



# Rural Health Transformation: Workforce Overview

June 2, 2026

# Agenda

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# AZ RHTP Overview



Arizona’s RHTP initiatives were designed to align with CMS’s 5 strategic priority areas, ensuring that program investments advance federal objectives while addressing Arizona’s rural and underserved community needs.

Strategic Goal	Description
Make Rural America Healthy Again	Focus on <b>preventive care, chronic disease management, behavioral health, and prenatal care</b> using evidence-based approaches. Address root causes of poor health and <b>improve long -term outcomes</b>
Sustainable Access	Help <b>rural providers become long -term, reliable access points</b> by improving efficiency and encouraging collaboration across facilities and systems (e.g., better coordinate primary, specialty, and emergency care)
Workforce Development	Strengthen <b>recruitment and retention of health care workers in rural communities</b>
Innovative Care	<b>Promote new ways to deliver care</b> , such as valuebased payment models or Accountable Care Organizations, to improve quality and reduce costs
Tech Innovation	Invest in digital health tools, telehealth, data sharing, and cybersecurity to <b>modernize health care delivery</b>



**CMS awarded Arizona \$166,988,956** for administration and implementation of their initiatives and programs in RHTP Budget Year 1 .



# RHTP Funding Usage

Arizona's RHTP initiatives were crafted to align with CMS guidance. The following outlines **eligible funding usage & funding restrictions** under the cooperative agreement's scope.

## Eligible Funding Usage



1. Providing **IT tools and upgrades**
2. Right-sizing rural health systems
3. Improving **access to mental health** and substance use care
4. Developing innovative care models
5. Ensuring **sustainable access** to high-quality rural healthcare
6. Training and technical assistance
7. Providing **payments to healthcare providers**
8. Promoting consumer-facing technologies
9. Promoting **evidence-based interventions**
10. Recruiting & retaining **clinical workforce**

## Funding Restrictions\*



- **New construction**
- Meeting **matching requirements** for any other federal funds or local entities
- Replacement of **payment for reimbursable clinical services** or **changes to existing fee schedules**
  - Provider payments cannot exceed 15% of total funding per budget year
- 5% limitation per budget year for **EMR replacement** if system is in place as of 9/1/25
- **Broadband infrastructure**
- Clinician salaries for facilities that subject clinicians to non-compete agreements.
- **Meals**, including medically tailored meals
- **Supplanting** existing State, local, tribal, or private funding of infrastructure or services.

# AZ RHTP Protections Against Supplanting

Under CMS guidance, supplanting is explicitly prohibited for RHTP. All funds **must be used to support new, expanded, or enhanced activities** rather than to offset costs that are already covered by other funding sources.



## Allowable Expansion

### Hiring new staff for new services

Funding a new community health worker to deliver a new chronic disease management program in counties B, C, and D.

### New equipment for expanded services

Purchasing new telehealth equipment and devices for a new remote endocrinology consult service not previously offered.

### New populations in new geographies

Extending an existing pilot program to three new rural counties that were not previously served.

### New technology -driven capabilities

Adding AI-powered diagnostic tools, remote patient monitoring, or data infrastructure capabilities that did not previously exist.



## Supplanting (Not Allowed)

### Shifting existing staff salaries

Using RHTP funds to pay the salary of a nurse already employed and funded by the State or county health department.

### Replacing current equipment costs

Using RHTP to cover the replacement cost of equipment in County A that is already funded by the county budget.

### Covering existing operating expenses

Redirecting RHTP funds to pay for rent, utilities, or supplies already budgeted by the local health department.

### Duplicating billable services

Paying for clinical services already reimbursable through Medicaid, Medicare, or private insurance.

# Supplanting Compliance Checklist

The supplanting test is about the activity, not the entity. The original program's costs, administrative expenses, and activities must continue to be funded by those original sources.



✓ **Baseline Service Inventory**

Document all services currently provided, their funding sources, and the populations they serve.

