships & System Transformation, Healthy Communities & Prevention, Workforce Capacity & Resilience, Technology & Data Modernization, Tribal Initiative).

Overall Budget Distribution Narrative:

PHASE 1 (2026 – 2027): As described in the Project Narrative: Implementation Plan and Timeline, the initial phase of Oregon’s RHT Plan focuses on three pathways for fund distribution: *Catalyst Awards, Immediate Impact, and Regional Sustainability*.

Pathway	Distribution Plan
Catalyst Awards: To ensure that investments and initiatives are community-directed and address local needs, this funding method creates a structured framework offering a specific menu of possible options to applicants, while focusing on the populations that experience the greatest challenges related to access and health outcomes in rural Oregon.	Awards will be made following a Request for Application process designed by the state and informed by the Rural Health Coordinating Council. Applicants will be asked to list up to two potential initiative-based activities that are ready-to-go and meet the goals of the program. Projects must service at least one population of focus: 1) maternal and child health, 2) co-occurring BH conditions, 3) individuals aging in place and 4) chronic disease. Project oversight, data collection, and Technical Assistance (TA) will be provided by subcontractors with a strong history of success. Administrative costs will be incorporated under the subcontractor budgets.
Immediate Impact: A select set of aligned opportunities that ensure funds go out rapidly for immediate impact.	Directly fund select opportunities, such as team-based care PMPMs, new residency programs, and new sites expanding on successful delivery models
Regional Sustainability: Help rural providers jump-start or expand regional health partnerships through targeted TA and strategic investments.	Awards will be made to a subcontractor(s) to provide technical assistance to entities developing rural health networks. Strategic investments will be made to independent rural hospitals and critical access hospitals to stabilize essential services and build readiness for Phase 2.

PHASE 2 (2028 – 2030): Distribution of funds in Oregon’s second phase will mirror the initial phase, with increased expectations related to regional alignment, true transformation and sustainability.

Pathway	Distribution Plan
Competitive Catalyst Awards: Invest in regional partnerships and organizations that have demonstrated preparedness and/or success in integrated health network models and shared health services that drive towards sustainable health system transformation.	Funds will be distributed through a competitive Request for Grant Proposals process encouraging collaborative applications (e.g., as a consortium, as part of a formal agreement, a CIN) or strong alignment with regional priorities. Designed by the state with input from the Rural Health Coordinating Council (late 2027), the process will be supported by experienced subcontractors providing oversight, data collection, and technical assistance
Sustained awards:	Some Phase 1 funding that demonstrated significant success and valuable impact but requires additional years of investment to ensure completion will continue to be funded (e.g., investment in new residency programs and state-sponsored Technical Assistance).

Consultant/Subrecipient/Subcontractors

Responsibilities of subcontractors within Oregon's RHT Plan will include establishing grant agreements, distributing grant funds, providing operational TA, monitoring, compliance, data collection and reporting. Criteria for subcontractors and subgrantees include:

- Experience with rural health community organizations and facilitation (e.g. community of practice)
- Ability to assess organizational capacity to implement the requested tool
- Proven ability to scale up to meet need of project
- Experience with federal funding mechanisms and compliance with federal requirements
- Demonstrated capacity and intent to execute on a sustainability plan

Budget Years (BY) 1-2: Phase 1

Oregon will evaluate initial applications for the Catalyst Awards, selecting projects that are ready-to-go and aligned with one of four state initiatives (see Budget Section A for staffing details). Funds will be distributed to up to six organizations, each responsible for managing sub-grants within their self-identified capacity (see Budget Section F for subcontract details). Subcontracting enables rapid fund deployment and enhances oversight and technical support. One subcontractor will also provide neutral facilitation for regional partnerships and system transformation awards.

Budget Years (BY) 3-5: Phase 2

Oregon will fund Phase 2 projects aligned with the RHT Program vision, prioritizing scalable initiatives that foster partnerships, reduce overhead and travel costs, expand care access, and deploy technologies aligned with the CMS Health Technology Ecosystem initiative. TA will support project success and rural integration. Subcontractors may help assess "sustained awards" for projects continuing beyond BY1. Before BY3, "Competitive Catalyst Awards" will be launched for entities advancing regional transformation. Subcontractors will be selected per state and federal procurement rules. Eligible organizations must have strong grant management experience, meet RHT timelines, and maintain relationships with organizations providing health care services to rural populations. Facilitation subcontractors must demonstrate relevant expertise.

