



NORTH CAROLINA
RURAL HEALTH TRANSFORMATION

Rural Health Innovation Fund Overview

September 23, 2026



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

NCDIT NORTH CAROLINA
DEPARTMENT OF
INFORMATION
TECHNOLOGY

Stevens Amendment Disclosure: This presentation is supported by the Centers for Medicare and Medicaid Services (CMS) of the U.S. Department of Health and Human Services (HHS) as part of a financial assistance award totaling \$213,008,356.47 in budget period 1 with 100% funded by CMS/HHS. The contents are those of the author(s) and do not necessarily represent the official views of, nor an endorsement, by CMS/HHS, or the U.S. Government.

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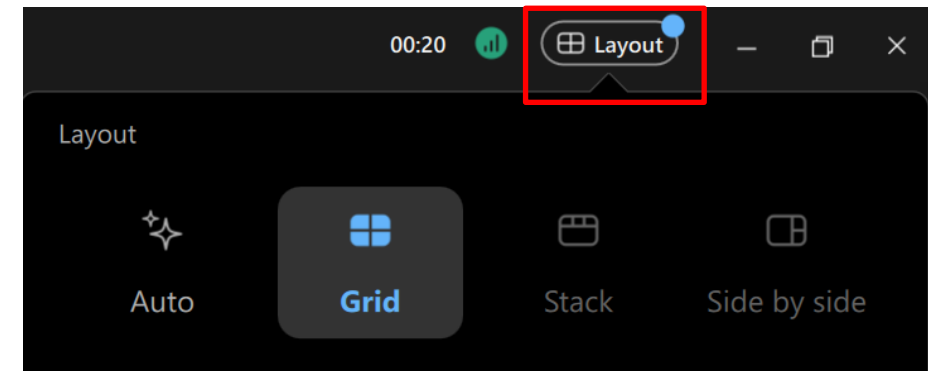
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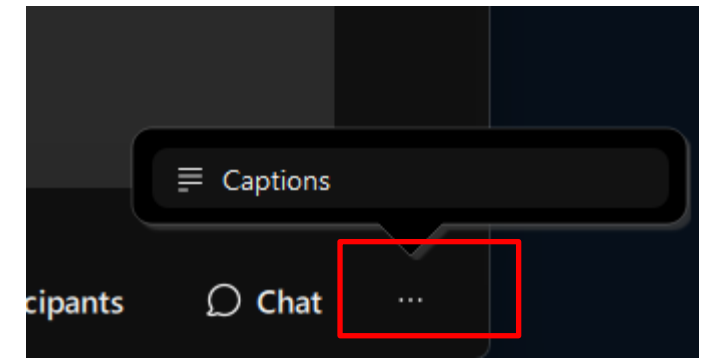
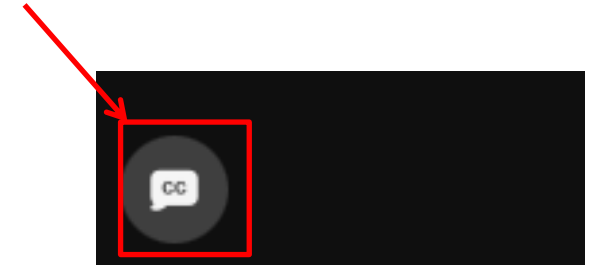


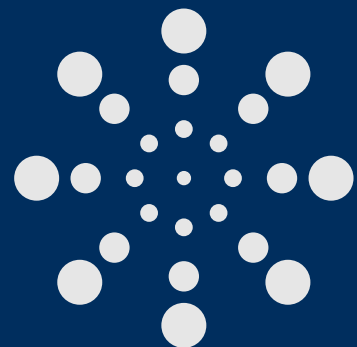
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A copy of today's slides and recording will be available on our website at ncdhhs.gov/rhttp.





