The State of Arizona's Rural Health Transformation Program: Revised Project Narrative in accordance with CMS RHTP NOA Guidance

Rural Health Needs and Target Population

Arizona's Rural Health Transformation Plan (RHTP) targets the 785,992 (~11%) of Arizonans who live in rural communities. These individuals often have lower incomes, higher burdens of chronic disease, and limited access to primary, preventive, and maternal health care. This leads to poorer health outcomes and higher costs due to overuse of emergency departments and preventable hospitalizations. Arizona's RHTP tackles these challenges through improved access, targeted health workforce capacity expansion, and statewide system coordination.

Arizona's Rural Demographics and Socioeconomic Context: Arizona is the sixth-largest state in land area and has 15 geographically large counties, 7 of which are classified as 100% rural, according to the Arizona Center for Rural Health. Roughly 27% of Arizona's land area is Tribal land. Arizona is home to 22 federally recognized Tribes, contributing to a diverse geographic and jurisdictional landscape. The State's topography is also diverse, consisting of more than 200 mountain ranges; rivers, basins, and canyons including the Grand Canyon (the world's longest canyon); and vast forest land covering 19.4 million acres. Arizona is the only state that contains all four American deserts—the Sonoran, Mojave, Chihuahuan, and the Great Basin Deserts. Arizona's rural population is widely dispersed, averaging 7.69 people per square mile.

Arizona's rural residents earn $24,000 less than urban residents, have higher unemployment rates, and rural residents have lower educational attainment. Rural employment is more often tied to seasonal, extraction, and public service work. Rural private health insurance coverage is lower, and rural Arizonans are enrolled in Medicaid and Medicare at higher rates than urban

Arizonans. These factors create barriers to health care access and continuity of care. Arizona's RHTP addresses these challenges by transforming the rural delivery system and improving coordination across the state.

Table 1: Arizona Urban vs. Rural Demographic & Socioeconomic Comparisons

Measure (Data Year)		**AZ Urban**	**AZ Rural**
Population (2023)	Total Pop.	6,482,183	785,992
	Density Per Sq. Mi.	549.7	7.7
	% Total Pop.	89.2%	10.8%
Median Income (2023)		$79,142	$55,766
Unemployment (2023)		4.9%	7.5%
Education (2024)	<High School	10.6%	13.8%
	High School	22.7%	29.7%
	Some College	32.6%	35.9%
	BA	21.0%	12.6%
	Grad/Professional	13.2%	8.1%
Employment* (2024)	Ag/Forestry/Mining	0.9%	5.3%
	Public Admin	4.5%	8.4%
	Educ/Hlth/Soc. Asst.	21.8%	24.5%
	Hospitality**	9.4%	11.5%
	Construction	7.6%	8.6%
Insurance coverage (2023)		89.7%	87.1%

Source: *U.S. Census Bureau, American Community Survey (ACS) 2019–2023, Table B01003: Total Population (Variable B01003_001E). Rural areas are defined using the Health Resources and Services Administration (HRSA) rural classification methodology.*

* *Employment sectors more concentrated in urban areas include manufacturing, wholesale and resale trade, information, finance/insurance/real estate, professional/management*

***Hospitality includes accommodation, food, arts*

Health Outcomes and Risks: Rural Arizonans experience higher mortality from chronic conditions compared with urban residents including cancer, cardiovascular disease, diabetes, and Alzheimer's disease/dementia. While the State's rural health outcomes remained steady or worsened since 2021, urban outcomes had modest improvements. For example, rural cancer mortality rose from 210 per 100,000 in 2021 to 228 per 100,000 population in 2024, while urban rates declined from 166 per 100,000 to 164 per 100,000 in the same timeframe. Suicide and substance use mortality is also higher in rural areas.

Table 2. Arizona Urban vs. Rural Chronic Disease Mortality

2024 Mortality per 100,000 Pop.	**AZ Urban**	**AZ Rural**
Cancer[1]	163.8	228.0
Cardiovascular Disease[2]	179.1	257.1
Diabetes	29.2	40.9
Alzheimer's /Dementia	59.5	70.1
Substance Use	29.7	29.8
Suicide	16.0	24.6

Source: *The Arizona Department of Health Services (ADHS) Vital Statistics. Rural areas are defined using the Health Resources and Services Administration (HRSA) rural classification methodology.*
[1] *Rural cancer mortality* ***increased from 210.0 per 100,000 in 2021****, while urban* ***declined from 166.2*** *per 100,000.*
[2] *Rural rates fluctuated but are now* ***similar to 2021 levels****, while urban rates* ***declined.***

These rural versus urban differences highlight the persistent burden of chronic disease and behavioral health risk in rural communities—conditions that often require consistent, coordinated management and accessible primary, preventive, specialty, and behavioral health care. To address this, the *Priority Health Initiatives Grants Portfolio* in this application proposes funding local government-led screening and prevention outreach in rural areas to mitigate risk early and connect residents to services.

Maternal-Fetal Health Outcomes: Maternal-fetal health indicators reveal disparities between Arizona's rural and urban communities. Rural areas experience higher infant mortality and severe maternal morbidity, and more rural mothers receive no prenatal care compared to urban mothers. Moreover, four rural counties have no to low access to maternity care. These disparities underscore the need to strengthen maternal, child, and family health systems in rural Arizona. Arizona's application focuses on improving outcomes before, during, and after delivery through The *Improving Rural Maternal-Fetal Health Grant*, which will increase evidence-based resources to improve outcomes in these areas, like access to prenatal care and pre- and

postpartum behavioral health care, Alliance for Innovation on Maternal Health (AIM) maternal safety bundles, obstetrician (OB) simulation training, and regional tele-OB consults.

Table 3: Maternal and Infant Morbidity & Mortality Arizona Rural vs. Urban Comparisons.

Measure (Data Year)		**AZ Urban**	**AZ Rural**
Infant Mortality per 1,000 Live Births (2024)		5.3	5.8
Severe Maternal Morbidity per 10,000 Delivery Hospitalizations (2022)		78.8	83.0
No prenatal care per 100 live births (2024)		2.7	3.9
No to Low Access to Maternity Care (2023)		0	4
Child (Age 0–17 Yrs) Non-fatal Injury Hospitalization rates per 100,000, (2024)	Inpatient	124.2	154.6
	Emergency Department	6,837.6	7,726.8

Source: *ADHS Viral Statistics; ADHS Hospital Discharge Database; HCUP-SID; March of Dimes. Rural areas for Infant Mortality and No Prenatal Care. Rural areas are defined using the Health Resources and Services Administration (HRSA) rural classification methodology and the other statistics use ADHS's definition of rural (by county).*

Access and System Capacity: Provider supply and infrastructure are thinner in rural Arizona, making care harder to obtain. Public transportation reaches significantly fewer neighborhoods, and emergency response is slower. Rural residents travel an average of 20.5 miles to reach a hospital or primary care provider—over seven times the urban average of 2.75 miles. Population-to-provider ratios also reflect substantial differences, particularly for access to behavioral health services, with just one provider for every 50,588 residents in rural areas compared with 1 provider for every 15,716 residents in urban communities. Facility access is likewise constrained, with one rural facility serving 1,216 people versus one urban facility serving 804 people. Arizona's RHTP aims to close these access gaps through initiatives that include deploying mobile and satellite clinics, expanding telehealth hubs, and coordinating interfacility transfers and outpatient referrals to shorten time-to-care.

Table 4: Urban vs. Rural Barriers to Accessing Health Care Services in Arizona.

Measure (Data Year)		**AZ Urban**	**AZ Rural**
Avg. Miles to hospital/PCP (2024)		2.75 mi	20.52 mi
Population-to-Provider Ratios	Primary Care Physician	3,136:1	4,513:1
	Dental	3,269:1	5,329:1
	Behavioral Health	15,716:1	50,588:1
Public Transportation Availability (2024)		72.2 %	42.8%
Avg. Ambulance Response Time per AZPIERS 911 calls (2024)		6 min.	7 min.
# of Healthcare Facilities (2024)		8,473	669
Healthcare Facility Distribution (2024)		804:1	1,216:1

Source: *ADHS Licensing, Data Axle, USDOT, AZPIERS 911 Calls; AZ REACH. Rural areas are defined using ADHS's definition of rural (by county).*

Rural Health Facility Utilization: Although there were zero rural hospital closures in Arizona in 2024, the state's rural facilities operate on extraordinarily slim margins, and patient volumes and utilization levels illustrate the high demand placed on limited rural infrastructure. Rural facilities handled 386,549 patient encounters in 2024, reflecting substantial demand spread across long distances and limited capacity. Utilization levels in rural areas—505.1 visits per bed capacity—are more than double those in urban settings, which are 235.8 visits per bed capacity, indicating heavier service use relative to available capacity and underscoring the need for strengthened system efficiency and resource allocation. The *Making Rural Healthcare Resilient* program will address these challenges by leveraging scaling opportunities to reduce and subsidize fixed costs required to operate in rural Arizona.

Table 5: Urban vs. Rural Arizona Health Facility Patient Volume and Utilization Levels

Measure	**AZ Urban**	**AZ Rural**
Health Facilities Patient Volume	3,149,247	368,185
Health Facilities Utilization Levels (Visits per Bed Capacity)	235.8	505.1

Source: *Syndromic Surveillance Emergency Department Visits and Inpatient Admissions, 2024. Rural areas are defined using the Health Resources and Services Administration (HRSA) rural classification methodology.*

Please find additional graphics and maps highlighting urban vs. rural disparities in "Other Supporting Documentation"

Arizona's RHTP prioritizes rural communities that face persistent barriers to health access, workforce shortages, and poorer health outcomes compared to urban areas. The Plan will target Arizona's rural population as defined by the HRSA rural eligibility criteria, which includes all 100% rural counties and rural-designated areas within partially rural counties. Arizona's program aims to ease burdens on rural providers throughout Arizona, especially Arizona's Critical Access Hospitals. Arizona is committed to ongoing engagement with rural and healthcare stakeholders to ensure appropriate implementation and fair allocation of resources.

Rural Health Transformation Plan

Section 1: Goals & Strategies (Address Each Statutory Element)

1.1 Improving Access

- **Current Challenge(s):** Rural Arizonans face significant barriers to care due to long travel distances (20.5 miles on average to reach a hospital), limited public transportation and access to reliable transportation, and provider shortages—especially in behavioral health (50,588:1 population-to-provider ratio). Rural facilities experience utilization rates more than double those in urban settings, indicating high demand on limited infrastructure.
- **Actions:** The State will implement the *Making Rural Healthcare Accessible* initiative, which will focus on expanding access to primary and secondary preventive services via expansion of telehealth service availability, implementation of mobile/satellite service delivery models in rural communities, and improved regional care coordination.
- **Expected Outcomes**: Increased rural utilization of telehealth services for acute and chronic disease management, increased rural utilization of digital devices to facilitate remote monitoring by healthcare providers, enhanced access to specialty healthcare

providers for rural residents, and increased utilization of collaborative care models in rural areas.

1.2 Improving Outcomes

- **Target Outcomes**: Increased screening and use of interventions for chronic disease and maternal-fetal health in rural communities.
- **Approach**: Deploy the *Priority Health Initiatives Grants Portfolio*, emphasizing behavioral health, chronic disease screening and management, and maternal-fetal healthcare. Interventions include expansion of mobile crisis units and care coordination connecting patients to quality outpatient behavioral healthcare, funding for chronic disease prevention grants, and statewide adoption of Alliance for Innovation on Maternal Health (AIM) maternal safety bundles.
- **Measurement**: The Arizona Department of Health Services (ADHS) will track indicators including increased opportunities to screen for chronic diseases, improved prenatal care access, and increased behavioral health service availability.

1.3 Technology Use and Data-Driven Solutions

- **Planned Technologies**: Telehealth hub development, remote patient monitoring, upgrade medical diagnostic equipment and technology, including subsidizing electronic health records (EHRs), improved Health Information Exchange (HIE) integration with single sign-on for providers to easily integrate their EHRs and improve care coordination, and cybersecurity enhancements.
- **Evaluation & Suitability**: All technology solutions will align with Trusted Exchange Framework and Common Agreement (TEFCA) interoperability standards and undergo

HIE compatibility testing. Mini-grants will prioritize scalable, secure, and user-friendly systems suited for rural environments.

- **Data Integration**: Arizona's plan supports EHR upgrades and integration with Arizona's statewide Health Information Exchange (HIE) to ensure interoperability and enable real-time care coordination.

1.4 Workforce Development

- **Recruitment Strategies**: Building on the state's workforce development initiative Talent Ready Arizona, launch a comprehensive *Rural Health Workforce Development and Training Program* to recruit and retain clinicians and allied health professionals using high school educational pathways, education accessibility incentives, financial incentives (including stipends, commuting, and relocation support), and provider upskilling and residency support (both tied to rural service commitments).
- **Centralize Healthcare Workforce Strategies**: Create the *Arizona Healthcare Workforce Project* within the Arizona Office of Economic Opportunity (OEO) to lead strategic planning for rural workforce development, and establish statewide training networks and best practices.
- **Training & Retention**: Expand rural clinical rotations, expand the *Rural Nursing and Allied Professionals Education Investment Program*, and provides training opportunities for community health workers (CHWs), emergency medical technicians (EMTs), and behavioral health staff in rural settings, prioritizing programs with the highest educator needs.
- **Outcome Targets**: Expected outcomes include increased number of students learning about health professions in rural communities, students trained to work as clinicians and

allied health professionals in rural communities, increased number of preceptors trained to work in rural communities, and providers and allied health professionals trained to provide services in rural communities.