✓ **Funding Source Map**

For each existing service, identify who pays for it (Medicaid, county budget, State appropriation, other grants). Confirm in writing that those funding sources will continue.

✓ **New vs. Existing Delineation**

For every RHTP-funded activity, document specifically what is new: new service, new population, new geography, new milestones, or new delivery model. Be explicit and precise.

✓ **Time Allocation for Shared Staff**

If any staff member works on both existing and RHTP-funded activities, document the time split. Only the RHTP-specific portion may be charged to the opportunity.

✓ **Internal Controls and SOPs**

Establish standard operating procedures for avoiding program duplication. AZ RHTP will require this documentation during the risk assessment process.

✓ **Ongoing Monitoring**

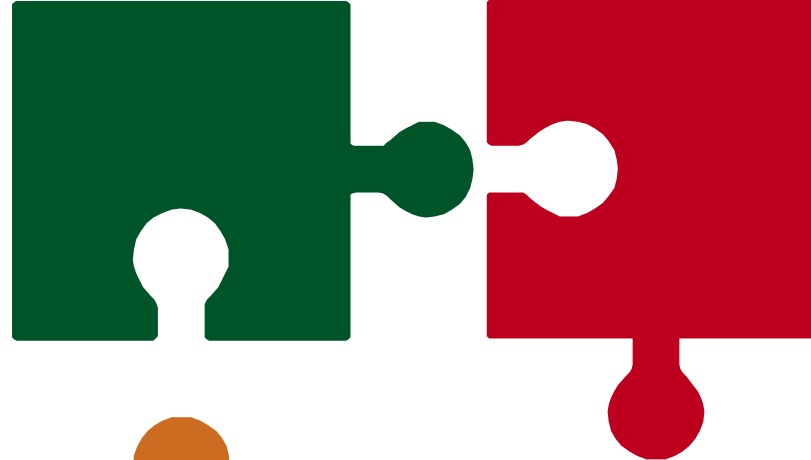
Review quarterly to ensure existing funding sources have not been reduced or redirected as a result of the RHTP award. Any reduction could signal supplanting.

# Arizona's RHTP Initiatives

Below are the 4 initiatives that Arizona is focusing on to address the key challenges related to access to healthcare in rural communities:

## Rural Health Workforce Development and Training Program

- Recruit, train, and retain skilled health professionals serving Arizona's rural and Tribal communities by creating new and expanding existing workforce initiatives
- Create financial incentives to encourage recruitment and retention of healthcare professionals, collaborating with universities colleges, and AHECs, with an emphasis on allied health disciplines



## Making Rural Healthcare Accessible

- Expand access to care in rural communities by deploying mobile units and satellite sites, and expanding telehealth services for specialty, primary, and preventive care in remote areas
- Integrate regional coordination for referrals, scheduling, and continuity of care, and telehealth-enabled access to improve rural health outcomes

## Priority Health Initiatives Grants Portfolio

- Focused on Behavioral Health & Substance Use Disorder (SUD), Maternal-Fetal Health, and Chronic Disease Prevention & Management
- Expand prevention and treatment access via grant opportunities, including for mobile/digital units, enhancing training, and increasing screening

## Making Rural Healthcare Resilient

- Implement shared services models to reduce administrative and financial burdens by leveraging EMRs, HIE, and scaling back-office support
- Provide technical assistance to strengthen rural network performance and coordination for better care delivery

# Funding Restrictions for Workforce Initiatives

Restrictions on workforce incentives, tuition, scholarships, and loan repayment under CMS guidance. To note, CMS enforces a salary rate limitation in FY2026 of \$228,000 for all roles funded under RHTP, salary amounts above this cap must use non-RHTP funding for remaining portions.