WELCOME

Meet Our Presenters

- Joseph Watkins
 - Director, Efficiency and Transformation (NCDHHS)
- Kiya Edwards
 - Director, Office of Digital Opportunity (NCDIT)



Meet Our Director

- Maggie Woods, Director of North Carolina's Rural Health Transformation Program
- "I grew up in rural America, and I understand first-hand many of the health care challenges facing rural communities. This program represents an opportunity to strengthen health systems, expand access to care and ensure that everyone across our state has the opportunity to achieve their best health."



Agenda

NCDHHS:

- **NCRHTP Overview**
- **Digital Health**
- **Rural Health Innovation Fund Overview**
- **Grant Eligibility and Funding**
- **Year 1, Round 1 Priorities**
- **High-Level Application Process**
- **Intended Use of Funds**

NCDIT:

- **Timeline**
- **Application Process Details**
- **Application Scoring**
- **Grantee Announcement**



NCRHTP OVERVIEW

NC Rural Health Transformation Program (NCRHTP)

- **NCDHHS received over \$213 million in year 1 from CMS' Rural Health Transformation Program to invest in rural health care access in North Carolina.**
 - NCDHHS will apply to receive more funding from this program from CMS for the next four years.
- **North Carolina has the 2nd largest rural population next to Texas.**
- NCRHTP will improve health care delivery for more than 3.5 million North Carolinians in rural communities, support more than 400 rural health facilities, and bring hundreds of millions of dollars in federal investment to the state over the next five years.

Six Initiatives Work Together to Achieve NCRHTP Goals

Required Federal Elements	<i>Improving Access Improving Outcomes Partnerships</i>			<i>Workforce</i>	<i>Cause ID Financial Solvency</i>	<i>Technology Use Data-Driven Solutions</i>
NC Rural Health Priorities	Build Rural Community Care Network “Hubs”	Create Models and Capacity for Expanded Primary Care, Prevention, and Chronic Disease Management	Expand and Integrate Behavioral Health and SUD Services	Build a Robust and Resilient Workforce and Innovative Care Team Models for Rural Communities	Ensure Fiscal Sustainability of Rural Health Providers Through Innovative Financial Models	Modernize Rural Care Delivery Through Digital Forward Solutions



INITIATIVE 6: DIGITAL HEALTH



NORTH CAROLINA

RURAL HEALTH TRANSFORMATION

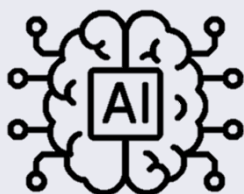
Why?

“Rural providers face persistent barriers to coordinated, tech-enabled care, including **limited participation in NC Health Connex, complex and slow IT procurement processes, scarce clinical decision support, and low patient health data literacy** that hinders engagement with telehealth and remote monitoring tools.”

Initiative 6 Purpose

“This initiative **strengthens NC’s rural health infrastructure** through a coordinated set of activities that leverage technology to ease the ‘business of health care’, while **enhancing rural provider connectivity, interoperability, digital capacity, and addressing health data literacy gaps.**”

Activities



	6a.	6b.	6c.	6d.	6e.
Activity Name	Institutionalize the Rural Health Innovation Fund (RHIF)	Support Rural Providers in Adoption of AI and Emerging Digital Technologies	Connect Rural Providers to the state HIE: Advancing Data Sharing and Care Coordination	Improve Digital Health Literacy in Rural Communities: Empowering Patients Through Embedded Support	Integrate RPM and CCM into Rural Health Care
Purpose	Provide a catalytic investment fund to help rural health providers modernize their business operations and health IT infrastructure.	Establish a collaborative that will provide a community of practice and a technical assistance center for healthcare providers.	Provide the operational, technical, and financial support for providers to connect to the state-designated HIEA.	Expand access to digital health literacy (DHL) statewide through over-the-phone and in-person resources.	Establish a resource for working with providers to deploy remote patient monitoring (RPM), chronic care management (CCM), Hospital at Home, and virtual first care-type models.
Audience	Providers and practices (focused on rural)	Providers and practices (focused on rural)	Providers and practices (focused on rural)	NC residents (focused on rural)	Providers and practices (focused on rural)



