



Alaska Rural Health Transformation Program: Letter of Interest Applicant Resource Guide

Program Overview

The Rural Health Transformation Program (RHTP) is a federal program created by Congress in 2025 to improve rural health care across all fifty states. It provides \$50 billion over five years for all fifty states to support better access to care, stronger health systems, and healthier communities through long-term system-level change.

RHTP funding will address Alaska's unique health care access challenges related to our geography, remote and frontier communities, workforce shortages, and high costs of care delivery. The program offers a time-limited opportunity to strengthen local health systems, expand access to care closer to home, and invest in solutions designed for Alaska's unique rural and remote context.

The Department of Health (DOH) is the lead agency for RHTP in Alaska and is responsible for program design, funding decisions, and oversight. The RHTP is administered as a cooperative agreement with the federal Centers for Medicare & Medicaid Services (CMS), meaning DOH works closely with CMS throughout implementation, and CMS retains ongoing oversight and approval. While DOH makes funding recommendations and administers awards, CMS must approve uses of funds and key program elements. As with most federal grants, the terms and conditions that apply to the State's grant award also apply to organizations receiving RHTP subawards.

Alaska's RHTP funding will flow into Alaskan communities through subrecipient grants to local organizations doing the work on the ground. To support this process, DOH has contracted with the Alaska Community Foundation (ACF) to help administer subrecipient grants. Alaska has structured four funding pathways to support organizations at different stages of readiness:

1. Readiness – for organizations that need support scoping a project idea, identifying partners, and/or building administrative capacity.
2. Planning – for projects that have partially defined scope and deliverables but need support to refine design, partnerships, budget, and other details in preparation for project launch and implementation.
3. Implementation – for projects that are fully developed (clear scope, objectives, budget, milestones, and sustainability plan) and ready to launch.

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4. Targeted Innovation – state-directed projects designed to address high-impact needs, or projects where a coordinated, statewide approach may be most appropriate.

Organizations based in Alaska (or working in partnership with Alaska-based entities) that have ideas aligned with Alaska’s RHTP initiatives that benefit rural, remote, or frontier Alaskans are encouraged to submit a LOI. This includes, but is not limited to, health care providers, Tribal organizations, nonprofits, local governments, and other community-based entities.

DOH will use LOIs to understand project concepts, readiness, and alignment with RHTP goals. Based on LOIs, some organizations may move forward to readiness or planning support, while projects ready for implementation may proceed to a full project application. Not all LOIs will move forward immediately, and additional funding opportunities will occur over the life of the program.

All applicants should use the same LOI portal. Submitting an LOI is the required first step for organizations to pursue RHTP projects in this initial funding opportunity. Additional LOI periods will occur in the future, providing additional opportunities for funding.

Purpose of this Guide

This Applicant Resource Guide is intended to help organizations understand Alaska’s RHTP and prepare to submit a LOI. At the LOI stage, organizations are not expected to submit detailed project proposals, budgets, or workplans.

This guide is meant to:

- Provide high-level context about the RHTP opportunity in Alaska
- Help organizations think about potential project ideas and alignment with program goals
- Point applicants to key federal and state resources
- Highlight major program requirements and limitations that are important to understand early

This guide aggregates information and resources to support organizations preparing to submit a LOI. It reflects the program as currently understood and is not a substitute for federal requirements.

In order to receive RHTP funding, projects must meet federal requirements and guidance, CMS approval, and award-specific terms. Projects selected to continue in the application



process should expect project-specific requirements and conditions tailored to their proposal.

Timeline

RHTP funding is awarded to the state in five annual budget periods. Each year's funding has a limited timeframe for obligation and utilization of funds.

- The first budget period runs from December 29, 2025 through October 30, 2026 and is shorter than future years. Each subsequent budget period runs from October 31 through October 30.
- Each annual award has a two-year spending window: one year to obligate funds and a second year to complete spending.

Applicants should propose projects that can reasonably launch soon after being awarded and consider when key activities would begin, especially for implementation-ready projects. Since unspent funds may be redistributed by CMS starting in 2028, Alaska must prioritize projects that can move forward in a timely manner once funded.

RHTP Initiatives Overview

Alaska established six initiatives in its RHTP plan that guide how funding will be used. All projects must align with and advance these initiatives and demonstrate how they contribute to rural health system transformation.

