



Rural Health Transformation Project

BAC Update



Rural Health Transformation Update

- The Big Beautiful Bill Act/HR 1 created a \$50 billion fund called the Rural Health Transformation Program.
- On December 29, 2025, South Dakota was awarded \$189.4 million dollars in federal funding for fiscal year 2026.
 - Funding can be expended until October 30, 2027.
- The Department of Health, Office of Rural Health, has been designated as the lead executive branch agency for the program. The Department of Social Services is a collaborating partner and will lead Medicaid and Behavioral Health initiatives.

Rural Health Transformation Initial Activities

- Initial State government activities include:
 - Establishment of State project governance structure
 - Meeting with CMS officials
 - Legislative approval for funding authority
 - Obtaining additional staffing supports for project management and grant management
 - Developing and releasing grant opportunities
- More information is available at: <https://doh.sd.gov/healthcare-professionals/rural-health/rural-health-transformation-project/>

Questions or Feedback?



Thank You