Category	Restriction or unallowable expense	Key conditions and source
Wrap-around Support	<b>Allowable</b> , but triggers the 5-year rural service commitment.	Value specific to the individual; CMS may recoup if service or credentialing is unmet (Fact Sheet).
Tuition support	<b>Allowable</b> , but triggers the 5-year rural service commitment.	Value specific to the individual; CMS may recoup if service or credentialing is unmet (Fact Sheet).
Student loan repayment	<b>Unallowable</b> . Funds may not support loan repayment programs.	RHTP is not a lending or repayment institution (NOFO, Use of Funds).
Direct student loans	<b>Unallowable</b> . Funds may not issue direct student loans.	Outside the program's transformative scope (NOFO, Use of Funds).
International workforce	<b>Unallowable</b> . Funds may not recruit or sponsor visas for foreign clinicians.	An individual already in the U.S. with a sufficient visa is not excluded (NOFO).
Salaries under non-competes	<b>Unallowable</b> . No clinician salary or wage support where a non-compete applies.	Restricts the funding use, not the facility's eligibility (NOFO; Apr 2026 FAQ).
Interest-bearing debt	<b>Prohibited</b> . States may not impose debt on a provider who fails a 5-year commitment.	Exception: a State-contracted entity that contracts directly with the provider (Fact Sheet).

# Rural Health Workforce Development & Training Program

## Initiative Overview

**Purpose:** To recruit, train, and retain skilled health professionals serving Arizona's rural and tribal communities

**Allocated Amount :** \$43,100,000

### Activities:

- **Rural Health Education and Training Expansion :** Expands rural clinical rotations, residency slots, and accelerated education programs across universities and community colleges, prioritizing rural students and hard-to-fill specialties.
- **Financial Incentives for Rural Practice:** Provides sign-on bonuses, relocation support, commuting subsidies, childcare assistance, and preceptor stipends tied to a five-year rural service commitment to strengthen recruitment and retention.
- **Micro Grants for Provider Upskilling and Residency Support:** Funds specialized training and wellbeing programs for rural health professionals and offers micro-grants to clinics and hospitals to expand clinical training capacity and retention.
- **Arizona Healthcare Workforce Project:** Establishes a coordinated office at OEO to oversee long-term strategic planning and accelerate enrollment in rural workforce training programs through cross-sector partnerships.

**Expected Outcomes:** Increased rural health workforce pipeline, Increased rural clinician retention, Increased training rates, Expanded access to care

# Acknowledgement of Support



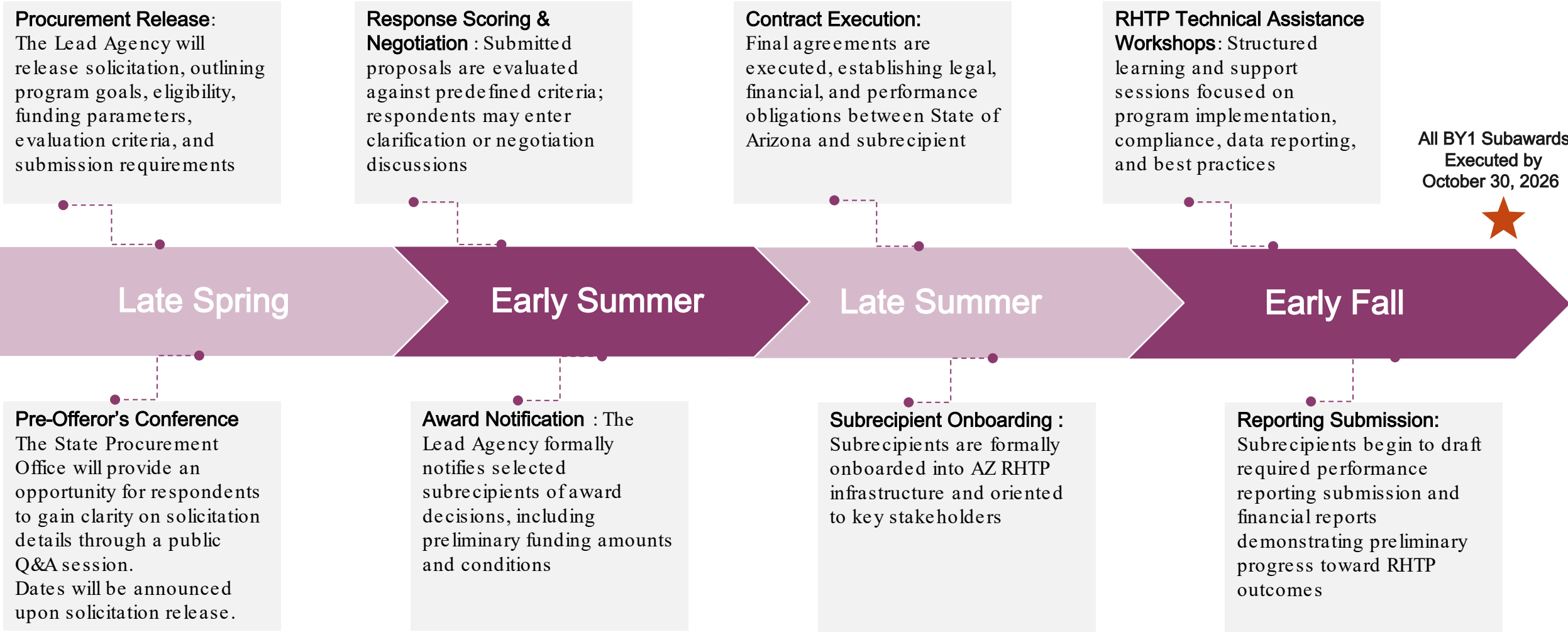
*This effort, expressly named as Arizona Rural Health Transportation Program, is supported by the Centers for Medicare & Medicaid Services (CMS) of the U.S. Department of Health and Human Services (HHS) as part of a financial assistance award totaling **\$166,988,956** with 100 percent funded by CMS/HHS.*