NCDHHS and NCDIT Partnership

- **Why?**
 - As NCDHHS was looking for a partner, we know we needed an entity with grant awarding experience, statewide reach and preferably a rural outreach component recently.
- **We were trying not to reinvent the wheel**
 - DIT launched a Digital Opportunity Grant Program administering funds from the American Rescue Plan Act (ARPA) between 2023 to present day. It is a statewide program and had a rural outreach component.



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RURAL HEALTH INNOVATION FUND OVERVIEW



Rural Health Innovation Fund (RHIF)

What?

- The RHIF is an annual program to serve as a kickstart investment for rural providers to modernize operations, and adopt new digital tools and technologies to improve their services.
- This statewide investment fund will distribute approximately \$20M per year up to five years to help rural providers modernize their infrastructure.

Why?

- Providers face persistent barriers to coordinated, tech-enabled care, including challenges connecting to NC HealthConnex, sourcing IT, accessing clinical decision support tools, and low patient health literacy. NCDHHS wants to ease the “business of health care” for rural providers while improving connectivity, interoperability and digital capacity.

The RHIF is launching Sept. 30, 2026.



GRANT ELIGIBILITY AND FUNDING

A Note on Eligibility

- Eligibility **can and likely will change** over the course of the program.
- We are trying to be intentional, deliberate and adaptive to information.
- The eligibility shared is **solely** the eligibility for Year 1, Round 1



Who Can Apply

Category	Eligible
Health care organization definition	Meet 10A NCAC 41A .0206(a)(1)
Patients served	Have patients who reside in rural areas

Examples of Who Can Apply

- Primary Care
- Federally Qualified Health Centers
- Community Health Centers
- Safety Net Providers
- Hospitals



YEAR 1 ROUND 1 PRIORITIES

Priority Rationale

- We considered what health drivers and levers could move the needle in our rural communities
- We considered the current state of rural health and what would yield long-term, sustainable improvement
- We settled on our two priority providers – **primary care providers (PCPs) and federally qualified health centers (FQHCs), including FQHC look-alikes**



HIGH-LEVEL APPLICATION PROCESS

How is it done?

- **Step 1**
 - Intake Assessment
- **Step 2**
 - Technical Assistance Center
- **Step 3**
 - Application
- **Step 4**
 - Notice of Application Decision



- **Intake Assessment**
 - Online form that asks a series of questions to determine tier
- **Technical Assistance Center**
 - A consultation step to provide guidance on best fit technologies for your tier and how to apply
- **Application**
 - Gather quotes and documentation to submit request for funding
- **Notice of Application Decision**
 - Notification about a decision regarding your application



INTENDED USE OF FUNDS

What Can the Funds Be Used For?

Funding can help rural providers plan for, purchase, implement and test technology, including:

Plan & Select

- Assess technology and data needs
- Identify and evaluate solutions
- Shortlist vendors and support procurement

Modernize & Implement

- Upgrade EHR and business IT systems
- Expand telehealth and e-consults
- Strengthen cybersecurity
- Implement remote patient monitoring and patient engagement tools

Test & Innovate

- Test AI and clinical decision-support tools
- Explore emerging technologies
- Pilot promising solutions that could be scaled

