



WHITE PAPER

From Opportunity to Impact

Five Strategies for Turning RHTP Funding into Sustainable Rural Transformation

The Rural Health Transformation Program (RHTP) represents a significant opportunity for rural hospitals to strengthen financial stability, expand access, and build capabilities for the future. CMS awarded the full \$50 billion—\$10 billion per year, FY2026 through FY2030—to the 50 states.

The opportunity, however, extends well beyond securing funding. Across state plans and funding opportunities, a consistent theme is emerging: **RHTP is intended to build lasting capabilities**, not simply address near-term financial pressure. Strong transformation strategies connect today's investment to measurable outcomes and a credible path to sustainability beyond the funding period.

That distinction is important. Hospitals that approach RHTP as part of a broader transformation strategy can use these investments to strengthen operations, expand capabilities, advance innovation, and create sustainable models for serving their communities well into the future.

While CMS established a framework for the RHTP, it is not moving on a single national timeline. Across the country, states are at different stages of application, review, award and implementation. Regardless of where an opportunity stands today, rural hospitals should be asking the same fundamental question: **How can we use available resources to create sustainable transformation?**

The answer begins with understanding state priorities and aligning them with the hospital's own strategic goals. From there, hospitals must establish the right partnerships, develop a clear strategy, and execute effectively so that progress continues well beyond the funding period.

This playbook outlines five strategies rural hospitals can use to access and maximize RHTP funds:

1. **Know your state's plan and where opportunities stand today.**
2. **Demonstrate that your organization is ready to execute.**
3. **Lead or join a collaborative to achieve greater scale and impact.**
4. **Use early and planning dollars to build implementation readiness.**
5. **Coordinate funding streams and plan for sustainability from the beginning.**

Strategy 1

Know Your State's Plan and Where Opportunities Stand Today

Every approved state RHTP plan is public. Hospitals should know the initiatives identified, the authorized uses of funding behind those initiatives, the agencies responsible for administering the program, and the mechanisms through which funds will be distributed. Depending on the state, opportunities may take the form of competitive funding announcements, formula-based distributions, regional intermediaries or direct contracts.

Understanding these details can help hospitals determine where opportunities exist today, what may be coming next and where their capabilities align. One state may be accepting applications while another is reviewing submissions, announcing awards or preparing its next funding opportunity. Some states may have multiple initiatives moving through different stages simultaneously. Hospitals should monitor this activity closely and use it to inform them where and when to engage.

Watch where the dollars are moving

Not every initiative will move at the same pace. Early investments may concentrate on initiatives where funding can be deployed quickly, such as infrastructure, equipment, technology, or financial stabilization. More complex initiatives involving care redesign, workforce transformation, or multi-organization implementation may require additional time to develop procurement processes and administrative structures. Initiatives that are not funded in the first year should not be set aside; organizations should continue developing the strategies, partnerships, and infrastructure needed to position them for future funding opportunities.

Leverage state associations for strategic insight

State hospital associations play an important role beyond advocacy. In some states, associations may participate directly in program planning, analytics, or implementation. Rural hospitals should remain connected to these associations and use them as resources for understanding emerging opportunities, potential partnerships, and changes in program direction.

Strategy 1 Key Takeaway: Understand your state's strategy, track where opportunities stand and position your organization for what's available now and what may come next.

RHTP isn't one grant opportunity. It's a five-year transformation program with multiple pathways annually for hospitals to participate.



Strategy 2

Demonstrate that Your Hospital is Ready to Execute

Whether preparing to pursue funding or moving into implementation, hospitals must be able to demonstrate their ability to turn investment into measurable results. Execution capability matters. When initiatives are already aligned with the hospital's strategic plan, the path to execution should be clear, including the leadership, resources, infrastructure, partnerships, and measures needed to move the work forward. Hospitals that can demonstrate strong leadership, measurement infrastructure, financial accountability, and a history of implementation will be better positioned than organizations that present ambitious ideas without a clear plan for execution.

