

North Carolina Launches Rural Health Transformation Year One: Moving from Plan to Action

In December 2025, the U.S. Centers for Medicare & Medicaid Services (CMS) awarded the North Carolina Department of Health and Human Services (NCDHHS) over \$213 million to begin implementing its Rural Health Transformation Program. The state's plan aims to improve and expand access to health care in rural communities.

In keeping with the requirements of the funding, North Carolina has established a multi-pronged approach to coordinate care and community resources, expand access to physical and behavioral health services, strengthen our health care workforce, help rural health care providers become more financially stable, and use technology to improve care.

In its first year, North Carolina built the statewide and regional structure needed to carry out a five-year transformation, while also leveraging proven programs to get investments and services into rural communities quickly.

NCDHHS received federal funding in April 2026 and committed nearly 80% of funds to move the work forward by the end of July. The remaining 20% of Year 1 funds will be committed by October 30, 2026. In just four months of implementation, the North Carolina RHTP has:

- **Invested in local infrastructure.** Established five NC ROOTS Hub Leads to coordinate regional health transformation in six regions covering all 100 counties. These regional networks serve as the local infrastructure to bring providers and partners together, coordinate care, and direct investments based on the needs of each region. In this first year, ROOTS Hubs established regional governing bodies to set priorities and guide decisions, began convening partners and completed regional needs assessments.
- **Expanded opioid treatment.** Awarded \$10 million to 39 local Emergency Medical Services agencies to expand programs that equip paramedics to begin medication treatment for opioid use disorder, connect patients to ongoing care, conduct in-home wellness checks and provide care that can help prevent unnecessary ambulance trips to the emergency department.
- **Expanded behavioral health treatment for young adults.** Expanded the use of telehealth to connect young adults experiencing a first episode of psychosis with the treatment and support they need.
- **Expanded efforts to prevent diabetes.** Funded an evidence-based screening and year-long lifestyle program that helps people at high risk make changes in nutrition, physical activity and other habits to prevent or delay type 2 diabetes. The North Carolina Minority Diabetes Prevention Program is now available to 18 southeastern counties.

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NORTH CAROLINA

RURAL HEALTH TRANSFORMATION



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

- **Advanced new pathways to train and retain rural health care workers.** Implementation underway to advance incentives to promote training, recruitment, and five year retention of health care workers in rural communities. For example, NCRHTP launched partnerships with UNC-Chapel Hill School of Social Work and the Social Work Coalition on NC Workforce Development, a group of 25 universities and colleges across NC, to train and retain social workers for rural and frontier communities;
- **Built a fund for rural health care providers to modernize their technology.** Created a \$20 million per year fund to help rural providers keep pace with changing digital health care tools. The Rural Health Innovation Fund will help providers identify, test and implement digital solutions that strengthen their practices and support better care.
- **Supported better care coordination.** Connected 35 rural health care providers to NC HealthConnex, a platform that provides a full picture of patient medical care history. NC HealthConnex brings patient data together into a unified record that follows the patient across providers and electronic health record systems.
- **Helped rural residents use online health tools.** Partnered with NC 211 to provide one-on-one help with tasks like using telehealth, accessing patient portals, completing online health questionnaires and building basic digital skills. 456 rural residents received help in just the first two weeks when it launched in July 2026.

Timeline

North Carolina moved quickly from planning to implementation during the first year.

- December 2025: North Carolina was notified of its award.
- April 2026: North Carolina completed the required consultation process with NCGA.
- April 2026: Program funding became available to the state.
- July 2026: Year One program reporting due to CMS.

Background

NCDHHS's Rural Health Transformation Program is expected to serve more than 3.4 million people in rural North Carolina over five years. The federal government created the Rural Health Transformation Program to help states improve health and health care delivery in rural communities. It is funded through CMS for five years. States can use the funding to improve technology, build partnerships, strengthen the health care workforce and develop new ways to provide care. CMS awarded North Carolina over \$213 million for the first year. Future funding is dependent on the state's progress and results.

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