*The contents are those of the author(s) and do not necessarily represent the official views of, nor an endorsement, by CMS/HHS, or the U.S. Government.*

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# Remaining Budget Year 1 Timeline

The timeline below highlights the milestones and programmatic activities aligned to CMS performance requirements. This timeline applies to all competitive solicitations only; this does not include direct partnerships initiated through Intergovernmental Agreements (IGAs), Competition Impracticable Awards, and Interagency Service Agreements (ISAs).

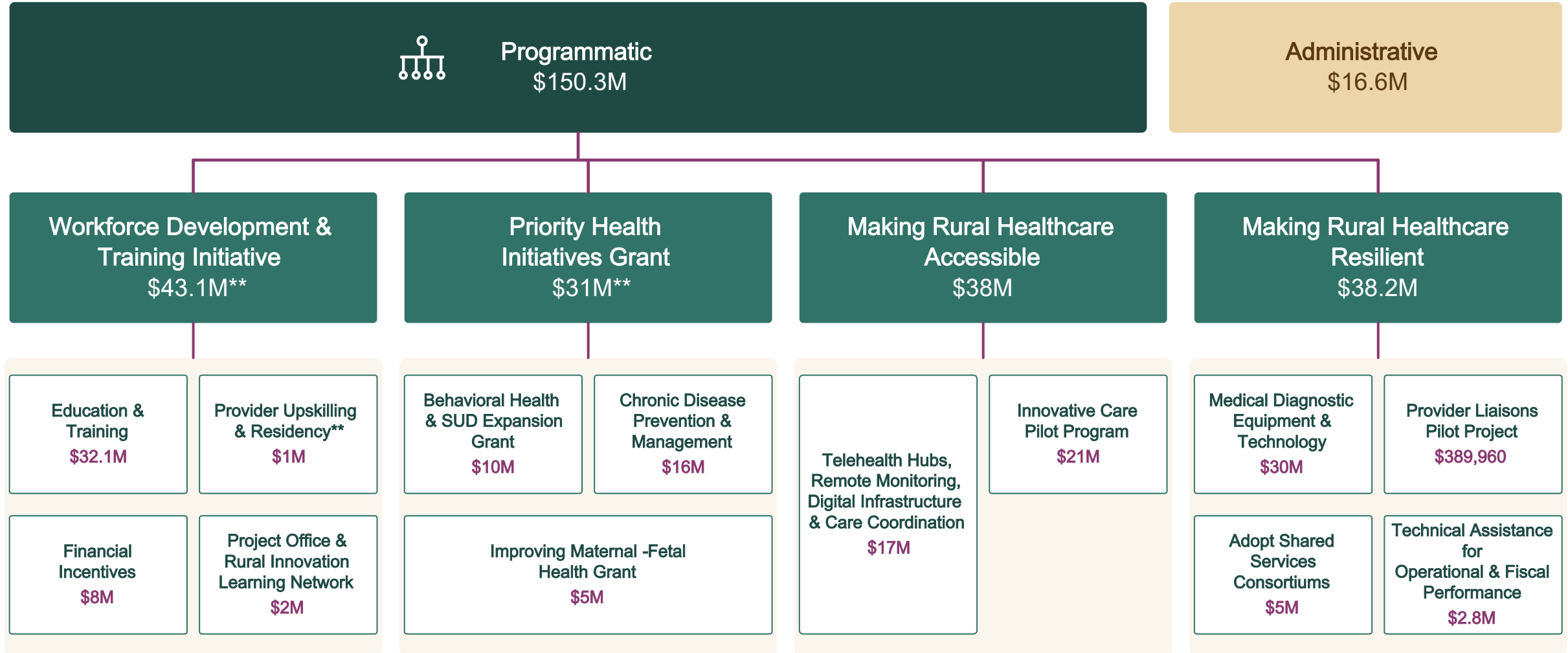


# AZ RHTP Budget Overview

## Funding Allocation

**\$166.9M\***

Budget Period 1



\*Amounts reflect annual allocations. Programmatic = direct program funding. Administrative = overhead & operations.

\*\* These numbers reflect the \$4M passthrough from OEO to ADHS for provider upskilling

# Workforce Development & Training Initiatives

**\$43.1M\***

Budget Period 1

Workforce Development & Training

Priority Health Initiatives Grant

Making Rural Healthcare Accessible

Making Rural Healthcare Resilient

IN FOCUS

Education &  
Training Expansion  
\$32.1M

Provider Upskilling &  
Residency Support  
\$1M

Financial  
Incentives  
\$8M

Project Office & Rural  
Innovation Learning Network  
Council  
\$2M

# Initiatives (1 of 2)

## Rural Education & Training Expansion– Up to \$32,100,000 / year

Opportunity	Award Range	Procurement Method	Scope & Description	Eligible Applicant(s)	Release Timeframe
Community College Program & Clinical Capacity Expansion	Up to \$12,000,000	IGA/ISA	Expand healthcare-focused programs at community colleges to strengthen health career pathways. Includes <b>increasing training capacity, faculty and instructional infrastructure, clinical host site expansion, provider –college partnership models, upskilling and cross -training for incumbent workers, and direct financial incentives for rural/Tribal students committing to 5 -year rural service</b> . Emphasis on allied health professions and serious specialty shortages.	