1.5 Partnerships & Governance

- **Network Structure**: Statewide collaboration amongst agencies led by the OEO, as part of the Governor's Workforce Cabinet and Talent Ready AZ workforce and education initiative, along with AHCCCS, ADHS, Arizona Area Health Education Centers (AHEC), the Arizona Advisory Council on Indian Health Care (AACIHC), and regional Emergency Medical Services (EMS) Councils. OEO will also coordinate with Arizona's professional healthcare membership associations, Career and Technical Education Districts (CTEDs), public community colleges, and state universities. Integration with the Governor's Workforce Cabinet ensures alignment with State workforce goals, as well as complementary resources and initiatives (e.g., broadband workforce).
- **Governance**: OEO will oversee program implementation. All initiatives will include advisory committees. These committees will meet quarterly to guide priorities, metrics, and funding decisions.
- **Joint Activities**: Shared training, data dashboards, and joint technical assistance will link state agencies, Tribal partners, and healthcare facilities to improve coordination.

1.6 Financial Solvency Strategies

- **Current Fiscal Status**: Rural facilities face financial strain from low margins, workforce shortages, and high uncompensated care rates.

- **Reform Measures**: Pilot innovative and alternative care models through the *Rural Health Innovative Care Pilot Program* to strengthen financial sustainability and encourage shared-service models.
- **Projected Impact**: Improved fiscal performance of rural hospitals and providers through reduced duplication, shared administrative functions, and enhanced reimbursement tied to quality outcomes.

1.7 Cause Identification and Mitigation

- **Root Causes**: Geographic isolation, workforce shortages, and fragmented service delivery remain primary drivers of poor rural health outcomes.
- **Remediation Plan**: Integrate co-located care models, expand telehealth and EMS interoperability, and enhance local capacity through shared staffing, data systems, and fiscal reforms. Community-based hubs will ensure continuity across the lifespan and reduce health disparities.

Section 2: Program Key Performance Objectives (Through FY2031)

Arizona RHTP represents a coordinated, statewide portfolio of initiatives strategically designed to advance statewide priorities for rural health access, workforce capacity, behavioral health, maternal health, chronic disease prevention and management, and making rural healthcare resilient. Together, these initiatives align under a unified vision to strengthen rural health systems and deliver sustainable improvement in healthcare access and outcomes by FY 2031.

At a high level, the following measurable objectives reflect the statewide impact Arizona seeks to achieve across its integrated portfolio of programs, as follows:

For **Rural Health Workforce Development and Training Program** targets outcomes including:

- % increase in rural clinician retention; and
- % improvement of training and rural placement rates to ensure sustained access to care in Arizona's rural communities.

For **Priority Health Initiatives Grants Portfolio**, outcomes include:

- % increase availability of opioid antagonist drugs, including naloxone;
- % increase in access to crisis services in rural communities;
- % increase in chronic disease screening and connection to resources;
- % increase in distribution maternal mental health resources; and
- % increase of perinatal psychiatric access and training, improving hospital readiness, and increasing early detection and treatment of pregnancy-related conditions.

For **Making Rural Healthcare Accessible**, including *Rural Health Innovative Care Pilo*t and *Telehealth Digital Transformation, Adoption, and Care Coordination Gran*t, outcomes include:

- % increase in access to healthcare via telehealth connectivity, improved digital infrastructure and care coordination, and funding innovative methods to enhance healthcare access.

For **Making Rural Healthcare Resilient**, outcomes include:

- % increase rural provider resiliency, as measured by scaling and subsidizing fixed costs
- % decrease in administrative burdens faced by rural providers.

Please see the "Initiatives" section for a full list of outcomes and targets by initiative

Section 3: Strategic Goals Alignment

1. *Make Rural America Healthy Again:* Arizona's RHTP strengthens prevention, early interventions, behavioral health, and maternal-fetal health programs, and supports chronic disease prevention and management through the *Priority Health Initiatives Grants*

Portfolio. This approach aims to improve access to health screenings, education, and care in rural communities.

2. *Sustainable Access:* The *Making Rural Healthcare Accessible* and *Making Rural Healthcare Resilient* initiatives expand innovative care models, including telehealth, mobile care, and co-located service hubs to close geographic gaps. These programs leverage medical diagnostic equipment, technology, and scaling to reduce fixed costs and administrative burdens faced by rural providers, contributing to long-term rural provider sustainability.
3. *Workforce Development:* The *Rural Health Workforce Development and Training Program* recruits, trains, and retains rural clinicians and allied professionals through education incentives, rural rotations, and coordinated statewide workforce planning.
4. *Innovative Care:* Through the Rural Health Innovative Care Pilot Program, Arizona will pilot mobile health, alternative care models, and innovative payment models to enhance access, coordination, efficiency, and quality of rural healthcare delivery.
5. *Tech Innovation:* The Telehealth Digital Transformation, Adoption, and Care Coordination Grant aims to modernize rural health technology via telehealth and digital infrastructure investments, and HIE integration improvement to enable data-driven interoperable care statewide.

Section 4: Legislative or Regulatory Actions

Current Policy

Arizona has implemented a range of state policy actions and best practices to advance rural health transformation, including integrated acute and behavioral healthcare, significant graduate medical education funding in rural areas, Critical Access Hospital funding, a grant for dialysis

treatment in rural Arizona, nurse preceptor training, funding for maternal mental health resources, sweeping access to telehealth, broadband expansion, wide adoption of professional licensure compacts to drive workforce growth, a prescription drug discount card program, a medication donation program, and significant medical debt relief.

The state continues to actively review additional opportunities to further enhance provider mobility and care delivery. Currently, Emergency Medical Services (EMS) personnel and Physician Assistants (PAs) are required to obtain Arizona-specific licenses, as the state does not participate in interstate licensure compacts for these professions. This approach, while maintaining rigorous standards, results in administrative barriers that can limit workforce mobility and emergency response coordination, particularly in rural and frontier regions.

Legislative Commitment and Timeline:

Arizona commits to pursuing legislation and associated regulatory changes to join both compacts by **December 31, 2027**, with full implementation by **2028**:

- **EMS Personnel Licensure Compact (REPLICA)**

  The State understands and supports that the Arizona legislature will likely introduce legislation during the **2026 legislative session**, with approval targeted by **December 31, 2027**. Arizona has engaged with and will continue to engage with Arizona's EMS Councils, relevant professional associations, including the Arizona Ambulance Association, Arizona Fire District Association, and unions including the Professional Firefighters of Arizona and United Emergency Medical Professionals of Arizona. Upon enactment, the state will adopt administrative rules and integrate with the national EMS database and background check system to operationalize compact privileges. These

actions will enable EMS professionals licensed in other compact states to practice in Arizona without delay, improving emergency response and mutual aid capabilities.

- **Physician Assistant Licensure Compact**

  The State understands and supports that the Arizona legislature will also likely introduce legislation to enact model compact legislation by **December 31, 2027**. The State has and will continue to engage stakeholders, such as the State Association of Physician Assistants, the Arizona Regulatory Board of Physician Assistants to support the bill's passage. Following enactment, Arizona will establish regulatory infrastructure for compact privilege issuance and designate state representation on the PA Compact Commission. Full operational readiness is targeted for **2028**.

Impact on Access and Quality in Rural Communities

These legislative and regulatory actions will directly improve **access** to care by expanding Arizona's healthcare workforce and enabling cross-state practice authority. They will enhance **quality** by ensuring credentialed professionals can respond quickly to emergencies and fill staffing gaps in rural clinics and hospitals. With over **3.3 million residents** living in federally designated Health Professional Shortage Areas (HPSAs), these compacts represent a high-impact strategy to strengthen emergency preparedness, continuity of care, and health system resilience statewide. In addition, a significant portion of Tribal land in the Navajo Nation in particular is interstate, and Tribal communities live, shop, work, and receive healthcare across state lines. These licensure compacts will increase workforce and access opportunities in those regions, where dual-licensure may be essential.

Section 5: Other Required Information

State Policies: Arizona is committed to pursuing membership in both the EMS Compact and the PA Compact as outlined in Section 4: Legislative or Regulatory Actions

Report the most current list of Certified Community Behavioral Health Clinic (CCBHC) entities within your State as of September 1, 2025, every active site of care associated with each CCBHC entity, and the address of every active site of care: Please see the attached "RHTP CCBHC Active Care Sites" PDF file in "*Other Supporting Documentation"*.

Report the number of hospitals that received a Medicaid Disproportionate Share Hospital (DSH) payment: There are currently 124 hospitals, (77 PT 02 – Acute hospitals, 24 PT 71 – Psychiatric hospitals and 23 PT C4 – Specialty Per Diem hospitals). 18 hospitals received DSH payments in 2023, (17 Acute hospitals and 1 Psychiatric hospitals), 15% of the total.

Sections 6-10: Proposed Timelines and Initiatives

This section details our proposed timelines and initiatives. Figure 1 addresses *Arizona's RHTP - Proposed Timeline*. Refer to "*Other Supporting Documentation"* for a more detailed view.

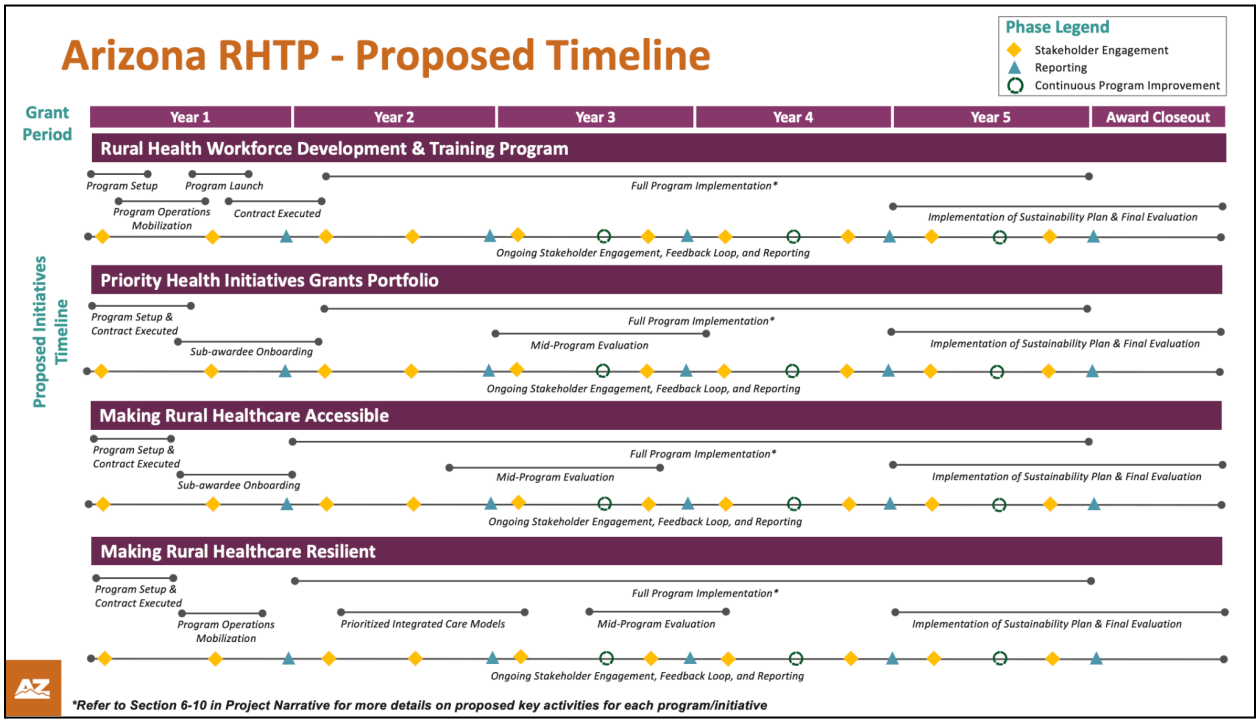

Figure 1: Arizona's RHTP - Proposed Timeline

Rural Health Workforce Development and Training Program

Arizona is experiencing significant healthcare workforce shortages across rural regions, with 177 rural or partially rural primary care HPSAs. According to the Arizona Office of Economic Opportunity (OEO), Healthcare and Social Assistance (HCSA) job growth has been the fastest among all Arizona sectors dating back to 1990 (35 years). This initiative responds to the urgent need by deploying a comprehensive, multi-pronged strategy to recruit, train, and retain skilled health professionals in rural areas.

The *Rural Health Workforce Development and Training Program* prioritizes non-physician providers—including allied health professionals, community health workers (CHWs), nurses, and physician assistants (PAs)—followed by targeted investments in the primary and specialty care physician workforce. Each component is designed to produce measurable outcomes and support long-term sustainability:

- **Rural Health Education, and Training Expansion**:
    - Establishing new rural clinical rotations and residency slots at educational institutions, including universities and community colleges. Subsidy expansion opportunities for medical, nursing, allied health, technical programs, and emergency medical technicians, prioritizing accelerated programs and those that prioritize students from rural communities who commit to working in rural communities. Preference will be given to specialties that are difficult to access in rural communities.
    - The Rural Nursing and Allied Professionals Education Investment Program will increase the number of nursing and allied professional educators in community colleges outside metropolitan areas. These funds will prioritize the programs with the highest educator needs.

  - Expansion of opportunities to participate in health Career and Technical Education (CTE) programs for students in rural high schools and community colleges, including using Arizona Area Health Education Centers (AHECs) and Career and Technical Education Districts (CTEDs). These programs introduce students to health professions early, creating pathways into rural health careers.