Before pursuing a significant funding opportunity, rural hospitals should assemble the information and infrastructure needed to demonstrate readiness. This may include:

- **Current financial information**
- **Baseline quality, access and operational metrics**
- **A defined project leadership and governance structure**
- **Evidence of successful grant, program or transformation execution**
- **A clear implementation timeline**
- **A process for measuring results**

Hospitals should mirror the terminology, initiative priorities, metric definitions and outcome frameworks used in their state's approved plan whenever appropriate. This will demonstrate a direct connection between the hospital's proposed initiative and the state's transformation priorities.

Strategy 2 Key Takeaway: Demonstrate your hospital's readiness to execute and measure the results.

Strategy 3

Lead or Join a Collaborative

For many rural hospitals, the most significant RHTP opportunity may not be found in an individual application, but instead it may be found in a collaborative. Nearly 60% of state RHTP applications include efforts to create or expand collaborative networks, according to a 50-state analysis by Chartis. In practice, they outperform solo applications for structural reasons:

Strengthen credibility:

A 10–30 hospital network applying for a shared initiative gives the state one coordinated partner instead of managing dozens of individual applications. This can simplify administration and make it easier to oversee implementation.

Shared infrastructure economics:

The dominant funded use cases data/analytics platforms, interoperability, telehealth networks, revenue cycle capability, group purchasing, quality improvement rotations are all inherently network shaped. These investments can be difficult for a 25-bed CAH to justify independently; a collaborative can create the necessary scale.

Risk distribution:

Subrecipient compliance burden (2 CFR 200, audit, performance reporting) is real and heavy. A network with a professionalized administrative core can help absorb this burden, which may otherwise strain the limited resources of a standalone CAH.

Sustainability story:

Collaboratives can credibly commit to continuing shared services after 2030 on member economics the exact sustainability proof states are scoring for.



Three collaborative models to consider

1. The cooperative model

A formal cooperative or existing legal entity may already have governance, administrative infrastructure and shared service capabilities in place. Because the organization already exists, it may be able to receive and administer funding more quickly than a newly formed partnership. For example, a cooperative of rural hospitals could operate a shared revenue cycle review program, workforce resource or quality improvement service across dozens of member facilities. The value of this model is readiness. The structure, governance and relationships already exist.

2. The regional collaboration model

Multi-hospital networks can also organize around a shared regional capability strategy. These organizations may serve as demonstration sites for initiatives involving technology, population health, specialty access or care coordination. In some cases, networks may have relationships that extend beyond a single state, creating opportunities to share knowledge and capabilities across broader regions while aligning implementation with state-specific priorities.

3. The anchor-partner model

Not every rural hospital needs to lead a collaborative. An established statewide network, association or other experienced organization may serve as the funded backbone for a broader initiative. Individual hospitals can then participate as implementation partners. For hospitals without the capacity to convene or administer a network, becoming a strong execution partner may be the most practical path to participation.

Every rural hospital is likely to occupy one of several positions:

- **Convener:** Bringing organizations together around a shared initiative
- **Anchor member:** Providing leadership, infrastructure or expertise
- **Execution partner:** Implementing programs within a larger collaborative structure
- **Unaffiliated:** Pursuing opportunities independently

Strategy 3 Key Takeaway: Engage early to shape the opportunity. Being an early adopter or explorer can help ensure your hospital has a seat at the table as opportunities develop.

Strategy 4

Use Early Funding to Build the Foundation for What's Next

Not every important RHTP opportunity will be a large implementation award. Smaller planning grants, catalyst awards and early-stage investments can create the foundation for larger transformation initiatives. These resources can support assessments, strategic planning, partnership development, baseline measurement and implementation design—building capabilities that position hospitals to pursue and successfully execute future opportunities.

These funds can support assessments, strategic planning, partnership development, baseline measurement and implementation design. That work may not always appear as transformational as a major capital or technology investment, but it can determine whether an organization is prepared to successfully pursue and implement one.

A strategic approach is to use early funding to build the capabilities required for larger implementation awards.