<ul style="list-style-type: none"> <li>Community Colleges Serving Rural Learners</li> </ul>	Spring 2026
University Program & GME Expansion, and Direct Financial Incentives for Rural/Tribal Students	Up to \$17,500,000	IGA/ISA	Expand healthcare programs at state universities, including <b>new program creation, cross -institutional partnerships, faculty recruitment and retention, advising and learner support systems, clinical host site expansion, and upskilling partnerships</b> . May include accelerated family physician training and residency programs. Direct incentives for professionals committing to rural service. Emphasis on <b>allied health and serious specialty shortages</b> .	<ul style="list-style-type: none"> <li>State Universities Serving Rural Learners or Learners Committed To Serving In Rural Communities</li> </ul>	Spring 2026
CTE, AHEC & HOSA Program Expansion	Up to \$3,000,000 - \$3,700,000	IGA/ISA	Expand healthcare programs across secondary education systems, including <b>non-community college CTE providers, AHEC K–12 immersion and experiential learning, HOSA expansion to new school sites, co -developed pathways to entry -level healthcare occupations, and novel training modalities</b> (VR simulation, digital curricula, research programs). Includes community navigator and advising supports. Emphasis on <b>recruiting from rural high schools</b> .	<ul style="list-style-type: none"> <li>CTE Providers</li> <li>K–12 Institutions Serving Rural Learners</li> <li>Health Occupation Students Of America (HOSA)</li> <li>Area Health Education Centers (AHEC)</li> </ul>	Spring 2026

