

# States Solicit Comments Ahead Of CMS Unveiling The OBBB Rural Fund Application

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-- *Dorothy Mills-Gregg | Inside Washington Publishers*

North Carolina, North Dakota and Virginia, among other states, are reaching out to providers for input on how to apply for the One Big Beautiful Bill's \$50 billion rural health fund so they are ready when guidance comes out from CMS – possibly in September – to quickly apply for a stake in the coveted fund that will be distributed at the year's end.

HHS will distribute the OBBB's Rural Health Transformation Program directly to states, but the Trump administration has yet to announce who within CMS will oversee the fund and how states will apply for those funds. Half of the appropriations will be divided equally among all approved states while the rest will be distributed in an amount determined by the CMS administrator.

A state's share of the fund will be contingent on whatever it submits by Dec. 31, putting enormous pressure on local officials to get it right the first time and driving force behind experts' recent push to ensure the money is spent on hospitals that are geographically located in rural areas and on rural health care needs – not on some urban hospitals that might qualify on paper.

So far at least four states aren't waiting for guidance from CMS to start their applications.

“Guidance from CMS on application instructions is expected in September, and after that NCDHHS may have to develop its application on an accelerated timeline,” North Carolina's Department of Health and Human Services said in a statement Thursday (Aug. 14).

North Carolina's request from stakeholders isn't as detailed as what Texas issued, which outlined the Lone Star State's plans to use funds for telehealth projects and to help providers in counties with less than 70,000 people, targeting a variety of patients – the uninsured, women who are pregnant or postpartum, those under 20 and older adults.

North Dakota's solicitation says the OBBB fund is an opportunity for the state to invest in and transform rural health care in their region. The website to collect stakeholder comments notes this is not yet the formal request for proposal or grant application process, and organization's submissions will “not constitute a commitment by [the state] to fund any proposed activity.”

Virginia Gov. Glenn Youngkin announced via an executive directive Wednesday (Aug. 13) the state's health and human resources department will begin collecting information for the rural fund application from government agencies, nonprofit and for-profit hospitals, federally qualified health centers, among others. The state department will also host listening sessions in undefined rural areas across Virginia.

The state's health and human resources department will update the governor with stakeholder feedback before CMS releases its guidance on the fund, the Virginia governor's directive says.

This report to the Virginia governor will include three sections: national best practices, options for investment opportunities and establishing a Virginia-specific assessment of need, which will contain a community health care needs assessment, review of financial health of existing providers, and applicable definitions of rurality.

Youngkin's directive also includes action items for other OBBB provisions, like the national Medicaid work requirement. The state department should engage state lawmakers, business leaders, local governments, nonprofit volunteer services organization and institutions of higher education on how the state should meet the new work requirements, which condition Medicaid coverage for certain beneficiaries on whether they've worked, volunteered or studied as a student for at least 80 hours a month.

The governor also directed the state department to work with localities, local social services agencies, Medicaid managed care organizations and members to develop the state's plan to comply with the OBBB provision making Medicaid eligibility renewals more frequent.