- **Financial Incentives for Rural Practice:** Offer sign-on incentives, relocation support allowances, commuting subsidies, retention programs, childcare subsidies—all tied to a five-year rural service commitment, and clinical/preceptor stipends to increase the number of teachers for critical health professions. These incentives are designed to improve recruitment and retention outcomes and align with RHTP's emphasis on long-term rural workforce sustainability.
- **Micro Grants for provider upskilling and residency support**:
  - Will fund specialized training programs for rural providers including Community Health Workers (CHW), Emergency Medical Technicians (EMTs), and behavioral health professionals, through partnerships with major health systems. The initiative also includes funding for wellbeing support and safety to improve retention and reduce burnout among the existing workforce.
  - Funds will also provide micro-grants to rural clinics, hospitals, and preceptors to expand clinical training capacity. These grants enable facilities to host students and residents, increasing hands-on learning opportunities in rural settings. These funds can be used for new-to-specialty training opportunities, which directly supports workforce readiness and retention.
- **Arizona Healthcare Workforce Project and Rural Innovation Learning Network**:

- Create the *Arizona* Healthcare Workforce Project at OEO to coordinate long-term strategic planning in the rural workforce pipeline, for rural workforce development. This office will coordinate with education, health care, and government partners to accelerate enrollment in training programs.
- Funding will establish a statewide Rural Innovation Learning Network to disseminate best practices. This will support the development of statewide provider training and consultation networks to strengthen clinical capacity and telehealth adoption.
- K-12 career exploration programs will introduce students to healthcare careers early, building the future workforce pipeline.

Funding Framework: AHCCCS will sub-award funds to OEO, which will administer cooperative contracts, agreements, and competitive Requests for Grant Applications (RGA) to support initiative execution. Through this structure, OEO will award contracts and sub-awards based on alignment with project objectives, compliance with program requirements, and demonstrated capacity to deliver and report measurable outcomes. Arizona will also procure vendors to develop secure data pipelines, dashboards, and fiscal tracking tools that meet federal audit standards, ensuring transparency and accountability across all funded activities.

All project funds will be administered through a state agency agreement and expended in compliance with 2 CFR Part 200 and the Arizona Procurement Code (A.R.S. Title 41, Chapter 23). Procurement of goods and services will be conducted using competitive methods or existing state and cooperative contracts, as appropriate, to ensure full and open competition, cost reasonableness, and transparency. All contracts will be awarded to responsible vendors and will

include applicable federal and state provisions. Any subrecipient or pass-through administrative costs will remain below the 10 percent administrative cost cap, and the state agency will maintain written procurement and financial documentation sufficient to demonstrate compliance with federal regulations, state law, and audit requirements.

Main Strategic Goal	Workforce Development
Use of Funds	● Training and Technical Assistance (D) ● Workforce (E) ● Appropriate Care Availability (G) ● Fostering Collaboration (K)
Technical Score Factors	● D.1 – Talent Recruitment ● B.1 – Population Health Clinical Infrastructure
Key Stakeholders	● **State Agencies**: OEO, ADHS, AHCCCS ● **Educational Institutions**: Arizona's public universities, community colleges, Arizona Board of Regents, CTEDs, and AHEC ● **Healthcare Providers and Facilities**: Rural health clinics, Critical Access Hospitals (CAHs), Federally Qualified Health Centers (FQHCs), Tribal health clinics, and critical EMS stakeholders across Arizona's rural areas ● **Community and Tribal Organizations**: Tribal governments and Tribal health departments (to tailor programs for reservation communities), rural county public health departments, community health clinics, and community-based organizations ● **Professional Associations and Boards:** State licensing boards and associations (nursing, medical, behavioral health) and the Arizona Center for Rural Health.
Outcomes	● Increase rural health workforce pipeline ● Increased rural clinician retention ● Increased training rates ● Expanded access to care
Impacted Counties	This initiative will target Arizona's rural population as defined by the HRSA rural eligibility criteria, which includes all 100% rural counties and rural-designated areas within partially rural counties
Estimated Funding	$47,100,000 / year

Implementation Plan and Timeline

Stage	**Timeframe**	**Milestones**
Stage 0	FY26 Q1-Q2	Project plan developed by existing OEO staff
Stage 1	FY26 Q1-Q2	Staff hired; work on contract amendments and recruitment strategies will be underway
Stage 2	FY26 Q3-Q4	Original project plan refined and adjusted

Stage 3	FY26 Q3-Q4	Contracts executed for contracted organizations Conduct comprehensive baseline assessment post-award/early implementation Determine milestones/targets for all outcome metrics for tracking
Stage 4	FY27 Q1-Q2	All program elements implemented. Reporting on the first cohort of program participants begins
Stage 5	FY27 Q1/Q2 – Grant closeout	Initiatives fully implemented in 2027. Measurable outcomes reported in 2027 - onward Program Sustainability Plan & Implementation begins.

Governance and Project Management Structure

OEO, the State of Arizona's workforce strategy agency, will oversee and coordinate rural health workforce initiatives for the state funded by the Rural Health Transformation Program. In this role, it will manage the *Rural Health Workforce Development and Training Program*, in coordination with ADHS, AHCCCS, and the Governor's Office. To support implementation, the agency will establish the *Arizona Healthcare Workforce Project* Office to coordinate these programs, and to the Rural Innovation Learning Network. Regular meetings with all stakeholder organizations involved in the program implementation will be convened, and key decisions will be made in consultation with the Governor's Office and AHCCCS to ensure coordinated execution. For EMS workforce initiatives, collaboration with ADHS to leverage existing EMS infrastructure, including the State EMS Council and Medical Direction Commission, which meet quarterly. The ADHS Bureau of EMS and Trauma System (BEMSTS) also supports quarterly meetings of the Trauma and EMS Performance Improvement Committee, the Protocols, Medications, and Devices Committee, and the Education Committee for the EMS and Trauma System.

Stakeholder Engagement Plan

Arizona engaged rural hospitals, frontline providers, Arizona Board of Regents, State universities, and other healthcare stakeholders during the planning stage through surveys and a

statewide Request for Information (RFI). Tribal health authorities were consulted to tailor approaches for Tribal communities. ADHS facilitated discussions with the Arizona Local Health Officers Association, Regional EMS Coordinating Systems, and the Rural Health/Urban Underserved Workgroup of the Arizona Health Improvement Plan (2021–2025). Arizona will continue engaging these stakeholders and expand participation to include academic institutions, licensing boards, and AHEC directors to ensure statewide alignment on workforce development goals.

An advisory committee—comprising OEO program leadership, academic partners, rural and Tribal hospital CEOs, CTEC leadership, AHEC directors, and licensing boards—will meet quarterly to advise on training priorities, pipeline expansion, credentialing, and workforce distribution. The committee will also provide technical assistance, identify emerging needs, and guide sustainability efforts. Additionally, the Arizona Healthcare Workforce Project Office will serve as a permanent interagency body for workforce planning and licensure compacts.

Statewide coordination and alignment will be driven by OEO. Training pipelines and clinical rotations will be strengthened by CTEDs, AHECs, and higher education partners, which local providers will play a key role in shaping incentive and residency programs to recruit and retain professionals serving rural populations.

Metrics and Evaluation Plan

Arizona will conduct a structured baseline assessment as part of early implementation to establish current levels for all workforce metrics. These include the number of rural preceptors, nursing students receiving educational incentives, nurse educators supported, and newly certified CHWs, EMCTs, and paramedics practicing in rural communities.

Metric	Baseline	Milestone/Target	Data Source	Timing of Updates
# of preceptors in rural communities by discipline	TBD	% increase of preceptors being trained to work in rural communities by discipline	OEO	Quarterly
# of students receiving subsidy	TBD	% increase of students being trained to work in rural communities	OEO	Quarterly
# of educators supported for nursing and/or allied professions	TBD	% of educators supported for nurses and/or allied professionals	OEO	Quarterly
# of rural high school students learning about health professions, including allied health professions	TBD	% increase of high school students in rural communities learning about health professions, including allied health professions	OEO/CTEDs/ AHEC	Quarterly

OEO will collect and analyze workforce metrics by strengthening the OEO Integrated Data System (IDS) to support enhanced workforce and education data integration. The IDS serves as the state's centralized, privacy-protected platform for linking education, workforce, and licensure data to evaluate how training investments translate into employment outcomes. Established within the agency, the IDS connects participant-level information from multiple state agencies, including education, workforce, and licensing entities, to support longitudinal analysis, program evaluation, and evidence-based policy decisions. Metrics will be updated quarterly, with data aggregated through a centralized system designed to meet federal audit and reporting standards. Additional data sources will include contractor reports, the EMT Certification Portal, and direct submissions from participating entities. To ensure compliance and accountability, reporting

requirements will be embedded in all program contracts and monitored by OEO project managers.

Implementation monitoring will be conducted through required reporting from program participants and contracted agencies. In addition to internal oversight, the agency will cooperate with CMS-led evaluation and monitoring activities.

Sustainability Plan & Policy Integration

Arizona's strategies aim to recruit new health workers for rural areas and retain the current workforce. To ensure long-term sustainability beyond FY31, coordination will occur through the Governor's Office and the Governor's Workforce Cabinet. Established by executive order in September 2024, the Cabinet is charged with implementing and coordinating actions, policies, programs, and engagement across state government to meet Arizona's workforce needs and create opportunities for every Arizonan. Healthcare has been identified as a priority sector, with a goal of expanding the healthcare workforce by 76,000 by 2030. ADHS and AHCCCS have led efforts, in partnership with OEO, to articulate goals and strategies for the healthcare industry, and the Workforce Cabinet, along with existing coordination channels, will serve as a key vehicle for determining sustainable approaches for successful interventions. Because healthcare is the largest and highest-need industry in the State, Arizona is committing to ensuring that these programs are sustainable long term.

ADHS is currently working with partners to develop the next Arizona Health Improvement Plan (AzHIP) for 2026–2030. The AzHIP Steering Committee has recently selected new priorities: Workforce Development, Access to Care, Prevention, and Mental and Behavioral Wellbeing. Workgroups launching in late 2025 will provide a structured opportunity to embed RHTP strategies into AzHIP, with the final plan expected by spring 2026. Implementation teams will

monitor progress and apply lessons learned throughout the program lifecycle. With Workforce Development as a core AzHIP priority, Arizona is well positioned to leverage this collaborative process to champion and steward RHTP goals. Together, the Workforce Cabinet and AzHIP create durable policy pathways to institutionalize lessons learned and ensure long-term impact for rural health care.

Healthcare is Arizona's largest workforce sector and is its fastest growing area of need. The State of Arizona is firmly committed to sustaining the impact of the Workforce Development initiative beyond the conclusion of RHTP funding. To this end, Arizona will provide robust support for workforce development activities using state general funds after the RHTP award sunsets. This reflects our strategic focus on developing and maintaining a strong healthcare backbone in rural Arizona, recognizing that a resilient and well-supported workforce is essential to achieving this goal.

- **Rural Education and Training Expansion**
    - New rural clinical rotations and residency slots.
        - Sustainability plan: With respect to our university partners, Arizona will require these institutions to transition to alternative funding sources following the sunset of RHTP support. Universities will be expected to pursue other mechanisms such as competitive grants, foundation fundraising, and/or operational efficiencies to sustain programmatic activities. Arizona will incorporate language into partnership agreements mandating that universities make demonstrable efforts to seek and secure alternative funding, and to report on these efforts as part of ongoing accountability measures.

- Rural Nursing and Allied Professionals Education Investment Program
  - Sustainability plan: Mix of ongoing General Fund dollars and community investment through increased marketing of Arizona's Public School's Tax Credit.
- Expansion of opportunities to participate in health career and technical education (CTE) programs for students in rural high schools and community colleges, including with Arizona Area Health Education Centers (AHECs) and Career and Technical Education Districts (CTEDs).
  - Sustainability plan: Mix of ongoing General Fund dollars and State of Arizona Lottery funds (which currently fund AHECs), and community investment through increased marketing of Arizona's Public School's Tax Credit.

- **Financial Incentives for Rural Practice and Provider Upskilling & Residency Support, Training Capacity Grants**
  - Sustainability plan: Following initial infusion from RHTP, Arizona will transition to a less robust, but permanent long-term financial incentives and Provider Upskilling, Support and Training model that will be supported by a combination of General Fund dollars, and support from healthcare foundation community partners.
- **Arizona Healthcare Workforce Project and Rural Innovation Learning Network**
  - Sustainability plan: Arizona is committed to continuing to fund the Arizona Healthcare Workforce Project and Rural Innovation Learning Network long-term

through the Office of Economic Opportunity that will be supported by General Fund dollars.

Priority Health Initiatives Grants Portfolio

The *Priority Health Initiatives Grants Portfolio* advances health outcomes across Arizona by funding high-impact, community-driven programs that address behavioral health, chronic disease prevention and management, and maternal-fetal health disparities. It comprises of three grants, described below:

Behavioral Health & Substance Use Disorder (SUD) Expansion Grant

This grant aims to increase clinical capacity and access points for behavioral health and SUD treatment in rural communities. Funded activities include:

- **Opioid overdose prevention** through expanded opioid antagonists (e.g., naloxone distribution, etc.) and community-based access in rural areas. This component expands the availability of opioid antagonists and strengthens rural readiness to respond to opioid-related emergencies. Funds will support distribution through first responders, rural clinics, Tribal partners, and county agencies; provider and responder training on overdose prevention; and efforts that increase timely access to life-saving interventions in communities with limited EMS coverage.
- **Mobile and digital service expansion and rural crisis services**, including clinics, detox centers, and crisis stabilization units—especially in northern Arizona where adults and pediatric crisis care gaps persist. This strengthens rural behavioral health and crisis infrastructure by supporting mobile health units, digital access points, and mobile crisis services specifically targeted to areas with limited or no same-day access to treatment. Allowable investments include vehicles, equipment, staffing, telehealth-capable

technology, and operational support needed to deliver outpatient, crisis, and SUD treatment services.