# Initiatives (2 of 2)

Rural Education & Training Expansion– Up to \$32,100,000 / year continued

Opportunity	Award Range	Procurement Method	Scope & Description	Eligible Applicant(s)	Release Timeframe
Transition to Practice	Up to \$3,000,000 – \$3,500,000	Grant Application	Strengthen and <b>expand transition -to-practice programs through educational institution and provider partnerships, with emphasis on training professionals to serve in the rural workforce</b> . Includes preceptorship program grants, new-to-specialty and advanced clinical training, and incentives for healthcare professionals who left due to burnout to return as preceptors.	<ul style="list-style-type: none"><li>• Non-Profits</li><li>• Licensure Boards</li><li>• Providers</li><li>• Provider Associations</li><li>• Professional Associations</li></ul>	Spring 2026

# Rural Health Workforce Development & Training Initiatives

**\$43.1M\***

Budget Year 1

Workforce Development & Training

Priority Health Initiatives Grant

Making Rural Healthcare Accessible

Making Rural Healthcare Resilient

IN FOCUS

Education &  
Training Expansion  
\$32.1M

Provider Upskilling  
& Residency Support  
\$1M

Financial  
Incentives  
\$8M

Project Office & Rural  
Innovation Learning Network  
Council  
\$2M

# Initiatives

Provider Upskilling & Residency Support- \$1,000,000 / year

Opportunity	Award Range	Procurement Method	Scope & Description	Eligible Applicant(s)	Release Timeframe
Retention & Well-Being Micro-Grants	Up to \$1,000,000	Grant Application	Micro-grants for <b>wellbeing support and safety programs to improve retention and reduce burnout among existing rural healthcare workforce.</b> Includes staff and clinician recognition programs, incentive structures, and leadership/manager training on retention-promoting activities.	<ul style="list-style-type: none"><li>• Healthcare Providers with Rural Workforce</li><li>• Provider Associations Serving Providers with Rural Healthcare Workforces</li></ul>	Spring 2026

# Rural Health Workforce Development & Training Initiatives

**\$43.1M\***

Budget Year 1

Workforce Development & Training

Priority Health Initiatives Grant

Making Rural Healthcare Accessible

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IN FOCUS

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\$2M

# Initiatives

## Financial Incentives– Up to \$8,000,000 / year

Opportunity	Award Range	Procurement Method	Scope & Description	Eligible Applicant(s)	Release Timeframe
General Assistance Funds	Up to \$8,000,000	Grant Application	Enable rural providers to <b>attract and retain healthcare workforce through sign -on incentives, relocation assistance, commuter assistance, retention programs, and childcare subsidies.</b> Intended to be deployed to rural regions based on need and rural factors.	<ul style="list-style-type: none"><li>Rural healthcare providers, provider associations</li></ul>	Spring 2026

# Rural Health Workforce Development & Training Initiatives

**\$43.1M\***

Budget Year 1

Workforce Development & Training

Priority Health Initiatives Grant

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Provider Upskilling  
& Residency Support  
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Financial  
Incentives  
\$8M

**IN FOCUS**  
Project Office &  
Rural Innovation Learning  
Network Council  
\$2M

Amounts reflect annual allocations. Programmatic = direct program funding. Administrative = overhead & operations.  
\$4M pass-thru to ADHS for upskilling