1. *Healthy Beginnings*: Strengthens maternal and child health as a foundation for healthy families
2. *Health Care Access*: Expands and sustains essential primary, behavioral, oral, specialty, emergency, home and community-based and post-acute care health services across Alaska's rural communities
3. *Healthy Communities*: Invests in enhancing access to preventive and primary care services that enable early chronic disease management, expanding the use of consumer-facing digital tools and population health clinical infrastructure, and promoting healthy lifestyles with culturally appropriate community education
4. *Pay for Value: Fiscal Sustainability*: Incentivizes a shift from traditional volume-based reimbursement models to build the long-term financial stability of rural providers through voluntary innovative care and payment models that increase care coordination, lower costs and improve health outcomes



5. *Strengthen Workforce*: Builds a resilient rural health care workforce through pipeline, recruitment, training and retention strategies, alongside wraparound housing and childcare supports to help providers remain in rural communities
6. *Spark Technology and Innovation*: Harnesses data and technology to expand the use of consumer wearables and digital devices, enhance telehealth, foster appropriate use of AI, strengthen cybersecurity, facilitate data sharing and system interoperability, and test new delivery modalities using emerging technologies

Applicants are strongly encouraged to review the detailed descriptions of each initiative, and [potential allowable uses of RHTP funds](#) under each, which are available on the DOH RHTP website. This information provides additional context on how RHTP funds may be used under each initiative and can help applicants clearly articulate alignment in their LOI.

Important note for applicants:

Projects may be located anywhere in Alaska, including urban and hub areas, but proposals should clearly explain how the project benefits rural, remote, or frontier Alaskans and strengthens Alaska’s overall health system.

Allowable Use of RHTP Funds

At the LOI stage, applicants are not expected to submit detailed budgets or cost breakdowns. However, it is important to understand early on that RHTP funds are subject to specific federal rules about what costs are allowed. Applicants should review whether their project concept is aligned with federal RHTP goals and whether envisioned activities fit under the federal allowable uses of RHTP funds. RHTP funds may only be used for purposes permitted by federal statute and approved by CMS. Allowable uses include:

- A. Prevention and chronic disease:** Promoting evidence-based, measurable interventions to improve prevention and chronic disease management
- B. Provider payments:** Payments to health care providers for items or services that fill gaps in coverage or support care transformation, subject to limitations described below. RHTP funded provider payments must be justified as addressing unmet needs or piloting non-covered services, consistent with federal requirements
- C. Consumer tech solutions:** Promoting consumer-facing, technology-driven solutions for the prevention and management of chronic diseases
- D. Training and technical assistance:** 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



- E. Workforce:** Recruiting and retaining clinical workforce talent to rural areas. Individuals who receive RHTP-funded financial assistance and complete an RHTP-funded certification must commit to at least five years of service in rural communities, consistent with federal requirements
- F. IT advances:** Providing technical assistance, software, and hardware for significant information technology advances designed to improve efficiency, enhance cybersecurity capability development, and improve patient health outcomes
- G. Appropriate care availability:** 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
- H. Behavioral health:** Supporting access to opioid use disorder treatment services (as defined in section 1861(jjj)(1) of the Social Security Act), other substance use disorder treatment services, and mental health services
- I. Innovative care:** Developing projects that support innovative models of care that include value-based care arrangements and alternative payment models, as appropriate
- J. Capital expenditures and infrastructure:** Investing in existing rural health care facility buildings and infrastructure, including minor building alterations or renovations and equipment upgrades to ensure long-term overhead and upkeep costs are commensurate with patient volume, subject to limitations described below. Proposed capital investments must be clearly tied to RHTP goals, support care delivery transformation, and comply with applicable federal cost principles
- K. Fostering collaboration:** Initiating, fostering, and strengthening local and regional strategic partnerships between rural facilities and other health care providers to promote quality improvement, improve financial stability of rural facilities, and expand access to care

Funding Policies and Limitations

Federal rules do not allow funds to be used for certain expenses.¹ As part of the application process, applicants will be asked to describe how their project aligns with RHTP program goals and how it complements (rather than duplicates) existing funding sources.