- **Training and recruitment** of behavioral health professionals in shortage areas.

Prevention programs addressing suicide, trauma, and substance use, including the expansion of evidence-based programs for youth and the adults that care for them and introducing a behavioral health prevention model for children into rural school districts that have not previously been served. Implementation will occur through cooperative agreements with entities including behavioral health managed care plans, Tribal behavioral health authorities and departments, and rural public health agencies. AZ REACH will receive grant support to oversee and implement the Behavioral Health Transfer Expansion, ensuring coordination across participating hospitals and crisis systems.

Chronic Disease Prevention & Management Grant

This grant strengthens county and regional infrastructure to prevent and manage chronic disease including hypertension, diabetes, and obesity. Rural and frontier counties face disproportionate burdens of chronic disease and limited access to preventive services—for example, colorectal cancer screening rates are only 58.1% in Graham County and 58.9% in Apache County. Additional challenges include reduced access to diabetes prevention programs and a lack of sustainable financing systems. The program will enhance chronic disease prevention, nutrition, cancer screening, and rural public health infrastructure through direct annual funding to Local Health Departments.

Key activities include:

- Rural health screening events and targeted outreach campaigns to identify and address chronic disease risk factors early; and

- Embedding resources within healthcare and community-based environments to ensure Arizonans who are eligible for health insurance programs become enrolled, and that Arizonans are connected to social services for which they are eligible.

Local health departments will implement evidence-based, multi-level prevention strategies that address priority chronic disease conditions and promote health improvement in rural communities. In partnership with ADHS, counties will implement coordinated interventions that influence individual behaviors, organizational practices, community environments, systems, and policies, with the goal of achieving sustainable policy, systems, and environmental change responsive to local community needs. Counties are expected to integrate complementary policy, environmental, programmatic, and infrastructure activities and to develop billing and sustainability approaches that support the long-term continuation of prevention services.

In parallel with these prevention focused investments, funding will support the *Improving Cardiac Arrest Survival in Arizona* program through the development and implementation of statewide bystander cardiopulmonary resuscitation (CPR) and dispatcher-assisted life support initiatives to improve early cardiac arrest recognition, increase bystander CPR rates, and reduce time to lifesaving intervention.

This funding will also support the creation and expansion of programs designed to enroll eligible rural Arizonans in health insurance and connect them to social services. These programs embed resources within healthcare and community-based environments to ensure Arizonans who are eligible for health insurance programs become enrolled, and that Arizonans be connected to healthcare clinics, and to social services for which they are eligible. These investments increase financial stability of rural health providers, reduce fragmentation, foster trust, and ensure holistic

care delivery aligned with community needs. Costs are justified as they strengthen local capacity in high-need areas.

Improving Rural Maternal-Fetal Health Grant

This grant improves maternal-fetal health before, during, and after pregnancy by coordinating prevention and early intervention across clinical, behavioral, and community settings. Arizona faces persistently high maternal mortality rates—31.4 per 100,000 live births statewide, and 233.9 per 100,000 among American Indian women. Access challenges are acute outside metro areas: only 5 of the state's 17 Critical Access Hospitals offer labor and delivery services, and nearly half of rural women must travel more than 30 minutes for maternity care due to local unit closures.

Key activities include:

- **Expanding maternal health programs**: This initiative expands evidence-based maternal health programming by strengthening Arizona's public health infrastructure to prevent and respond to congenital syphilis, a growing driver of adverse maternal and neonatal outcomes. Funding will support disease investigation and intervention activities across local jurisdictions and supporting services (e.g., surveillance data entry, prevention campaigns, and community-based testing and linkage to treatment). Funding supports statewide coordination led by ADHS and targeted investments in rural and Tribal jurisdictions to close critical gaps in disease investigation and intervention services that currently lack dedicated funding. Activities will include case investigation and follow-up, testing and treatment support, and prevention education for pregnant and postpartum individuals and their partners. Dedicated support for Navajo Nation is included given the

disproportionate burden of congenital syphilis cases and the need for tailored investigation and intervention services.

- **Enhancing OB and maternal mental health training**: This initiative strengthens rural maternal-fetal care quality by investing in hands-on clinical training, standardized safety practices, and specialized perinatal mental health workforce development. Resources support training approaches that have demonstrated impact on reducing obstetric emergencies and improving patient safety, including high-fidelity obstetric simulation and expansion of AIM safety bundles across birthing facilities. Funding also builds statewide capacity for evidence-based perinatal mental health care by supporting professional development and certification pathways for clinicians who serve pregnant and postpartum patients.
- **Ensuring access to critical help lines**: This initiative ensures that rural clinicians and patients can access timely, specialized perinatal mental health support by expanding statewide psychiatric consultation and care navigation infrastructure. Funding will scale the University of Arizona's Arizona Perinatal and Pediatric Psychiatry Access Lines (APAL) to provide real-time psychiatric consultation and education to providers caring for pregnant and postpartum individuals, including support for complex diagnostic questions, medication management, and referral planning.

Together, these grants form a cohesive portfolio that leverages strategic partnerships, rural leadership, and data-driven planning to address Arizona's most pressing health challenges. By aligning funding with community needs and statewide priorities, the *Priority Health Initiatives Grants Portfolio* provides a sustainable framework for improving health outcomes and healthcare system resilience across the state.

Funding Framework

Behavioral Health & Substance Use Disorder (SUD) Expansion Grant

AHCCCS will execute cooperative agreements through:

- Contract amendments with health plans that serve as behavioral health managed care plans Intergovernmental Agreements (IGAs) with Tribal behavioral health authorities, state agencies, rural public health departments, Tribal partners, and rural CBOs;
- RGA or limited competition contracts for eligible fee-for-service providers; and
- IGA or micro-grants for community prevention, opioid antagonist distribution, and peer support networks.

Chronic Disease Prevention & Management Grant

ADHS which will administer contracts, Inter-Agency Agreements (IGAs), and competitive RGA processes. ADHS will require quarterly performance reports with standardized chronic disease indicators.

Improving Rural Maternal-Fetal Health Grant

ADHS will manage contracts, agreements, and competitive RGA processes. Funds may be awarded to local and Tribal health departments, rural hospitals or clinics, nonprofit organizations, and academic institutions. ADHS will monitor implementation through performance measures and provide technical assistance.

Across all grants, Arizona will institute processes to secure vendors who can build secure data pipelines, dashboards, and fiscal tracking tools that meet federal audit standards.

All project funds will be administered through a state agency agreement and expended in compliance with 2 CFR Part 200 and the Arizona Procurement Code (A.R.S. Title 41, Chapter 23). Procurement of goods and services will be conducted using competitive methods or existing

state and cooperative contracts, as appropriate, to ensure full and open competition, cost reasonableness, and transparency. All contracts will be awarded to responsible vendors and will include applicable federal and state provisions. Any subrecipient or pass-through administrative costs will remain below the 10 percent administrative cost cap, and the state agency will maintain written procurement and financial documentation sufficient to demonstrate compliance with federal regulations, state law, and audit requirements.

Main Strategic Goal	Innovative Care Make Rural America Healthy Again
Use of Funds	● Prevention and chronic disease (A) ● Consumer tech solutions (C) ● Training and technical assistance (D) ● Workforce (E) ● IT advances (F) ● Appropriate care availability (G) ● Behavioral health (H) ● Fostering Collaboration (K)
Technical Score Factors	● B.1 – Population health clinical infrastructure ● B.2 – Health and lifestyle ● C.1 – Rural provider strategic partnerships ● D.1 – Talent recruitment ● E.1 – Medicaid provider payment incentives ● F.1 – Remote care services
Key Stakeholders	● Health plans, including behavioral health managed care plans ● State agencies ● County health departments ● Tribal partners ● Rural Community-based Organizations (CBOs) ● ADHS ● AHCCCS ● Critical access, sole-community, Medicare-dependent, small rural, low-volume, rural emergency, and other hospitals in rural areas ● Federally-Qualified Health Centers ● Community health centers ● Other rural hospitals and health clinics ● Health centers receiving section 330 grants ● Higher-ed partners
Outcomes	**Behavioral Health & Substance Use Disorder (SUD) Expansion Grant**

	● Improved geographic access to behavioral health and crisis services ● Increase in treatment engagement via digital therapeutics ● Increased individuals engaged in prevention activities ● Increase in naloxone distribution events and kits provided **Improving Rural Maternal-Fetal Health** ● Increased implementation of the AIM Maternal Health Safety Bundle to improve the quality and consistency of care ● Enhanced readiness for rural hospitals to respond to obstetric emergencies ● Expanded access to perinatal mental health consultation and education ● Increased number of healthcare providers trained and certified in perinatal mental health (PMH-C) ● Increased percentage of pregnant women with syphilis linked to care ● Increased percentage of pregnant women treated for syphilis **Chronic Disease Prevention & Management Grant** ● Improved rural prevention infrastructure ● Increase rural chronic illness screening opportunities/events
Impacted Counties	This initiative will target Arizona's rural population as defined by the HRSA rural eligibility criteria, which includes all 100% rural counties and rural-designated areas within partially rural counties
Estimated Funding	**$27,000,000/year** ● Behavioral Health & Substance Use Disorder (SUD) Expansion Grant: $10,000,000 ● *Improving Rural Maternal-Fetal Health Grant*: $5,000,000 ● Chronic Disease Prevention & Management Grant: $12,000,000

Implementation Plan and Timeline

Stage	Timeframe	Milestones
0	FY26 Q1-Q2	*Behavioral Health & Substance Use Disorder Expansion Grant* ● Initiative scopes, evaluation metrics, and data collection methods for all subgrantees (health plans, including behavioral health managed care plans, and community organizations) defined. ● Technical assistance materials and templates for reporting and contracting developed. ● Facility sites for crisis stabilization and inpatient expansion; assess readiness for mobile unit retrofitting and digital therapeutic integration identified.

		• RGA criteria for prevention, digital therapeutics, and naloxone distribution programs finalized. *Improving Rural Maternal-Fetal Health Grant* • Scopes of work established and contracts updated with partners • Competitive solicitations launched. • Initial trackers, dashboards, and training plans developed to monitor early implementation metrics. • Development and/or expansion of statewide frameworks for programs, training, and help lines. *Chronic Disease Prevention & Management Grant* • Statewide Preventive Health Steering Committee with representation from ADHS, AHCCCS, Tribal Liaison, and local health departments established. • Readiness assessments conducted to determine county capacity in workforce, billing infrastructure, and data reporting. • Scopes of work for competitive request for grant application (RGA). Launch the competitive process for awarding funds. • Data collection tools, fiscal tracking templates, and reporting schedules developed.
1	FY26 Q2 – FY27 Q2	*Behavioral Health & Substance Use Disorder Expansion Grant* • Provider onboarding and training for digital therapeutics, medication-assisted treatment (MAT) access via mobile units, and naloxone distribution protocols launched. • Subgrants awarded for community prevention and education programs targeting youth, families, and rural populations. • Facility retrofits for new or expanded crisis stabilization centers or units. • Community outreach and awareness campaigns initiated, including stakeholder sessions and early prevention education *Improving Rural Maternal-Fetal Infant Health* • Statewide frameworks for AIM program and helplines finalized including data sharing and evaluation tools, • Round 1 of AIM and maternal mental health helpline provider onboarding and initial OB emergency simulation training launched. • Perinatal clinical help line awareness and utilization campaigns established in 3–5 rural counties. • First learning collaboratives for AIM and congenital syphilis convened to refine strategies. *Chronic Disease Prevention & Management Grant* • Grant agreements with local health departments developed and executed • Grant orientation on fiscal and performance expectations provided. • Technical assistance series launched on:

		○ Public health billing structures and sustainability planning ○ Implementation of chronic disease program models ○ Workforce development and retention strategies (Epidemiologists, CHWs, DIS).
2	FY27 Q2 – FY28	*Behavioral Health & Substance Use Disorder Expansion Grant* • Digital therapeutic interventions fully launched and statewide data collection started on treatment engagement and outcomes. • Mobile behavioral health service delivery started. • Naloxone distribution networks expanded through local partners, emergency responders, and provider programs. • Prevention activities statewide roll out launched— community events, school-based initiatives. • Crisis stabilization and inpatient service operations started; collect baseline data on utilization and community impact. *Improving Rural Maternal-Fetal Infant Health Grant* • AIM expanded and maternal mental health help line extended to 24/7 psychiatric coverage. • Continued Round 1 OB simulation training; Complete training and publish a midterm progress report on participation and outcomes. • Perinatal clinical help line awareness campaign expanded statewide. • Congenital syphilis monitoring code and training curriculum for county investigators relaunched; communication and outreach tools developed. *Chronic Disease Prevention & Management Grant* • Support provided for county-led development of public health billing models, allowing local flexibility to determine structure. • Quarterly learning collaboratives facilitated for counties to share best practices and address barriers. • Workforce expansion started by hiring Epidemiologists and Disease Intervention Specialists (DIS) in priority counties. • New programs connecting individuals with health insurance and social services are established and fully operational as a result of the competitive grant
3	FY28	*Behavioral Health & Substance Use Disorder Expansion Grant* • Midpoint evaluations conducted for all activities, assessing performance, access, and outcomes. • Implementation strategies adjusted based on data from digital therapeutic engagement, MAT access rates, and naloxone reach. • Outreach for prevention and overdose response expanded based on early findings from rural partners, including Tribal partners. • Coordination between mobile units, inpatient centers, and crisis stabilization facilities strengthened to streamline referrals. *Improving Rural Maternal-Fetal Health Grant*