# Initiatives

## Office of Economic Opportunity Project Coordination – Up to \$2,000,000 / year

Opportunity	Award Range	Procurement Method	Scope & Description	Eligible Applicant(s)	Release Timeframe
Project Office & Stakeholder Coordination	Up to \$200,000 - \$250,000	IGA/ISA	Coordinate with external stakeholders, <b>provide workforce data analysis and recommendations, support stakeholder advisory board and employer collaboratives, develop accessible data dashboards</b> , publish key findings to align future subrecipient requests with defined needs, and serve as central hub for healthcare workforce resources.	<ul style="list-style-type: none"> <li>Open to public and internal contractors</li> </ul>	Spring 2026
Outreach & Healthcare Career Awareness	Up to \$500,000 – \$600,000	Both Open Solicitation for RFP & IGA/ISA	Statewide outreach activities to <b>promote rural health careers, recruit individuals into healthcare training programs, and communicate program opportunities. Includes marketing campaigns, digital media, event coordination, and efforts</b> to strengthen public awareness of healthcare career labor market information and economic mobility opportunities.	<ul style="list-style-type: none"> <li>Open solicitation (RFP); open to public and internal contractors</li> </ul>	Spring 2026
Rural Innovation Network	Up to \$250,000 - \$300,000	Both Grant Application & IGA/ISA	Establish the <b>Rural Innovation Learning Network (RILN) to disseminate best practices, build continuous improvement capacity, and support development of statewide provider training and consultation networks</b> . Includes regional virtual and in-person convenings, best-practice reports, and an annual statewide convening with hybrid attendance options.	<ul style="list-style-type: none"> <li>Open to public and internal contractors</li> </ul>	Spring 2026

# Sub-award Monitoring & Reporting Requirements

RHTP is a **cooperative agreement**, with Arizona working closely with CMS to advance innovative and sustainable solutions for rural and Tribal communities. **Continued funding is tied to outcomes, requiring rigorous reporting, compliance, and performance accountability from subrecipients and contractors**. Awarded partners are expected to comply with the following requirements:

- **Programmatic Reporting:** Regular progress reports demonstrating alignment to RHTP goals, CMS priorities, and approved workplans, including milestone and outcome tracking
- **Financial Reporting:** Timely submission of detailed expenditure reports, budget-to-actuals, and documentation supporting allowable and allocable costs
- **Performance & Outcome Metrics:** Collection and reporting of required CMS and State-defined performance measures to support statewide outcome reporting
- **Compliance Oversight:** Adherence to federal, state, and CMS RHTP requirements, including procurement standards, data integrity, and record retention
- **Monitoring Activities:** Participation in desk reviews, site visits, audits, and corrective action processes as required by the State



# AZ RHTP Contact Information

Mary Foote serves as Director of the Arizona Office of Economic Opportunity (OEO), where she strengthens Arizona's workforce and economy through coordinated development strategy and economic research. With 15 years of experience in economic development, business attraction, and workforce strategy, she brings a unique combination of financial expertise and public sector vision to her role.

Before joining OEO, Mary revitalized the Greater Arizona Development Authority, securing \$1.4 million in infrastructure funding for underserved communities. As CEO of Pipeline AZ, she transformed the organization into Arizona's leading technology platform for career mapping with 150,000 users. She previously served as Vice President at the Greater Phoenix Economic Council.

Mary holds a Master of Public Administration from Arizona State University and a Bachelor of Interdisciplinary Studies in Business and Philosophy. She earned a Global Leadership Certificate from the Thunderbird School of Global Management and is a Phoenix Business Journal 40 Under 40 honoree.



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# Key Resources

The resources below offer guidance for stakeholders seeking to learn more about RHTP and forthcoming opportunities to engage with the State of Arizona.

- [Arizona RHTP Homepage](#)
- [CMS RHTP Homepage](#)
- [Arizona Procurement Office](#)
- [Arizona Center for Rural Health \(AzCRH\)](#)