¹ Awards will be subject to any applicable provisions of 2 CFR Part 200 and 2 CFR Part 300. As of October 1, 2025, HHS will adopt 2 CFR Part 200, with some modifications included in 2 CFR Part 300. These regulations can be found at 89 FR 80055 and replace those in 45 CFR Part 75.



While detailed financial information is not required at the LOI stage, applicants should review these policies to ensure their project concept fits within RHTP funding parameters and to avoid developing proposals that rely on unallowable uses of funds.

Limited and unallowable costs include but are not limited to:

- Pre-award costs
- Meeting matching requirements for any other federal funds or local entities
- Services, equipment, or supports that are the legal responsibility of another party under federal, State, or tribal law, such as vocational rehabilitation or education services
- Services, equipment, or supports that are the legal responsibility of another party under any civil rights law, such as modifying a workplace or providing accommodations that are obligations under law
- Goods or services not allocable to the project
- Supplanting existing State, local, tribal, or private funding of infrastructure or services, such as staff salaries. RHTP funds may support expansion of existing programs or staff roles, but may not pay for work or costs that are already funded. Only the portion of time or activity that is new or expanded under the RHTP project may be supported
- Construction of new facilities or building expansion, purchasing or significant retrofitting of buildings, cosmetic upgrades, or any other cost that materially increases the value of the capital or useful life as a direct cost. Supplanting funding for in-process or planned construction projects or directing funding towards new construction builds is unallowable
- Purchasing land and/or buildings
- The cost of independent research and development, including their proportionate share of indirect costs²
- Funds related to any activity designed to influence the enactment of legislation, appropriations, regulation, administrative action, or executive order

² See 2 CFR 300.477



- Purchase of covered telecommunications and video surveillance equipment³ as well as financial assistance to households for installation and monthly broadband internet costs
- Issuing direct student loans or funding student loan repayment programs
- Meals, unless in limited circumstances such as:
 - Subjects and patients under study
 - Where specifically approved as part of the project or program activity, such as in programs providing children’s services
 - As part of a per diem or subsistence allowance provided in conjunction with allowable travel
- Activities prohibited under federal grant policies,⁴ including but not limited to:
 - Paying the salary or expenses of any grant recipient, or agent acting for such recipient, related to any activity designed to influence the enactment of legislation, appropriations, regulation, administrative action, or executive order proposed or pending before the Congress or any State government, State legislature, or local legislature or legislative body
 - Lobbying, but awardees can lobby at their own expense if they can segregate federal funds from other financial resources used for lobbying
- Funding clinical services already covered by insurance. RHTP funds cannot pay for clinical services if they duplicate billable services and/or attempt to change payment amounts of existing fee schedules. If you plan to fund direct health care services, you must justify why they are not already reimbursable, how the payment will fill a gap in care coverage (such as uncompensated care or services not covered by insurance), and/or how they transform the current care delivery model
 - Funding cannot be used for initiatives that fund certain cosmetic and experimental procedures that fall within the definition of a specified sex-trait modification procedure⁵ because that is beyond the scope of this program
- Clinician salaries or wage supports for facilities that subject clinicians to non-compete contractual limitations

³ See 2 CFR 200.216

⁴ 2 CFR 200.450 and the HHS Grants Policy Statement. Also see 2 CFR Part 200 Subpart E - General Provisions for Selected Items of Cost for additional guidance on restricted or unallowed costs.

⁵ See 45 CFR 156.400



- None of the funding shall be used by the State 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 (for example to pay the state portion of Medicaid expenditures)
- SSA Section 2105(c), paragraphs (1), (7), and (9) apply as funding limitations. These limitations are related to general limitations, limitations on payment for abortions, and citizenship documentation requirements for payments made with respect to an individual

Key Funding Caps and Program Considerations

There are federal limitations on how much of a state's total RHTP award may be used for certain types of costs. These caps apply across all RHTP-funded activities combined, including both State-administered projects and community subrecipient awards. DOH is responsible for tracking expenditures and ensuring compliance with these limits.

Applicants are **not** expected to manage or track these caps themselves, but should be aware of them when developing project concepts.