Tier #	Name	Funding Range	Description	Technology Types
1	Foundational Technologies	\$0- \$50,000	Organizations scoring in this tier typically need support for core or infrastructural technology to sufficiently operate in 2026 and beyond. Investments in this tier intend to strengthen foundational technology to ensure higher level technology can consistently succeed.	Cloud-based productivity suite, computer hardware, internet hardware, scheduling software
2	Baseline EHR	\$0 - \$200,000	Organizations scoring in this tier typically either do not have an EHR, or have an EHR that does not meet ONC certification standards, or is unable to connect to NC HealthConnex. Investments in this tier intend to help organizations acquire or upgrade their EHR to the level of certification and ability to connect to NC HealthConnex.	Office of the National Coordinator (ONC) for Health IT Certified EHR (community shared license)
3	Interoperability	\$0 - \$140,000	Organizations scoring in this tier typically have a certified EHR which can connect externally, and send and receive data. Investments in this tier intend to enhance interoperability, including upgrading connections to NC HealthConnex.	FHIR APIs, HIE connection (NC HealthConnex), USCDI v3 data upgrade
4	AI Clinical Decision Support	\$0 – \$200,000	Organizations scoring in this tier typically have a robust EHR, are connected to NC HealthConnex, and are leveraging some advanced capabilities. Investments in this tier are intended to support leveraging AI using clinical decision support tools and AI scribe.	AI ambient documentation (AI scribe), clinical decision support (CDS)/AI summarization, AI-enabled revenue cycle management
5	Emerging Technologies	\$0 - \$250,000	Organizations scoring in this tier typically have meet all of the above and are leveraging state-of-the-art technologies. Investment in this tier are intended to support emerging digital technologies and novel techniques.	Remote patient monitoring, telehealth platform, predictive analytics & population health AI

Turnkey and Shovel Ready

- Given the short timeframe for implementation, we highly encourage pursuing turnkey and shovel ready projects.
- The **funding is reimbursement based** and total implementation timeline is approximately six months.

Timeline

Key Milestones	Date
Year 1 Round 1 (Y1 R1) Intake Assessment Opens	September 30, 2026
Y1 R1 Intake Assessment Closes	October 31, 2026
Y1 R1 Application Opens	October 15, 2026
Y1 R1 Application Closes	November 16 at 11:59pm
Application Review Window	November- December 2026
Awards Announced	Anticipated January 2027
Y1 R1 Activity Completed	July 30, 2027
Y1 R2 Application Cycle Opens	February 15, 2027

Application Process

- **The application process has two steps:**
 - **Step 1:** Providers will complete a scored intake form to assess their current technology needs.
 - This will provide a readiness score that will be used to determine the your funding tier and whether you are eligible to move forward with Step 2.
 - **Step 2:** Providers will submit a narrative-based application with a risk assessment and Q&A related to impact and project scope to the NCDIT Grant Portal.

Application Scoring

Reviewers will evaluate applications across six areas:

- **Need:** How clear and compelling the need is
- **Goals:** How well an applicant's goals align with RHIF
- **Impact:** How clearly described impact will be locally, regionally and statewide
- **Internal Assets:** What resources are already in use
- **Barriers:** What preparation will be done for anticipated challenges
- **Sustainability:** How the work will be sustained (staff, technology, policy, financial)



Justification and Impact	Risk Assessment and History
1. How will this meet RHIF goals? 2. What impact will this have on residents in your area, rural residents and NC residents? 3. Will this update impact more than one physical location? If so, how many?	1. Have you been awarded an RHIF grant previously (<i>not applicable in Year 1</i>)? 2. Have you already received a new or upgraded NC HealthConnex connection with NCRHTP funding?
Sustainability	Request
1. Do you have a sustainability plan for how you will continue the maintenance and cost of the technological upgrades in the future?	1. How much RHIF funding are you requesting for your project? 2. What percentage of your organization's total annual budget is your request for this project?

Grantee Announcement

- Round 1 Awards will be announced by **January 2027**
- All applicants will be notified of the final determination
- Applicants not awarded will receive information on the appeal process

Contact

- For updates, visit: ncdhhs.gov/rhttp
 - Sign up for our NCRHTP newsletter to stay tuned on future announcements
- Have questions? Please email: RHIF@nc.gov





QUESTIONS?

THANK YOU!



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