



South Dakota  
Department of  
**Social Services**

*Strong Families - South Dakota's Foundation and Our Future*

## **South Dakota Rural Health Transformation Plan Public Comment and Input Opportunity**

The recently enacted One Big Beautiful Bill Act created a \$50 billion fund called the *Rural Health Transformation Program*. All states are eligible to apply. The exact funding amount South Dakota will receive is unknown, but it is anticipated that each state that applies may receive a minimum of \$100 million dollars each year for a five-year period beginning in federal fiscal year 2026 through 2030.

The Office of the Governor will submit the Rural Health Transformation Plan application on behalf of the State of South Dakota. Funding awarded to the State is anticipated to primarily be distributed to rural providers and communities through grants or other contractual relationships with the State to help transform rural health in South Dakota.

The Center for Medicare and Medicaid Services (CMS) will be releasing application details soon (projected mid-Sept), with state applications due in November 2025. CMS funding decisions are due to states December 31, 2025.

In preparation for completion of the application, the State is seeking public input regarding transformational concepts that should be included in South Dakota's state transformation plan.

**Please note that this comment period is not a request for proposals for funding of specific projects** and no funding will be awarded on the basis of a response submitted in relation to this comment opportunity. Solicited comments will be used to inform the State's application to be submitted by Governor Rhoden.

In addition to this RFI, input will be sought through other avenues prior to formalizing South Dakota's application to CMS.

### **Federal Guidance Regarding Use of Funds**

H.R.1 states that a State's Rural Health Transformation Plan application must address the following:

- Improving access to hospitals, other health care providers, and health care items and services furnished to rural residents of the State;
- Improving health care outcomes of rural residents of the State;
- Prioritizing the use of new and emerging technologies that emphasize prevention and chronic disease management;



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- Initiating, fostering, and strengthening local and regional strategic partnerships between rural hospitals and other health care providers in order to promote measurable quality improvement, increase financial stability, maximize economies of scale, and share best practices in care delivery;
- Enhancing economic opportunity for, and the supply of, health care clinicians through enhanced recruitment and training;
- Prioritizing data and technology driven solutions that help rural hospitals and other rural health care providers furnish high-quality health care services as close to a patient's home as is possible;
- Outlining strategies to manage long-term financial solvency and operating models of rural hospitals in the State; and
- Identifying specific causes driving the accelerating rate of stand-alone rural hospitals becoming at risk of closure, conversion, or service reduction.

H.R. 1 also specifies that State's must use funds for 3 or more of the following health-related activities:

- Promoting evidence-based, measurable interventions to improve prevention and chronic disease management.
- Providing payments to health care providers for the provision of health care items or services, as specified by the CMS Administrator.
- Promoting consumer-facing, technology-driven solutions for the prevention and management of chronic diseases.
- Providing training and technical assistance for the development and adoption of technology-enabled solutions that improve care delivery in rural hospitals, including remote monitoring, robotics, artificial intelligence, and other advanced technologies.
- Recruiting and retaining clinical workforce talent to rural areas, with commitments to serve rural communities for a minimum of 5 years.
- Providing technical assistance, software, and hardware for significant information technology advances designed to improve efficiency, enhance cybersecurity capability development, and improve patient health outcomes.
- Assisting rural communities to right size their health care delivery systems by identifying needed preventative, ambulatory, pre-hospital, emergency, acute inpatient care, outpatient care, and post-acute care service lines.
- Supporting access to opioid use disorder treatment services (as defined in section 1861(jjj)(1)), other substance use disorder treatment services, and mental health services.



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- Developing projects that support innovative models of care that include value-based care arrangements and alternative payment models, as appropriate.
- Additional uses designed to promote sustainable access to high quality rural health care services, as determined by the CMS Administrator.

### **Federal Limitations Regarding Use of Funds**

H.R. 1 prohibits funding awarded to a state from being used for an expenditure that is attributable to an intergovernmental transfer, certified public expenditure, or any other expenditure to finance the non-Federal share of expenditures required under any provision of law, including the Medicaid State plan or Medicaid waivers. States are also prohibited from using more than 10 percent of the awarded funds for a fiscal year for administrative expenses.

### **Public Comment Opportunity**

The public input is vital to help the State develop an impactful Rural Health Transformation Plan. Commenters are encouraged to submit concepts that are innovative and would have an enduring impact for rural communities, rural providers, and the health of rural South Dakotans. Do not submit sensitive, proprietary or confidential information – all responses will be considered public information.

Comments that are submitted during the period of August 25 to September 22, 2025 will be reviewed for potential incorporation into the State's application. Submission of public input is

**[DSS.Medicaid@state.sd.us](mailto:DSS.Medicaid@state.sd.us)**

### **Response Format**

Use the attached form to provide input. Attachments in addition to the form below can be accepted but are optional. We request responses be succinct and supplemental attachments limited to 5 pdf pages. Multiple submissions from an organization or individual can be submitted if they contain distinct ideas or topics. Ideas or suggestions that involve multiple organizations do not need to be submitted by more than one of the partnering organizations.

**Thank You in advance for helping South Dakota put forward a strong Rural Health Transformation application.**