		• 100% participation of birthing hospitals in at least three AIM bundles achieved and quality measures integrated into hospital QI dashboards. • Round 2 OB simulation training launched based on evaluation findings and feedback. • Field-based congenital syphilis testing/treatment expanded and local progress dashboards deployed. • Perinatal clinical help line integrated into hospital workflows and care coordination protocols. • Statewide evaluations conducted on outcomes, disparities, and training impacts. *Chronic Disease Prevention & Management Grant* • All counties are actively implementing evidence-based prevention programs. • Pilots for billing and reimbursement processes for preventive services under Counties' chosen structures launched. • Progress on screening rates, evaluated. • Annual Prevention Learning Collaborative for data sharing, performance review, and peer-to-peer technical exchange convened.
4	FY 29-30	*Behavioral Health & Substance Use Disorder Expansion Grant* • Deliverables finalized, all provider performance and access benchmarks met, and reporting aligned across initiatives. • Distribution of naloxone continued and MAT-enabled mobile behavioral health services sustained statewide. • Partnerships with schools, health systems, and law enforcement expanded to reinforce prevention and crisis intervention • Digital therapeutic data systems integrated into ADHS and AHCCCS dashboards for real-time monitoring. • Annual performance audits conducted and comprehensive reports prepared demonstrating measurable impacts on overdose deaths, relapse rates, and crisis utilization. *Improving Rural Maternal-Fetal Health Grant* • Annual performance audit conducted across AIM, the maternal mental health help line, and congenital syphilis initiatives. • Round 2 continued and Round 3 OB simulation training launched with ongoing evaluations and feedback incorporated. • Technical assistance provided to low-performing hospitals or regions and maternal mortality and the maternal mental health help line utilization trends monitored. • At least 75% of congenital syphilis investigations completed within 14 days and collaborative reviews maintained. • AIM, the maternal mental health help line, perinatal clinical help line, and simulation systems explored for sustainability operations. *Chronic Disease Prevention & Management Grant*

		• Mid-program evaluation conducted assessing health outcomes, fiscal performance, and sustainability progress. • Targeted technical assistance provided to counties lagging in performance or billing readiness • Implementation strategies refined based on evaluation findings and feedback from counties and partners. • Integration of high-performing programs into long-term local public health operations started.
5	FY 31- Grant Closeout	*Behavioral Health & Substance Use Disorder Expansion Grant* • Final evaluation completed and comprehensive report issued summarizing statewide behavioral health outcomes and policy recommendations. • Crisis stabilization, MAT mobile units, and naloxone programs explored for sustainability. • Prevention, outreach, and overdose monitoring maintained as standard components of Arizona's behavioral health infrastructure. • Final collaborative review sessions with Tribal, rural, and local partners conducted to ensure sustainability and continuous quality improvement beyond RHTP funding. *Improving Rural Maternal-Fetal Health Grant* • Final evaluation reports for AIM/the maternal mental health help line, Congenital Syphilis, and OB Simulation initiatives issued summarizing statewide outcomes and lessons learned. • Continuous data collection and performance monitoring maintained through MHIP dashboards and PRISM systems. • Final collaborative and policy forums held to share outcomes and sustainability roadmaps. • Final policy recommendations for sustaining maternal health infrastructure beyond RHTP funding published. *Chronic Disease Prevention & Management Grant* • County operational billing systems or sustainability plans in place for preventive and clinical services. • Statewide evaluation report published summarizing impact, outcomes, and lessons learned

Governance and Project Management Structure

AHCCCS will serve as the lead agency for the Behavioral Health & Substance Use Disorder (SUD) Expansion Grant, while ADHS will lead the Chronic Disease Prevention & Management Grant and the *Improving Rural Maternal-Fetal Health Grant*. All funding streams will be executed through cooperative agreements under CMS RHTP guidance.

Oversight of program-related activities and fund utilization will be provided by the Arizona RHTP Steering Committee, which includes ADHS, AHCCCS, OEO, and the Governor's Office. Further detail on key personnel roles is provided in the budget narrative.

To ensure effective coordination among state health agencies and external stakeholders, AHCCCS and ADHS will jointly provide fiscal and data oversight, technical assistance in reimbursement and compliance, contract monitoring, and monthly coordination calls and quarterly progress reviews will be conducted to maintain transparency and accountability.

Stakeholder Engagement Plan

During the planning stage, Arizona engaged rural hospitals, frontline providers, and other healthcare stakeholders through surveys and a statewide RFI. Tribal health authorities were consulted to tailor approaches for Tribal communities. As implementation progresses, the State will continue engaging these stakeholders and broaden participation to include public health agencies, county health departments, and local community-based organizations. ***See attached Stakeholder Engagement Efforts graphic in "Other Supporting Documentation" section.***

Quarterly advisory committee meetings will be convened to guide planning, implementation, and performance tracking for each grant component.

Behavioral Health & Substance Use Disorder (SUD) Expansion Grant

- **Composition:** Behavioral health providers and provider associations, county prevention coalitions, law enforcement, and Tribal behavioral health leaders.
- **Responsibilities:** Identify evidence-based programs, address behavioral health workforce shortages, and coordinate with opioid abatement and prevention efforts.

Improving Rural Maternal-Fetal Health Grant

- **Composition:** OB/GYN/Maternal-Fetal Medicine networks, hospitals, community health centers, Tribal maternal health representatives, and health plan representatives.
- **Responsibilities:** Guide rural maternal health hubs, expand prenatal care access, and oversee tele-obstetrics implementation.

Chronic Disease Prevention & Management Grant

- **Composition:** Local health directors, hospital public health teams, Tribal representatives, and community-based organizations.
- **Responsibilities:** Integrate local prevention programs and align county health improvement plans with overall Rural Health Transformation Program outcomes.

Additional partners will include AHCCCS (to align preventive services and billing strategies with Medicaid policy), the ADHS Tribal Liaison (for Tribal engagement, consultation requirements), and federal partners such as the CDC.

Advisory committees and state partners will ensure community-driven governance across all *Priority Health Initiatives Grants Portfolio*. For example:

- Behavioral Health and SUD Expansion will coordinate behavioral health managed care plans, county prevention coalitions, law enforcement, and Tribal partners to strengthen interoperability between local organizations and tele-behavioral providers.
- Rural Maternal-Fetal Health will engage OB/GYN networks, community health centers, and Tribal maternal health representatives through regional projects such as simulation training, perinatal tele-hubs, and local pilots focused on certification and outreach.
- Chronic Disease Prevention and Management Grant will collaborate with county health departments, Tribal communities, and patient and provider voices to align decisions with populations served.

Metrics and Evaluation Plan

Metric	Baseline	Milestone/Target	Data Source	Timing of Updates
Behavioral Health & Substance Use Disorder (SUD) Expansion Grant				
Increase in crisis services available to rural Arizonans	To be established via subgrantee data; estimated access rate of 20%	Increase year-over-year	Subgrantee reporting	Quarterly
Number of providers offering patients to access treatment through digital platforms	TBD	Increase year over year	Subgrantee data; provider-reported digital platform metrics	Quarterly and annual
Chronic Disease Prevention & Management Grant				
Colorectal Cancer Screening Rates in Rural Counties	Graham: 58.1%; Apache: 58.9% (2024)	Increase average screening rates in at least 6 rural counties (e.g., Graham, Apache, Mohave) by FY31	Behavioral Risk Factor Surveillance System	Annual
Counties with Operational Public Health Billing Systems	N/A	At least 6 counties establish a sustainable billing or reimbursement structure for preventive care by FY31	County fiscal and program reports submitted to ADHS	Semi-annual
Adults Enrolled in Chronic Disease Prevention Programs (DPP, BP, Healthy Heart)	Data collection begins FY26	Increase year over year	County program reports; CDC NDPP Data Portal	Quarterly
Improving Rural Maternal-Fetal Health Grant				
% of hospitals implementing ≥3 AIM bundles	40/42 hospitals	100% of birthing hospitals by FY29	AIM National Data Portal	Quarterly
% providers educated about the maternal mental health help line	Baseline: 0	≥200 by FY31	Report by managing entity	Annually
# of providers committing to using the perinatal clinical help line	Baseline: 0	≥200 by FY31	Report by managing entity	Quarterly

% of hospitals receiving OB simulation training	0/42 hospitals	21/42 receiving training (50%)	Report by managing entity	Quarterly

Note: The "Counties with Operational Public Health Billing Systems" metric applies to all participating county health departments with a focus on the seven 100% rural counties: Apache, Gila, Graham, Greenlee, La Paz, Navajo, and Santa Cruz. Our operational intent is to work collaboratively with each of them, providing tailored resources and support to establish a sustainable billing or reimbursement structure for preventative care and maximize long-term sustainability.

Recognizing historical challenges that county health departments have faced implementing and maintaining billing systems, and limitations on what public health services are reimbursable, we have set a realistic milestone for at least six counties to successfully establish these systems by FY31. This target reflects both our commitment to broaden capacity and our understanding of the operational and logistical complexities that may arise. While our goal is full participation, we have allowed for flexibility in the program design to accommodate circumstances where a rural county may encounter barriers that prevent immediate adoption. Nevertheless, we are committed to providing technical assistance, targeted funding, and other resources to each county to reduce and, where possible, eliminate logistical constraints.

As we engage with each rural county, we will conduct individualized feasibility assessments and offer all available support to participation. Our approach is grounded in partnership and capacity-building, with the overarching objective of bringing every rural county online with a sustainable billing system.

Data collection / Analysis Methods:

Behavioral Health & Substance Use Disorder (SUD) Expansion Grant

AHCCCS will partner with ADHS to leverage existing population health data to evaluate impact at a state and county level. Additionally, AHCCCS will collect data from providers and health plans.

Chronic Disease Prevention & Management Grant

ADHS will employ a performance management framework that emphasizes quantifiable outcomes, data transparency, and continuous quality improvement. County-level data and reporting will be validated by ADHS to ensure accuracy and consistency across jurisdictions. Metrics will be monitored quarterly and reported annually through a centralized performance dashboard.

Improving Rural Maternal-Fetal Health Grant

- **Hospital Data:** Submitted quarterly through the AIM National Data Portal (SaferBirth.org); includes process, structure, and outcome measures for each bundle.
- **Maternal Mental Health Help Line Data**: Subawardee will maintain a secure dashboard tracking consultation volume, response time, and provider type.
- **Perinatal Clinical Help Line Data**: Monitored via ADHS system with metrics on call type, response time, referral source, and outcome.
- **Congenital Syphilis Testing and Prevention**: ADHS has the ability to monitor metrics and milestones described in the plan for congenital syphilis using data that is already collected in their statewide surveillance database.
- **OB Simulation Training:** Number of providers receiving OB simulation training: Report from Managing Entity, quarterly; Number of providers receiving OB simulation training: Report from the Training entity to the Managing Entity.

Program Evaluation Approach

Behavioral Health & Substance Use Disorder (SUD) Expansion Grant

- **Data Collection and Reporting:** Subgrantees will submit quarterly reports detailing service delivery metrics, participant demographics, and outcomes using standardized templates to ensure consistency across initiatives.
- **Performance Metrics:** Each initiative will track defined metrics such as residents served, overdose fatalities, and awareness levels, with baseline data collected at launch and progress measured quarterly and annually.
- **Midpoint and Final Evaluations:** A midpoint evaluation in FY28 will assess progress and guide adjustments, while a final evaluation in FY31 will measure overall impact and inform future funding and policy.
- **Data Sources:** Evaluation will draw on ADHS public health dashboards, subgrantee reports, and encounter data for comprehensive analysis.
- **Continuous Quality Improvement (CQI):** Findings will drive continuous improvement efforts, with technical assistance provided to strengthen data quality and program performance throughout the grant period.

Chronic Disease Prevention & Management Grant

ADHS will use a combination of process and outcome measures to assess implementation fidelity, reach, and health impact. Evaluation activities will:

- Assess county-level implementation fidelity, fund utilization, and milestone achievement.
- Evaluate impact on key outcomes such as increased cancer screening, or diabetes prevention enrollment.
- Document progress in establishing sustainable billing and reimbursement structures.
- Identify best practices for replication and scale.

Performance measures will be tracked at both statewide and county levels to ensure distribution of impact across rural communities.

Improving Rural Maternal-Fetal Health Grant

- **Process Evaluation**: Track participation, training completion, and fidelity to AIM/maternal mental health help line protocols.
- **Outcome Evaluation**: Measure changes in morbidity, mortality, access to behavioral health consultation, and continuity of care.
- **Impact Evaluation:** Assess system-level outcomes, including hospital readiness, mental health service utilization, and rural access. ADHS will develop an internal tracker to monitor progress on each metric and milestone described in the congenital syphilis plan. Progress reports on metrics and milestones will be shared with local jurisdictions and monitored quarterly.

OB Simulation Training

- **Process Evaluation:** Track participation, training completion, and participant evaluations.
- **Outcome Evaluation:** Measure participant comfort and confidence with managing obstetric emergencies in a rural setting.
- **Impact Evaluation:** Measure number and/or nature of OB transfers through AZ REACH (rural hospital transfer program) from hospitals receiving the OB simulation training versus those who have not received the OB simulation training.