Budget Year 1 - Narrative Description

Tribal set-aside - 10% of total funds = **\$20,000,000**

Proposed activities included in Tribal Initiative. More to come post-Award via established government-to-government processes.

Phase 1 Catalyst Awards (RFA to rural clinics, hospitals, training facilities, etc.) - 40% of total funds = **\$80,000,000**

Activities in this category align with the Health Communities & Prevention (HCP), Workforce Capacity & Resilience (WCR), and Technology & Data Modernization (TDM) Initiatives.

- RFA designed and conducted by OHA while sub-contracts are developed
- 3-6 subcontractors (possibly same as regional sustainability contractors for efficiency) supporting grant fund distribution (post-RFA), grant TA, grant management, data collection and reporting
- Examples that are possible: EHR implementation upgrades, preceptor incentives, Nurture Oregon expansion, TA to rural EDs for MOUD prescribing from Oregon Health & Sciences University, TA for closed loop referrals from UniteUs, etc.

Immediate Impact Direct Grant Awards - 20% of total funds = \$40,000,000

Activities here include direct awards, across the program initiatives, that include activities that present an opportunity for scaling up or expanding to new sites and reflect public comment priorities. Proposed includes *(the below list totals close to \$40M)*:

- Team-based care VBP to clinics, home visiting site expansions, recovery school treatment pilot, nutrition and transportation support, senior visit model expansion, community naloxone distribution [HCP]
- 3 residency site expansions, mobile simulation training (EMS, OPC/maternity, Warmline) [WCR]
- Regional school nursing, self-mgmt program for chronic disease, school-based health center EMR upgrade [TDM]

Regional Sustainability [Regional Partnerships Initiative] - 20% of total funds = \$40,000,000

Activities include:

- Strategic investments (i.e., capacity payments) to stabilize rural hospitals during Phase 1 regional conversations and convenings
- Targeted Technical Assistance and statewide facilitator or organization(s) to support convenings
- Regional convenings and/or strategic meetings to address key rural challenges in the community (maternity, EMS modernization, development of CINs, global budget approaches, etc.)
- Regional collaborations, hub and spoke models, and/or a shared regional plan on key issues, including sustainability planning and controlling costs through shared resources, will be a required component for receiving Phase 2 funding awards
- Contracting with regional entities to develop program monitoring and evaluation plans

Admin- 10% of total funds = \$20,000,000

OHA personnel staffing estimates for the full pricing are ~\$5.5M, with \$14.5M being distributed across subcontractors, and 10% of total admin reserved for the Tribal Initiative.

Proposed budget summary:

Totals by Funding	BY1	BY2	BY3	BY4	BY5
Catalyst	\$80,000,000	\$77,000,000	\$0	\$0	\$0
Immediate Impact	\$40,000,000	\$43,000,000	\$0	\$0	\$0
Regional Sustainability	\$40,000,000	\$40,000,000	\$0	\$0	\$0
Sustained Awards	\$0	\$0	\$58,000,000	\$65,000,000	\$65,000,000
Competitive Catalyst	\$0	\$0	\$102,000,000	\$95,000,000	\$95,000,000
Tribal Initiative	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000
Admin	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000
Total	\$200,000,000	\$200,000,000	\$200,000,000	\$200,000,000	\$200,000,000
Totals By Initiative					
Regional Partnerships	\$40,000,000	\$40,000,000	\$40,000,000	\$40,000,000	\$55,000,000
Healthy Communities	\$75,000,000	\$75,000,000	\$55,000,000	\$50,000,000	\$50,000,000
Workforce	\$37,600,000	\$30,000,000	\$45,000,000	\$35,000,000	\$35,000,000
Tech/Data	\$7,400,000	\$15,000,000	\$20,000,000	\$35,000,000	\$20,000,000