2026 Special Session I

Budget Bill - HB30 (Chapter 1)

Department of Medical Assistance Services

Item 296	First Year - FY2027	Second Year - FY2028
Payments for Special or Unanticipated Expenditures (75800)	**$200,000,000**	**$200,000,000**
Special Non-Medicaid Expenditures (75808)	$200,000,000	$200,000,000
Fund Sources:		
Federal Trust	$200,000,000	$200,000,000

A.1. Out of this appropriation $200,000,000 the first year from nongeneral funds and $200,000,000 the second year from nongeneral funds shall be provided to support the Rural Health Transformation Program pursuant to H.R. 1, 119th Congress (2025-2026). The Department of Medical Assistance Services (DMAS) is authorized to hire up to 13 restricted positions that shall be supported with program funds. DMAS shall not utilize program funds to create any current or future obligation of state funding or state-supported services. Moreover, DMAS shall not initiate agency systems or personnel actions that generate state costs outside the window of the federal grant.

2. The Department of Medical Assistance Services shall submit an annual report on the status of the Commonwealth's Rural Health Transformation Program. Such report shall include, at a minimum: (i) the total amount of federal funds received from the Centers for Medicare and Medicaid Services (CMS) for the Rural Health Transformation Program for each program year since program inception, including any carryforward balances if applicable; (ii) the total amount of funds appropriated or otherwise expended in support of the program for each program year; (iii) a detailed accounting of how all federal funds have been obligated and expended, including amounts distributed to participating hospitals, health systems, community partners, or other entities, and amounts retained for administrative or programmatic purposes; (iv) a description of each Rural Health Transformation initiative implemented; (v) performance metrics; and (vi) and policy recommendations to improve rural health access and quality. The Department shall submit the report by November 1, 2026, and annually thereafter, to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees no later than October 1 of each year.

3. Upon any revision by CMS to the approved annual award amount of $189,544,888 for the Rural Health Transformation Program, whether upward or downward, DMAS shall, within 30 days, notify the Chairs of the House Appropriations and Senate Finance and Appropriations Committees.