Sustainability Plan & Policy Integration

Behavioral Health & Substance Use Disorder (SUD) Expansion Grant

Arizona will ensure the long-term viability of funded initiatives through a combination of reimbursement alignment, operational integration, and policy development. Crisis stabilization services and mobile behavioral health units, will sustain service through reimbursable Medicaid and insurance-covered services. Subgrantees must demonstrate billing capacity and integration with health plans to ensure financial continuity beyond the grant period.

For digital therapeutics (DTx), Arizona will pursue reimbursement expansion via a State Plan Amendment (SPA) and legislative approval to include DTx as a covered Medicaid service. In the interim, Arizona will collaborate with health plans and pilot programs to demonstrate efficacy and cost-effectiveness, building the evidence base necessary for long-term coverage.

Chronic Disease Prevention & Management Grant

The Preventive Rural Health Grant aims to create sustainable public health systems by enabling counties to screen and operationalize their own public health billing and reimbursement structures suited to local capacity and context.

Public Health Billing Structure

Rather than establishing a single statewide billing model, ADHS will provide funding and technical assistance for counties to develop their own systems. Counties may use funds to:

- Conduct feasibility assessments of billing and revenue models
- Hire consultants or fiscal experts to design or strengthen billing systems
- Pilot reimbursement processes for preventive care
- Develop local government-level partnerships with AHCCCS and private payers
- Identify staffing, technology, and data needs to sustain billing operations

Counties will submit a Billing and Sustainability Plan to ADHS describing its proposed structure, governance model, payer engagement strategy, and timeline for implementation.

Community Health Worker (CHW) and Workforce Reimbursement

Counties will evaluate opportunities to bill CHW services as part of their chosen sustainability approach. ADHS and AHCCCS will jointly provide statewide guidance, including options for eligible billing codes (CPT/HCPCS), documentation standards, and care coordination models, but counties will decide how best to incorporate CHWs within their local system of care.

Infrastructure for Rural Health Services

RHTP funding will enable rural counties to build the foundational infrastructure for rural health services, including data systems, electronic billing capabilities, and fiscal workflows. Once established,this foundation will support long-term sustainability of preventive care.

Improving Rural Maternal-Fetal Health Grant

AIM/Help Lines for Maternal Mental Health and /Perinatal Clinical Help

Arizona will increase resources related to OB and maternal mental health initiatives: AIM Maternal Health Bundle Expansion, a maternal mental health help line, and the perinatal clinical help line. These initiatives aim to embed sustainable practices into statewide systems that will lead to safer births and healthier outcomes long after the funding cycle ends:

- **AIM Bundles** will standardize evidence-based practices and reduce preventable complications, especially in rural and underserved areas. Embedding these protocols into hospital quality improvement systems will permanently strengthen emergency readiness and ensure consistent, high-quality obstetric care statewide. This will reduce preventable

transfers, improve outcomes, and create a self-sustaining culture of quality improvement supported by trained staff and continuous peer learning.

- **Maternal Mental Health Help Line** will transition from a grant-supported model to a sustainable funding structure by the end of the funding cycle, ensuring continuity of real-time psychiatric consultation for perinatal patients as RHTP funds phase out. Arizona will explore alternative funding mechanisms to make this line permanent, such as wireless fee options.
- **Perinatal Clinical Help Line** will become a permanent bridge between providers, patients, and community-based services. By integrating the Help Line into hospital discharge and Medicaid care coordination systems, it will continue beyond the RHTP funding period without additional federal investment. This ensures providers and families have a reliable navigation resource for behavioral health, social services, and emergency support—particularly in rural regions with limited specialty care.

Collectively, these programs will reduce maternal morbidity and mortality, improve care coordination, and strengthen rural health system capacity. By embedding AIM, a maternal mental health help line, and the perinatal clinical help line into ADHS and AHCCCS operations, Arizona will maintain infrastructure, workforce training, and data systems established through RHTP funding, ensuring lasting statewide impact.

Congenital Syphilis

Arizona will integrate congenital syphilis screening the five-year funding period to lower outbreak potential and ease investigative burdens. Case counts directly impact resources needed for control and response. Resources will be used to integrate syphilis screening into routine

healthcare services for earlier detection and response. Additionally, Arizona will develop and refine public health messaging campaigns, investigative training materials, and other tools to ensure effective interventions and sustainability .

By focusing on case reduction, Arizona will reduce outbreak risk in rural communities and create manageable workloads for public health professionals. Currently, investigative demand exceeds capacity, limiting effective transmission control. Reversing rising rates will allow case counts to reach levels that enable timely interventions after the funding cycle ends and normal workforce levels resume.

OB Simulation Training

Arizona aims to train and expose as many rural providers as possible to obstetric emergency management through simulation-based learning. Evidence shows that OB simulation training significantly improves practitioner confidence and competence in managing obstetric emergencies.

Given the shortage of OB providers in rural areas—often referred to as “obstetric deserts”—it is critical that rural facilities have baseline training to stabilize and manage emergencies before transfer or adverse outcomes occur. After the initial pilot, Arizona will consider long-term funding options, such as funding the program with Arizona General Fund dollars.

Lessons learned will inform Arizona’s ongoing public health policy. Data on utilization, reimbursement, and health outcomes will guide policy updates, support SPA and legislative actions, and strengthen future investment strategies. Proven models—mobile service delivery,

crisis stabilization, and digital therapeutic integration—will be embedded into statewide frameworks to enhance access, and efficiency.

ADHS is currently working with partners to develop its next Arizona Health Improvement Plan (AzHIP) covering 2026-2030, which prioritizes Workforce Development, Access to Care, Prevention, and Mental and Behavioral Wellbeing. Workgroups launching in early 2026 will integrate RHTP strategies into AzHIP. The plan will be issued by the summer of 2026, with implementation teams monitoring progress and applying lessons learned. With prevention as a core priority, Arizona is well positioned to embed RHTP into statewide policy.

Arizona's Maternal Health Improvement Plan (MHIP) 2024, the roadmap for reducing preventable maternal deaths and advancing health outcomes, aligns with expanding AIM bundles, a maternal mental health help line, and the perinatal clinical help line strengthens the state's ability to operationalize MHIP strategies across all birthing facilities and rural health systems.

The maternal mental health help line directly supports the Maternal Mortality Review Committee (MMRC) recommendations to improve timely access to behavioral health consultation for perinatal patients. Integrating the maternal mental health help line into AHCCCS telehealth reimbursement policies and ADHS behavioral health coordination frameworks ensures continued funding and long-term service delivery beyond the RHTP grant period.

The perinatal clinical help line will be incorporated into ADHS and AHCCCS care coordination systems as part of the state's perinatal telehealth and case management infrastructure. This integration will establish a sustainable referral and follow-up process for high-risk pregnancies, improving continuity of care and access to behavioral, medical, and social support services statewide.

Ongoing evaluation throughout the five-year RHTP funding period ensures interventions remain data-driven, responsive to community needs, and aligned with evolving state priorities. AIM, maternal mental health help line, and perinatal clinical help line initiatives will transition from temporary grant-supported projects to permanent components of Arizona's maternal health policy and system of care.

In general, across the Priority Health Initiatives, participating entities will be expected to apply for public-payer reimbursement for services previously funded by RHTP. This transition to sustainable reimbursement models is critical to ensuring the continuity of innovative care delivery in rural communities. Across the initiatives, Arizona is committed to supporting contractors and partners in identifying and securing funding to sustain operations beyond the RHTP funding period. Technical assistance, guidance on reimbursement strategies, and collaborative planning will be provided to facilitate this transition and to promote long-term program viability.

Behavioral Health & SUD Expansion Grant

- **Opioid Antagonist Distribution of Overdose Prevention**
    - Sustainability plan: Funded long-term with a combination of General Fund dollars and community support, as needed, by leveraging Arizona's tax credits, including for Qualified Charitable Organizations.
- **Expansion of Mobile Digital Services Access Points, Clinics, And Crisis Services in Rural Communities**
    - Sustainability plan: Participating entities will transition to public-payer reimbursement for services previously funded by RHTP.
- **Training And Recruitment of Behavioral Health Professionals in Shortage Areas**

    - Sustainability plan: Supported long-term through the Office of Economic Opportunity's Healthcare Workforce Project Office, which will be funded long-term by General Fund dollars in the Arizona budget.
- **Prevention Programs Addressing Suicide, Trauma, And Substance Use**
    - Sustainability plan: Participating entities will transition to public-payer reimbursement for services previously funded by RHTP.

Improving Rural Maternal-Fetal Health Grant

- **Expanding evidence-based maternal health programs**
    - Sustainability plan: Funded long-term with a combination of General Fund dollars, and participating entities will transition to public-payer reimbursement for services that can be billable, which were previously funded by RHTP, including for community health workers.
- **Enhanced OB and maternal mental health training**
    - Sustainability plan: Funded long-term with General Fund dollars, through the Arizona Department of Health Services and the Office of Economic Opportunity.
- **Ensuring access to critical help lines, including perinatal psychiatric help for patients, and perinatal help for rural clinicians**
    - Sustainability plan: Funded long-term with General Fund dollars. Arizona also intends to coordinate with its public universities and major hospital systems to ensure community support for these critical help lines.

Chronic Disease Prevention & Management Grant

- **Community Health Screening, Prevention, Outreach, Intervention, and Management**

    - Sustainability plan: Participating entities will transition to public-payer reimbursement for services previously funded by RHTP.

- **Create and Bolster Programs Designed to Enroll Eligible Rural Arizonans in Health Insurance and Connect Them to Social Services**
    - Sustainability plan: Participating entities will transition to public-payer reimbursement for services previously funded by RHTP.

Making Rural Healthcare Accessible

The *Making Rural Healthcare Accessible* initiative aims to expand access to care across rural Arizona. It is comprised of the two major components below:

Telehealth Digital Transformation, Adoption, and Care Coordination Grant

This grant establishes and expands telehealth hubs, resources for telehealth equipment, permissible broadband upgrades, and digital access supports. The telehealth hubs will be integrated with rural hospitals and community health centers, enabling virtual specialty consults and remote patient monitoring. Through cooperative agreements and grants (<$500K), the program supports rural providers, hospitals, state agencies, health system partners, and community health centers in the following ways:

- **Telehealth hubs and remote monitoring**: Establish and expand telehealth hub sites to provide virtual specialty consults and implement remote patient monitoring programs that extend care to patients at home.
- **Grants for technology, including digital infrastructure and access, and care coordination**:
    - Investing in digital infrastructure modernization, telehealth equipment and technology, and offering rural digital supports.

- Integration of services into care coordination platforms, including mobile and fixed-site services, tele-behavioral health and chronic care services, and expanding EMS service networks to strengthen emergency response and continuity of care. Complementing these priorities, a key initiative under this grant is the *AZ REACH Behavioral Health Transfer Program Expansion*, this expansion will extend services to include behavioral health transfers for rural areas.

Rural Health Innovative Care Pilot Program

The *Rural Health Innovative Care Pilot Program* will increase long-term rural health access points for preventive, specialty, and primary care services by piloting innovative care models, technologies, and payment approaches.

- **Mobile & Satellite Service Expansion:** Acquire, equip, and deploy mobile units and satellite sites to deliver specialty, primary, and preventive care in remote areas. Arizona will expand healthcare access in remote areas by establishing mobile health units through a structured, competitive procurement process. This process is open to anchor institutions and healthcare organizations (including hospitals, universities, and nonprofit entities) that serve as trusted partners within rural communities.

  Key Steps in Provision:

  - **Anchor Institutions Approach:**

    By partnering with established institutions, the State ensures that each mobile unit has the necessary technological backbone for secure connectivity and data interoperability. These organizations possess the infrastructure and expertise required to integrate mobile units with EMR and HIE systems, allowing the

mobile unit to function as a true extension of the clinic environment. This integration is critical for maintaining continuity of care, supporting real-time data exchange, and enabling coordinated service delivery across rural and remote settings.

- **Competitive Solicitation and Selection:**

  The State will release a competitive Request for Grant Proposals (RGP) inviting anchor institutions to submit plans for mobile unit deployment. Proposals must detail the scope of services (specialty, primary, and preventive care), target populations, evidence of community need, cost estimates, and sustainability strategies for programming. administration, and maintenance.

- **Eligibility and Evaluation:**

  Anchor institutions must demonstrate established relationships and good standing within the rural community, as well as financial stability and operational capacity to manage mobile clinics. Proposals will be evaluated for their capacity to support EMR/HIE integration, resource adequacy, and operational readiness. Proposals to retrofit existing mobile units will be considered, and Arizona will ensure the allocation remains under the 20% maximum threshold for minor alterations, in accordance with RHTP guidance.

- **Acquisition and Equipping:**

  Upon selection, the State will partner with the anchor institution to acquire and equip the mobile unit, ensuring it is outfitted with the necessary medical technology, supplies, and connectivity to deliver high-quality care. The procurement process will prioritize units capable of providing a broad range of

services, including chronic disease management, maternal-fetal health, behavioral health, and preventive screenings.

- **Deployment Strategy:**

  Deployment will be data-informed, targeting areas with the greatest unmet need. The anchor institution will work collaboratively with the State to schedule mobile unit visits, optimize timing and frequency, and tailor services to local health priorities. Workforce development initiatives will be layered in to ensure the recruitment and retention of clinicians and support staff necessary for effective service delivery.

- **Community Engagement and Oversight:**

  Stakeholder engagement is integral to the process. The State will require anchor institutions to actively involve community members through surveys, in-person feedback sessions, and advisory committees. Site visits and ongoing monitoring will ensure that mobile units are meeting community needs and adapting to changing circumstances.

- **Monitoring:**

  The State conducts site visits and ongoing monitoring to verify that mobile units are reaching remote areas, maintaining equipment, and delivering high-quality care. Performance is tracked through regular reporting and evaluation.