Federal Funding Caps

Across each budget period, the following limits apply to Alaska's total RHTP award:

- **Administrative expenses** (including direct and indirect administrative costs): Capped at no more than 10% of the total award
- **Provider payments** (such as payments to test or pilot new or expanded services): Capped at no more than 15% of the total award
- **Electronic Medical Record (EMR) system replacement:** Capped at no more than 5% of the total award. This cap applies only when an EMR system is being replaced and the existing system was already HITECH-certified as of September 1, 2025
Upgrades or enhancements to an existing HITECH-certified system are generally allowable and are not subject to this cap
- **Emerging health technology investments:** Capped at the lesser of 10% of the total award per budget period or \$20 million
This is a narrowly defined category, intended to support early-stage health technology solutions that are unlikely to be developed through traditional government funding or private market investment.
- **Capital expenditures and infrastructure:** Capped at no more than 20% of the total award. These costs are limited to minor renovations, alterations, and equipment upgrades that are clearly tied to program goals; new construction and major expansions are not allowed.



DOH may request additional details from applicants relating to these caps during later application stages.

Administrative vs. Programmatic Costs

Applicants should consider how administrative costs are treated under RHTP. In general, whether a cost is considered administrative or programmatic depends on what the cost supports, not how an organization is structured or how staff are titled.

- **Administrative costs** typically include overhead needed to manage and oversee funding, such as general grant management, accounting, compliance, and reporting.
- **Programmatic costs** are costs that are directly tied to carrying out the project itself: implementing activities, delivering services, operating programs, or executing the work described in the proposal.

For example:

- Staff time spent managing a grant overall may be administrative.
- Staff time spent delivering services, running programs, supporting participants, implementing technology, or carrying out project activities may be programmatic when directly tied to the approved work.

Costs may be considered programmatic when they are directly related to implementing or delivering activities described in a specific initiative, and when sufficient detail is provided to explain that connection. CMS ultimately reviews these determinations and may provide additional guidance on a project-by-project basis.

Because administrative costs are capped at the program level, Alaska is using a project-based budgeting approach for subrecipient awards.

Subrecipients should not include an indirect cost rate or overhead percentage in their budgets. Instead, applicants should describe and budget all direct costs needed to operate, manage, and deliver their proposed project.

Applicants should plan to:

- Budget costs that can be reasonably allocated to the project
- Base costs on actual activities, staff time, or resources
- Clearly describe how costs support the proposed work and outcomes

This approach allows DOH and CMS to better understand whether costs are programmatic or administrative, and to ensure compliance with federal caps. It does not mean that



necessary project management or operational costs are excluded, only that they should be clearly tied to the project itself.

At the LOI stage, applicants are not expected to submit detailed budgets. This information is provided to help organizations think early about how their project concept fits within federal funding rules. DOH expects to work with selected applicants during later stages if necessary to refine cost classifications and ensure alignment with federal requirements.

Resources & Staying Informed

The Rural Health Transformation Program is guided by both federal and state-level information, and updates will continue as the program moves forward. We encourage organizations to review the resources below and check back regularly for new guidance.

Alaska Department of Health

- **Alaska RHTP Website:** Program updates, timelines, funding opportunities, FAQs, and application materials
 - <https://health.alaska.gov/en/education/rural-health-transformation-program/>

DOH will post updates on this site as new materials become available, including webinar announcements and application guidance.

Centers for Medicare & Medicaid Services

- **CMS RHTP Program Overview:** Background on the federal program, goals, and structure
 - <https://www.cms.gov/priorities/rural-health-transformation-rht-program/overview>
- **CMS RHTP Notice of Funding Opportunity:** The official federal funding announcement
 - <https://grants.gov/search-results-detail/360442>
- **CMS RHTP Frequently Asked Questions:** Clarifications and guidance issued by CMS, including responses to questions raised by states
 - <https://www.cms.gov/files/document/rural-health-transformation-frequently-asked-questions.pdf>

Applicants are strongly encouraged to review the CMS FAQs, as they address common questions about allowable uses of funds, limitations, and program requirements.

Questions and Contact Information

- **Programmatic questions:** RHTP@alaska.gov
- **Questions about the Letter of Interest or application portal:** rhtp@alaskacf.org



This guide and the linked resources are intended to help organizations prepare to engage with Alaska’s RHTP. Federal guidance, CMS approvals, and award-specific terms will always govern, and additional details may be provided as the program evolves.

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