Planning dollars can support the development of:

- **Transformation roadmaps**
- **Financial and operational assessments**
- **Partnership structures**
- **Baseline data and metrics**
- **Governance models**
- **Project plans**
- **Sustainability strategies**

In one example, a critical access hospital secured a state planning grant and used a portion of the award to support structured transformation planning. The result was more than a completed planning exercise. The organization developed the readiness infrastructure needed to position future implementation initiatives. The planning dollars helped fund the capability to pursue larger opportunities.

Start with the fundable opportunity available today. Use it to build the evidence, partnerships, and projects needed for tomorrow's larger opportunity. Hospitals that view smaller awards only through the lens of their immediate dollar value may miss their larger strategic purpose.

Strategy 4 Key Takeaway: Use the opportunity available today to build the capabilities needed for what's next.

Strategy 5

Coordinate Funding Streams and Plan for Sustainability from the Beginning

RHTP is not the only available funding pathway for rural transformation. Other federal and state programs may support complementary priorities involving network development, quality improvement, workforce, technology, and rural healthcare infrastructure. The strongest strategies identify opportunities to align complementary funding streams around a shared transformation objective without duplicating or overlapping funding for the same activities.

Programs may support different components of the same broader strategy. For example, one funding source may support collaborative infrastructure while another supports implementation at the hospital level. Workforce programs may complement technology investments. Quality improvement resources may support initiatives funded through a broader transformation award.

The goal is to align multiple funding sources around shared priorities while planning for long-term sustainability.

Every major RHTP initiative should have a clear answer to the question of **how this will continue after program funding ends**. Potential sustainability mechanisms may include:

- **Chronic care management or remote patient monitoring reimbursement**
- **Value-based contract incentives**
- **Increased swing-bed or post-acute utilization**
- **Shared-services savings**
- **Revenue cycle improvement**
- **Reduced technology costs through aggregation**
- **Member-supported collaborative models**
- **Operating efficiencies created through transformation**

Keep in mind that a sustainable transformation requires a model that can eventually support itself without relying on continued grant funding.

Strategy 5 Key Takeaway: The strongest funding strategy combines complementary resources and creates a credible model for the day RHTP funding ends.

RHTP creates a unique opportunity for rural hospitals to invest in capabilities that may have previously been too difficult through traditional operating resources. Organizations that benefit most will likely approach the program strategically. They will:

1. **Know their state's priorities**
2. **Demonstrate readiness**
3. **Build partnerships capable of creating scale**
4. **Use early funding to prepare for larger opportunities**
5. **Design initiatives around sustainable models**



Transformation should outlast the funding. When investments are aligned with your mission and long-term strategy, their impact can extend well beyond the five-year RHTP funding period.

RHTP gives rural hospitals a rare opportunity to invest in capabilities that may have been difficult to fund through traditional operating resources. The organizations that create the greatest long-term value will look beyond the award itself, using these investments to build stronger operations, new capabilities, meaningful partnerships and sustainable models that continue delivering value after RHTP funding ends.

That requires more than navigating a funding opportunity. It requires a clear strategy, disciplined implementation and the ability to measure progress against the commitments made along the way. Sustainable transformation also requires the infrastructure and expertise to turn resources into lasting results.

Headquartered in Brentwood, Tenn., Ovation Healthcare is partnered with 500+ clients in 46 states from critical access hospitals to large health systems. For 50 years, Ovation Healthcare has worked alongside independent and rural hospitals to strengthen performance and preserve access to care. Today, Ovation brings together strategic insight and hands-on operational expertise across leadership, technology, revenue cycle, and spend management to help rural healthcare organizations move from opportunity to implementation and from implementation to sustainable transformation.

Hospitals do not have to choose between moving quickly and building for the long term. With the right platform and capabilities behind them, they can accelerate progress while maintaining control of their priorities and their future. Ovation provides the engine; hospitals remain in the driver's seat.



**Ready to explore what's next for your organization?
Connect with an Ovation Executive Advisor to discuss
RHTP opportunities, transformation priorities, and the
path forward at info@ovationhc.com**