- **Sustainability and Accountability:**

  Anchor institutions must provide a sustainability plan for ongoing operations and maintenance of the mobile unit. The State will monitor performance through

regular reporting, site verification, and evaluation of service reach, patient outcomes, and equipment utilization.

- **Innovative & Alternative Care Models:** Pilot and scale community health worker programs, diversion models, in-home services, and traditional healing supports.
- **Alternative Payment & Value-Based Care Adoption**: Adoption of alternative payment models and value-based care strategies to incentivize quality and efficiency in rural health delivery. Investments include technical assistance, data infrastructure, and provider training to support transition from fee-for-service to outcomes-based reimbursement.

Funding Framework

For both grant programs, AHCCCS will enter into cooperative agreements through:

- Contract amendments with health plans;
- IGAs/grants with state agencies, local governments, Tribal behavioral health authorities;
- Limited RGAs competitive contracts with 'rural health facilities' as defined by HR1, Title VVII Sec. 71401. to include fee for service providers; and
- Competitive RGA for implementation of specific programs/services.

Across both programs, Arizona will institute processes to secure vendors who can build secure data pipelines, dashboards, and fiscal tracking tools that meet federal audit standards.

All project funds will be administered through a state agency agreement and expended in compliance with 2 CFR Part 200 and the Arizona Procurement Code (A.R.S. Title 41, Chapter 23). Procurement of goods and services will be conducted using competitive methods or existing state and cooperative contracts, as appropriate, to ensure full and open competition, cost reasonableness, and transparency. All contracts will be awarded to responsible vendors and will include applicable federal and state provisions. Any subrecipient or pass-through administrative

costs will remain below the 10 percent administrative cost cap, and the state agency will maintain written procurement and financial documentation sufficient to demonstrate compliance with federal regulations, state law, and audit requirements.

Main Strategic Goal	• Sustainable Access • Tech Innovation • Innovative Care • Make Rural America Healthy Again
Use of Funds	• Prevention and Chronic Disease (A) • Consumer Tech Solutions (C) • Training & Technical Assistance (D) • Workforce (E) • IT Advances (F) • Appropriate Care Availability (G) • Innovative Care (I) • Fostering Collaboration (K)
Technical Score Factors	• B.1 – Population health clinical infrastructure • C.1 – Rural provider strategic partnerships • C.2 – EMS • F.1 – Remote care services • F.2 – Data infrastructure • F.3 – Consumer-facing tech • E.1 – Medicaid provider payment incentives
Key Stakeholders	• **State agencies** (ADHS, AHCCCS) • **Healthcare Providers and Facilities**: Rural health clinics and hospitals, Critical Access Hospitals, Federally Qualified Health Centers (FQHCs), community health centers, and Tribal health clinics • **Community and Tribal Organizations**: Tribal governments and Tribal health departments, community-based organizations • **Emergency Medical Services (EMS) and First Responders**: County and Tribal EMS agencies, fire departments, and ambulance services
Outcomes	*Telehealth Digital Transformation, Adoption and Care Coordination Grant* • Increased telehealth utilization • Improved care coordination *Rural Health Innovative Care Pilot Program* • Expanded service reach and rural specialty access • Reduced emergency and hospital utilization

	● Strengthened local health infrastructure ● Accelerated adoption of value-based care
Impacted Counties	This initiative will target Arizona's rural population as defined by the HRSA rural eligibility criteria, which includes all 100% rural counties and rural-designated areas within partially rural counties
Estimated Funding	**$38,000,000/year** ● *Telehealth Digital Transformation, Adoption, and Care Coordination Grant*: $17,000,000 ● *Rural Health Innovative Care Pilot Program*: $21,000,000

Implementation Plan and Timeline

Stage	Timeframe	Milestones
Stage 0	FY26 Q1 - Q2	*Telehealth Digital Transformation, Adoption, and Care Coordination Grant*: Program design and partner agreements finalized.Develop and release competitive RGAs notice. , Establish reporting and performance frameworks. *Rural Health Innovative Care Pilot Program*: Program framework, funding tiers, and eligibility criteria finalized. Rural Innovation Advisory Council formally established. Develop and release competitive RGA notice. Performance and reporting frameworks finalized to ensure alignment with RHTP evaluation standards.
Stage 1	FY26 Q2 - Q3	*Telehealth Digital Transformation, Adoption, and Care Coordination Grant*: Cooperative agreements and grants awarded. Provider onboarding and baseline readiness assessments launched. Telehealth hub installations started. *Rural Health Innovative Care Pilot Program*: Round 1 of grants and cooperative agreements awarded. These early-stage projects will focus on mobile and satellite care expansion, EMS-community integration, and innovative service models in high-need rural areas, including Tribal areas. Partners will complete baseline data collection on access, utilization, and cost metrics to establish evaluation baselines and readiness assessments.
Stage 2	FY26 Q4 – FY27 Q2	*Telehealth Digital Transformation, Adoption, and Care Coordination Grant*: Technical assistance and training networks expanded. Non-broadband connectivity solutions and telehealth infrastructure deployed. Early adoption metrics tracked. *Rural Health Innovative Care Pilot Program*: Additional regional pilots and scaling of promising early initiatives launched. Rural Innovation Learning Network (RILN) formalized to promote collaboration, peer-to-peer learning, and shared evaluation among

		grantees. Data-sharing agreements and technical assistance protocols implemented to support standardized reporting and interoperability across participating pilots.
Stage 3	FY27 Q3 - FY28 Q2	*Telehealth Digital Transformation, Adoption, and Care Coordination Grant*: Mid-term evaluation conducted. Utilization and integration milestone incentive payments disbursed. Tele-behavioral and chronic care management services integrated. Interim outcomes report published. *Rural Health Innovative Care Pilot Program*: Operations refinement and early outcomes related to access gains, emergency department diversion, and hospital readmission reductions evaluated. Sustainability multiplier awards disbursed to high-performing pilots that demonstrate measurable results and financial viability. Interim findings and case studies published through the RILN.
Stage 4	FY28 Q3 - FY29 Q3	*Telehealth Digital Transformation, Adoption, and Care Coordination Grant*: HIE participation by rural Arizona healthcare providers institutionalized. Telehealth measures embedded into AHCCCS value-based models. Sustainability planning initiated. *Rural Health Innovative Care Pilot Program*: Successful pilots expanded regionally and integrated into broader system and payment structures. Embedding effective models into managed care contracts, alternative payment arrangements, and statewide telehealth and EMS coordination frameworks started. Alignment of financial incentives with long-term sustainability and institutionalizing effective practices across rural Arizona started.
Stage 5	FY29 – Grant Closeout	*Telehealth Digital Transformation, Adoption, and Care Coordination Grant*: Final evaluation and outcomes report completed. Remaining program operations transferred to AHCCCS and partners. Best practices and statewide Telehealth Adoption Playbook completed. Complete CMS close-out. *Rural Health Innovative Care Pilot Program*: Final evaluations completed by AHCCCS and its partners including outcome analysis, documenting lessons learned, cost savings, and long-term impacts on rural health access and outcomes. Proven pilots transitioned to permanent funding streams or reimbursement pathways through AHCCCS and local partners, to ensure sustainability beyond grant period.

Governance and Project Management Structure

AHCCCS will serve as the lead agency for this initiative. All funding streams will be executed through cooperative agreements under CMS RHTP guidance. Oversight for program-related activities and the use of funds will be provided by the Arizona RHTP Steering Committee (ADHS, AHCCCS, OEO, and the Governor's Office). The budget narrative provides further details on key personnel. To ensure effective coordination among state health agencies and external stakeholders, joint responsibilities between AHCCCS and ADHS will include fiscal and data oversight, technical assistance and reimbursement and compliance, and contract monitoring. Monthly coordination calls and quarterly progress reviews will maintain transparency and accountability.

Stakeholder Engagement Plan

During the planning stage, Arizona engaged rural hospitals, frontline providers, and other healthcare stakeholders through surveys and a statewide RFI. Tribal health authorities were also consulted to tailor approaches for Tribal communities. As the program moves into implementation, the State will continue engaging existing stakeholders and expand engagement to include hospital IT directors, EMS agencies, and rural health clinics. This expanded collaboration will support alignment on strategies to increase access through technology and innovative care models.

Advisory committees composed of representatives from key stakeholder groups will meet quarterly to guide planning, implementation, and performance tracking for each grant component.

For the *Telehealth Digital Transformation, Adoption, and Care Coordination Grant*, an advisory committee composed of ADHS, AzCRH, the State HIE provider, regional and Tribal health

system partners, and provide associations will oversee deployment coordination, data standards, and evaluation.

The *Rural Health Innovative Care Pilot Program* will be guided by an advisory committee including representatives from critical access and rural hospitals, FQHCs, EMS agencies, community mental health centers, Tribal 638 hospitals, Tribal health departments, and local government partners. This group will advise on pilot project selection, oversee integration of mobile and satellite service delivery and support community-based care coordination. It will also provide input on the adoption of alternative payment models to promote sustainability and alignment with value-based care goals.

To foster continuous learning and statewide collaboration, Arizona will establish a Statewide Rural Innovation Learning Network. This network will share best practices and lessons learned from pilot sites, ensuring that community input drives ongoing improvements in access and care delivery across rural Arizona.

Metrics and Evaluation Plan

Metric	**Baseline**	**Milestone/Target**	**Data Source**	**Timing of Updates**
Telehealth Digital Transformation, Adoption, and Care Coordination Grant				
% increase in # of providers that offer telehealth services in rural Arizona	Baseline avg FFY24: 424,190 Rural Only: TBD	# increase of rural providers offering telehealth visits	AHCCCS Provider Data and HIE Reports	Quarterly

Reduction in average credentialing processing time	TBD	Measured average credentialing processing time	ADHS Portal Metrics	Quarterly
% of grant-funded equipment maintained and in active use	TBD	% increase of grant-funded equipment maintained and in active use	Site Verification/audit	Quarterly
Rural Health Innovative Care Pilot Program				
# of new or expanded rural service access points	TBD	% increase of new or expanded rural service access points	AHCCCS reports/site verification	Semi-annual
# of patients served through funded innovations	TBD	% increase of patients served through funded innovations	Provider reports	Quarterly

Data collection / Analysis Methods:

For the *Telehealth Digital Transformation, Adoption, and Care Coordination Grant*, data will be collected via AHCCCS reporting systems, the statewide HIE's utilization data, and quarterly provider-level submissions documenting telehealth activity and connectivity. For the *Rural Health Innovative Care Pilot Program*, subrecipients will submit quarterly reports capturing patient reach, service utilization, cost avoidance, and care coordination metrics. State-level aggregation will be conducted using AHCCCS and ADHS data systems, supplemented by HIE analytics for referral and utilization tracking.

Evaluation for the *Telehealth Digital Transformation, Adoption, and Care Coordination Grant* will include quantitative tracking of adoption rates, utilization volumes, and interoperability levels. Structured feedback from participating providers, health plans, Tribal and local partners, and training networks will inform qualitative assessment. Comparative analysis will measure

improvements in access and system efficiency against baseline metrics in targeted rural and frontier counties.

Evaluation for *Rural Health Innovative Care Pilot Program* will measure access gains and participation in innovative and value-based models. Case studies, focus groups, and narrative reporting from pilot communities will inform qualitative assessment, while comparative analysis will evaluate outcomes against baseline utilization and access indicators in pilot versus non-pilot counties.

Sustainability Plan & Policy Integration

The sustainability plan for the *Telehealth Digital Transformation, Adoption, and Care Coordination Grant* ensures long-term continuity by embedding telehealth and digital transformation efforts into AHCCCS's operational and contracting models. Telehealth utilization and interoperability will be incorporated as reimbursable and performance-tracked components of Medicaid value-based care models. Ongoing partnerships will support provider training and technical assistance, institutionalizing telehealth as a core element of Arizona's healthcare delivery system and reinforcing access and resilience across rural communities beyond the grant period.

For the *Rural Health Innovative Care Pilot Program*, proven models will be integrated into the Arizona Health Improvement Plan and incorporated into healthcare contracts to institutionalize effective practices. The Rural Innovation Learning Network will continue beyond the grant term to provide ongoing technical assistance and facilitate replication of successful models. Private and philanthropic partners will be engaged to co-invest in sustaining program operations, while the Rural Innovation Advisory Council will provide state-level oversight to ensure accountability, coordination, and long-term policy alignment.

Policy integration for the *Telehealth Digital Transformation, Adoption, and Care Coordination Grant* aligns with Arizona's statewide health IT and interoperability policies by ensuring telehealth infrastructure and HIE integration adhere to state and federal standards and best practices. This initiative strengthens cross-agency collaboration among AHCCCS, ADHS, and other partners to promote consistent telehealth policy, inform future rulemaking, and guide development of quality measures, licensing standards, and performance tracking.

The *Rural Health Innovative Care Pilot Program* supports broader health reform and Medicaid transformation goals by connecting rural delivery innovations to policy development. Insights from pilot implementation will inform AHCCCS and ADHS decisions on alternative payment models, care coordination standards, and performance-based contracting. The program also complements ongoing efforts in EMS integration and community paramedicine policy development advancement.

Telehealth Digital Transformation

- **Grants for Telehealth Hubs, Remote Monitoring, Digital Infrastructure, and Care Coordination**
    - Establishment and expansion of telehealth hubs, resources for telehealth equipment, permissible broadband upgrades, and digital access supports.
        - Sustainability plan: The RHTP funds will be used as a one-time resource to help rural providers obtain the technology and equipment needed to deliver services using telehealth and remote monitoring. After the initial investment, these service lines will be supported by public-payer reimbursement.
    - Care Coordination expansion.

