



Rhode Island Rural Health Budget Amendment Summary

A [\\$142.7 million budget amendment](#) has been submitted reflecting anticipated spending for State Fiscal Years 2026 and 2027 under Rhode Island's \$156 million Year 1 award from the Rural Health Transformation Program, following recent final approval from the Centers for Medicare & Medicaid Services. This marks a major step forward in modernizing care and expanding access to lower-cost care across the state's 18 rural communities. In Year 1 of this 5-year program, the McKee Administration secured funding for thirteen initiatives including:

Supporting Hospitals and Primary Care in Value-Based Payment Transition - \$32.2 million

- Supports primary care practices, hospitals, and Federally Qualified Health Centers (FQHCs), in transitioning to value-based payment models by providing financial incentives and technical assistance to strengthen care coordination, quality reporting, and population health management, while also exploring opportunities to advance alternative payment models in behavioral health and other health sectors.

Rural Workforce Program - \$28.0 million

- Invests in primary care providers, behavioral health clinicians, hospital staff, and FQHC workforce through recruitment, training, and retention strategies to expand access and address workforce shortages.

Rural Health Information Technology Modernization Program - \$16.7 million

- Supports hospitals, FQHCs, primary care practices, and behavioral health providers in adopting interoperable health IT systems to improve data sharing, care coordination, and performance under value-based care models.

Rural Hospital-at-Home Program - \$16.2 million

- Enables hospitals and affiliated provider networks to deliver inpatient-level care in patients' homes, expanding capacity and partnering with primary care providers.

Expanding Behavioral Health Services Availability in Rural Regions - \$10.2 million

- Expands capacity for behavioral health providers, community mental health centers, and integrated primary care settings (including FQHCs) to deliver outpatient mental health and substance use services and better integrate care.

Additional Rural Health Transformation Plan Initiatives

Integrated Rural Population Health Infrastructure	\$ 12,273,665
Rural EMS Health Access and Integration	\$ 8,418,439
Program Administrative Expenses: EOHHS	\$ 7,358,589
Expanding Access to Rural Community Resources	\$ 5,900,000
Rural Community-Integrated and Mobile Health Services	\$ 5,568,659
State Agency Sub-awardee Administrative Expenses	\$ 5,074,940
Building Capacity for Block Island Health Services	\$ 2,731,826
Strengthening Rural Oral Health Delivery Through Innovation and Integration	\$ 2,383,957
Indirect for EOHHS and all Sub-Awardees	\$ 1,004,030
Rural Health Data and Workforce Tracking System	\$ 1,000,000
Modernizing Health Care Delivery for the Narragansett Indian Tribe	\$ 964,655

Program Administrative Expenses – EOHHS: \$7,358,589

State Agency Sub-awardee Administrative Expenses: \$5,074,940

Indirect for EOHHS and all Sub-Awardees: \$1,004,030

The budget amendment also includes a series of necessary policy changes to maintain the state’s full Rural Health Transformation Program grant award and position Rhode Island to access additional funding. These measures include empowering pharmacists and dental hygienists to practice at the top of their license, enhancing Rhode Island’s ability to join and implement interstate licensure compacts for physicians, physician assistants, and nurses, requiring nutrition-focused continuing medical education for physicians, and rolling back Certificate of Need requirements. Collectively, these initiatives expand access to lower-cost care options and strengthen the healthcare workforce.

[Read this press release from the Office of Governor Dan McKee for more information.](#)