

## **CMS: Gov Shutdown Will Not Affect OBBB Rural Fund Application Deadline; 27 States Intend To Apply**

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(Inside Health Policy)

Twenty-seven states have told the Trump administration they intend to apply for the \$50 billion Rural Health Transformation Program (RHTP), CMS staff said during a webinar Tuesday (Sept. 30), where the agency teased additional guidance is coming and clarified the administration will not move back the Nov. 5 application deadline in the event of a government shutdown.

“The Office of Rural Health Transformation work is funded through mandatory appropriations, so all of our ongoing staff and work will continue at the Center for Medicaid and CHIP Services, regardless of if there is a shutdown,” Alina Czekai, director of CMS’ Office of Rural Health Transformation, told webinar attendees.

States have until 11:59 p.m. eastern tonight to send optional letters of intent for RHTP funding and until Nov. 5 to submit applications. Czekai said 27 states have submitted letters of intent as of Tuesday morning.

The administration plans to release a Frequently Asked Questions (FAQs) guidance that will detail limitations on the funding’s use, like the 5% limit on electronic medical record (EMR) spending, and other topics, Czekai said.

She reminded webinar attendees RHTP applications are only open to all 50 states, meaning local governments, hospitals, universities, tribes and other entities cannot apply, she explained.

States can award subgrants to or partner with those entities, Czekai said. If states do award subgrants, they must share their selection process and criteria with CMS, she clarified.

The FAQ will reiterate CMS is “not defining the types of providers that can and cannot participate” in the RHTP, Czekai said. This portion of the FAQ seeks to address questions about whether urban centers can receive RHTP funding, a prospect that has concerned some stakeholders.

The FAQ will clarify the RHTP’s 5% limit on state EMR spending applies if funds are used to replace a Health Information Technology for Economic and Clinical Health Act-certified EMR system that is in place as of Sept. 1, 2025, Czekai explained.

EMR upgrades, particularly those designed to meet the CMS Interoperability Framework, and server substitutions are not subject to the 5% limit, Czekai added.

CMS will also issue additional guidance on using RHTP funds for “minor building alterations or renovations” and issuing direct payments to providers, Czekai said.

“Given the limited scope of provider payments, these should be targeted investments that are designed to advance make America healthy again, workforce, recruitment and retention, sustainable access to care, innovative care and technology innovation provider payments must be consistent with the authorizing statute of this program and the NOFO,” she said.