        - Sustainability plan: Arizona will continue to fund care coordination long-term with General Fund dollars, and with public-payer reimbursement, as applicable. Effective care coordination can significantly decrease Medicaid spend, so this remains a priority for the State.
    - Expanding EMS service networks to strengthen emergency response and continuity of care.
        - Sustainability plan: The RHTP funds will be used as a one-time resource to help rural providers expand EMS service networks. After the initial investment, these service lines will be supported by public-payer reimbursement.

Rural Health Innovative Care Pilot Program

- **Mobile & Satellite Service Expansion:** Funding supports acquisition, equipping, and deployment of mobile units and satellite sites to deliver specialty, primary, and preventive care in remote areas.
    - Sustainability plan: The RHTP funds will be used as a one-time resource to help rural providers obtain the technology and equipment needed to deliver services remotely. After the initial investment, these service lines will be supported by public-payer reimbursement.
- **Innovative & Alternative Care Models**: Resources will support piloting and scaling of community health worker programs, diversion models, in-home services, and traditional healing supports tailored to rural populations.

    - Sustainability plan: Participating entities will transition to public-payer reimbursement for services previously funded by RHTP.
- **Alternative Payment & Value-Based Care Adoption**: Funding will facilitate adoption of alternative payment models and value-based care strategies to incentivize quality and efficiency in rural health delivery.
    - Sustainability plan: After implementation, alternative payment and value-based care adoption will be sustainable by billing Medicaid, Medicare and applicable commercial insurance payors.

Making Rural Healthcare Resilient

Rural populations in Arizona face persistent and significant barriers to accessing high-quality healthcare. Chief among these challenges are geographic isolation—which limits the ability of residents to travel to healthcare facilities—and a pronounced shortage of healthcare providers and services within rural communities. Rural residents are at greater risk for delayed treatment, increased healthcare expenditures, and diminished health outcomes relative to their urban counterparts.

In response to these challenges, Arizona's *Making Rural Healthcare Resilient* initiative aims to build and strengthen collaboration among rural health facilities and other rural providers to operate more efficiently and promote the adoption of shared service models, co-located community hubs, and integrated rural networks. By fostering integration and collaboration among healthcare providers, social service organizations, and community partners, Arizona seeks to enhance care coordination, reduce duplication, and promote long-term financial viability across Arizona's rural communities.

Key Activities include:

- **Medical Diagnostic Equipment and Technology, including EHR Upgrades & Data Sharing**: Funding will support upgrade medical diagnostic equipment and technology, including subsidizing electronic health record (EHR) opportunities for rural providers, and ensures that EHRs integrate with Arizona's statewide HIE to improve interoperability and care coordination. Resources will also deploy cybersecurity tools and provide technical assistance to protect patient data, ensure HIPAA compliance, and mitigate cyber threats. Improvements to HIE interoperability will reduce administrative burden on providers.
- **Provider Liaisons Pilot Project**: Funding will support one FTE Provider Liaison at the following agencies: AHCCCS, the Department of Insurance and Financial Institutions (DIFI), and ADHS, who will be tasked with reducing administrative burdens for healthcare providers, and supporting compliance with regulatory requirements, and streamlining credentialing. Provider Liaisons will coordinate and co-report to their agency leadership, and the RHTP State Project Officer.
- **Adopt Shared Services Consortiums**: Funding will implement shared staffing, training, data systems, and facilities to improve operational efficiency and sustainability in low-population and Tribal areas.
- **Provide technical assistance to improve operational and fiscal performance:** We will empower local organizations and healthcare providers with targeted support, strengthening community resilience and self-sufficiency. Technical assistance will include operational improvement, financial management, and network administration to organizations forming, expanding, or enhancing integrated rural health networks.

Through these targeted activities, Arizona will not only address the immediate barriers to rural healthcare but also catalyze a lasting transformation that positions the state as a leader in innovative health delivery.

Funding Framework

AHCCCS to enter into cooperative agreements through

- Contract amendments with health plans;
- Intergovernmental agreements (IGAs) and grants with state, local, and Tribal governments, Tribal behavioral health authorities, and other eligible entities;
- Competitive RGA opportunities for rural health facilities to implement hub-based, shared-service, or integrated network programs; and
- Cooperative grants for shared-service hubs and programs that will connect eligible Arizonans to health insurance and social services.

Importantly, Arizona will institute processes to secure vendors who can build secure data pipelines, dashboards, and fiscal tracking tools that meet federal audit standards.

All project funds will be administered through a state agency agreement and expended in compliance with 2 CFR Part 200 and the Arizona Procurement Code (A.R.S. Title 41, Chapter 23). Procurement of goods and services will be conducted using competitive methods or existing state and cooperative contracts, as appropriate, to ensure full and open competition, cost reasonableness, and transparency. All contracts will be awarded to responsible vendors and will include applicable federal and state provisions. Any subrecipient or pass-through administrative costs will remain below the 10 percent administrative cost cap, and the state agency will maintain written procurement and financial documentation sufficient to demonstrate compliance with federal regulations, state law, and audit requirements.

Main Strategic Goal	Sustainable Access Innovative Care Make Rural America Healthy Again
Use of Funds	● Prevention and Chronic Disease (A) ● Training and Technical Assistance (D) ● IT Advances (F) ● Appropriate Care Availability (G) ● Fostering Collaboration (K)
Technical Score Factors	● B. 1. Population health clinical infrastructure ● C. 1. Rural provider strategic partnerships ● C. 2. EMS
Key Stakeholders	● Rural and frontier hospitals: Critical Access Hospitals (CAHs), Sole-Community Hospitals, Medicare-Dependent Hospitals, Low-Volume Hospitals, and Rural Emergency Hospitals, which serve as anchors for medical and emergency care in small communities. ● Primary care and outpatient providers: Rural Health Clinics (RHCs) and Federally Qualified Health Centers (FQHCs), which provide essential preventive, behavioral, and primary care regardless of insurance status. ● Community-based and behavioral health providers: Community Mental Health Centers and Section 330-funded Health Centers, offering integrated behavioral and substance use services. ● Tribal and local government entities: Oversee public health, emergency response, and community wellness services in Tribal nations and rural counties. ● Nonprofit and regional coalitions: Coordinate family support, navigation, workforce development, and shared-service partnerships across multiple rural communities.
Outcomes	● Increased co-located care sites ● Increased improved care coordination ● Reduced service duplication ● Improved operational sustainability ● Expanded cybersecurity capabilities for providers
Impacted Counties	This initiative will target Arizona's rural population as defined by the HRSA rural eligibility criteria, which includes all 100% rural counties and rural-designated areas within partially rural counties
Estimated Funding	$38,190,060.32/ year

Implementation Plan and Timeline

Stage	Timeframe	Milestones
Stage 0	FY26 Q1	● Cooperative agreement framework, funding tiers, and eligibility criteria finalized. ● Interagency coordination between AHCCCS, ADHS, DES, and ADOH established. ● Optimizing Rural Health Delivery Implementation Guide developed and the first Notice of Funding Opportunity (NOFO) released. ● Evaluation protocols and sustainability metrics for network-based delivery models defined.
Stage 1	FY26 Q1 - Q3	● Technical assistance and start-up support provided to rural providers seeking to establish or formalize shared-service networks or co-located community hubs ● Legal, governance, and operational readiness for network participants facilitated (articles of incorporation, bylaws, shared governance agreements) ● Peer learning collaboratives focused on shared IT, billing, and data integration launched.
Stage 2	FY26 Q3 - FY27 Q2	● Shared or distributed network services implemented, including telehealth, joint billing/coding, workforce recruitment, and compliance systems. ● Mobile service expansions initiated to increase clinical capacity and co-located service delivery.
Stage 3	FY27 Q2 – Q4	● Shared staffing models deployed across partner facilities. ● Network operations aligned with advanced payment models (e.g., value-based payment or shared-risk models).
Stage 4	FY28 Q1 - Q2	● Performance data on access, utilization, and financial outcomes collected. ● TA and funding strategies refined based on early implementation results. ● Midterm evaluation published highlighting outcomes and sustainability lessons
Stage 5	FY28 Q3 – Grant Closeout	● Successful models scaled statewide through cooperative extensions or competitive subawards. ● Lessons learned integrated into ongoing AHCCCS and ADHS grant programs. ● Sustainability playbooks developed for local governments and provider coalitions. ● Successful networks transitioned to long-term financing through reimbursement, shared savings, or pooled funding models

Governance and Project Management Structure

AHCCCS will serve as the lead agency for this initiative. All funding streams will be executed through cooperative agreements under CMS RHTP guidance. Oversight for program activities and funds will be provided by the Arizona RHTP Steering Committee (ADHS, AHCCCS, OSPB, and the Governor's Office). Key personnel are detailed in the budget narrative. Interagency alignment among AHCCCS (funding and coordination), ADHS (public health), DES (social services), and ADOH (community infrastructure) will ensure integrated planning and delivery.

Stakeholder Engagement Plan

Arizona engaged rural hospitals, frontline providers, and Tribal health authorities through surveys and a statewide RFI. Implementation will continue this engagement and expand to include rural hospital administrators, FQHC leaders, EMS representatives, and community mental health centers.

An advisory committee composed of key stakeholders—rural hospital administrators, FQHC leaders, EMS representatives, and regional economic development districts—will meet quarterly to guide planning, implementation, and performance tracking. The committee will support the development of co-located hubs, shared-service models, rural integration pilots, and advise on technical assistance strategies to improve operational and fiscal performance. It will also help align state and local partners to promote sustainability and coordination across Arizona's rural health systems.

The Making Rural Healthcare Resilient initiative will follow a community-driven governance model that empowers rural providers, Tribal partners, and local leaders to shape shared-service

networks. Regional advisory committees will include representatives from hospitals, FQHCs, Tribal health departments, and community-based organizations to ensure decisions reflect local needs. AHCCCS and ADHS will coordinate oversight and provide technical assistance, while preserving local decision-making authority to ensure implementation remains transparent and grounded in community input across rural Arizona.

Metrics and Evaluation Plan

Arizona will conduct a structured baseline assessment as part of early implementation to establish current levels for all workforce metrics. These include establishment of rural health networks, co-located care sites and shared-service hubs, extent of service duplication, adoption of shared IT or billing systems, patient volumes served through networked or co-located sites. This baseline will provide the foundation for setting realistic numeric targets and tracking progress and outcomes over time.

Metric	Baseline	Milestone/Target	Data Source	Timing of Updates
Number of co-located care sites / shared-service hubs	TBD	% of co-located care sites / shared-service hubs	Site visit reports; ADHS registry	Quarterly
Number of rural facilities engaged in shared services agreements	TBD	Number increase in rural facilities implementing shared IT or billing systems	AHCCCS data collection	Quarterly

Data will be collected through quarterly cooperative agreement reports, grantee dashboards, and network self-assessments, with AHCCCS and ADHS jointly analyzing performance data to identify high-performing models and inform technical assistance priorities. A mixed-methods approach will be used, combining quantitative metrics such as access, cost savings, service

utilization with qualitative feedback from stakeholder interviews and case studies. These findings will guide replication, policy adjustments, and sustainability strategies.

Sustainability Plan & Policy Integration

This initiative emphasizes self-sustaining shared-service models that reduce overhead and strengthen rural provider networks. Sustainability will be achieved by embedding cost-sharing agreements and joint purchasing into network governance, transitioning successful shared-service hubs to long-term funding through value-based payment, shared savings, and cooperative revenue models, and leveraging capital planning and access-to-financing technical assistance to support future growth. Shared infrastructure such as IT, billing, and HR services will be institutionalized beyond the grant term with programmatic and capital support aligned to AHCCCS and ADHS reimbursement modernization efforts. This initiative also integrates with Arizona's broader Rural Health Transformation strategy, including telehealth and digital connectivity expansion through shared data and IT infrastructure; the *Rural Health Workforce Development and Training Program* via shared staffing and rotations; behavioral health initiative through co-located behavioral and physical health care; maternal-fetal health initiative via referral integration; and the *Rural Health Innovative Care Pilot Program* through coordinated health care pilots and evaluation scaling.

- **Medical Diagnostic Equipment and Technology, including EHR Upgrades & Data Sharing:** Upgrade medical equipment and technology, including subsidizing initial licensing costs for electronic health record (EHR) for rural providers, cybersecurity, etc.
    - Sustainability plan: The RHTP funds will be used as a one-time resource to help rural providers create more sustainable operating costs, and to increase their existing functionality, while reducing their fixed costs moving forward.

- **Provider Liaisons Pilot Project:** Funding will support one FTE Provider Liaison at the following agencies: AHCCCS, DIFI, and ADHS, who will be tasked with reducing administrative burdens for healthcare providers, and supporting compliance with regulatory requirements, and streamlining credentialing.
    - Sustainability plan: If well received by the rural healthcare community, Arizona will make this program permanent and will fund it with General Fund dollars ongoing.
- **Adopt Shared Services Consortiums:** Funding will implement shared staffing, training, data systems, and facilities to improve operational efficiency and sustainability in low-population and tribal areas.
    - Sustainability plan: The RHTP funds will be used as a one-time resource to help rural providers create more sustainable systems long-term and to reduce their fixed costs moving forward.
- **Technical Assistance for Operational & Fiscal Performance:** Resources will provide targeted technical assistance to rural organizations for operational improvement, financial management, and network administration.
    - Sustainability plan: If well received by the rural healthcare community, Arizona will make this program permanent and will fund it with General Fund dollars ongoing.