

Project Abstract / Summary

Organization: The North Carolina Department of Health & Human Services (NCDHHS), as the Governor’s designee, will lead the North Carolina Rural Health Transformation Program (NCRHTP) through its Office of Rural Health. Implementation is guided by a statewide steering committee that includes Medicaid, Public Health, and Behavioral Health divisions.

Key subrecipients include the Duke-Margolis Health Policy Center, UNC The Cecil G. Sheps Center for Health Services Research and others to be determined.

Project Goals: This transformative investment improves health outcomes and access for nearly 3 million rural North Carolinians across 85 of 100 NC counties through three goals; (1) catalyzing innovative care models, 2) transforming the rural care experience, and 3) creating a sustainable rural delivery system. **By FY2031**, NCRHTP will increase rural provider-to-population ratios, reduce preventable hospital readmissions and emergency visits, lower chronic disease risk factors, and expand access to integrated behavioral, mental health and substance use services. All while simultaneously investing directly into communities and stimulating rural economic development and job creation.

Total Budget \$1,000,000,000 over 5 years (*indicative per CMS guidance*)

Fund Usage: Through 6 integrated initiatives, NCRHTP will sustainably transform rural health.

1. **Launch “NC ROOTS”¹ Hubs.** These locally governed, community-tailored networks connect medical, behavioral, and social services--making it easier for rural residents to access comprehensive care in one place. Each hub is tailored to its region, offering in-person services, care coordination, and direct support for families, while also leveraging virtual care and advanced AI to enhance access and share data.
2. **Improve prevention/screening, chronic disease management, maternal health, and nutrition** by scaling up effective programs for primary care access, food as medicine, diabetes and hypertension management, cancer screening, and perinatal health.
3. **Expand behavioral health and substance use disorder (SUD) services and integrate into regional care networks** through the growth of Certified Community Behavioral Health Clinics (CCBHCs), enhanced assessment and treatment programs to address critical care gaps, as well as new collaborative and non-traditional workforce models to connect residents to care.
4. **Modernize and sustain the rural health workforce** through catalyzing investments in rural training centers, fellowships, and certification programs to recruit, train, and retain clinicians, allied health professionals, and community health workers.
5. **Advance value-based payment (VBP)** by establishing capabilities for rural primary care practices to participate in advanced VBP models and laying the groundwork for rural hospital participation in VBP arrangements, with a focus on financial sustainability.
6. **Accelerate technological innovation, access, and interoperability** through increased health information exchange participation, digital literacy programs to ensure rural residents can access modern, connected care, and the broad implementation of state-of-the-art AI-based technology to support documentation and real-time expert clinical decision support to drive down business costs for rural providers and improve sustainability

¹ Rural Organizations Orchestrating Transformation for Sustainability