

Rural Health Transformation Program: Early Implementation Actions and Monitoring Plans

GAO-27-108853

Q&A Report to the Secretary of Health and Human Services

October 6, 2026

Why This Matters

Research shows there are health care disparities between people living in rural areas when compared with urban populations. For example, primary and specialty health care services are less likely to be available in rural areas compared with urban areas. In July 2025, federal law established the Rural Health Transformation (RHT) program, which provides funding for states to conduct rural health activities, such as recruiting clinicians to rural areas and providing training and technology to improve care delivery in rural hospitals.

Administered by the Centers for Medicare & Medicaid Services (CMS), the RHT program will fund up to \$50 billion to states over 5 years. Federal law provided CMS with broad discretion to determine funding allotments to states.

This report provides information on CMS's initial steps in establishing the RHT program, examines CMS's plans to monitor states' RHT program activities, and describes CMS's approach for determining states' future funding allotments.

Key Takeaways

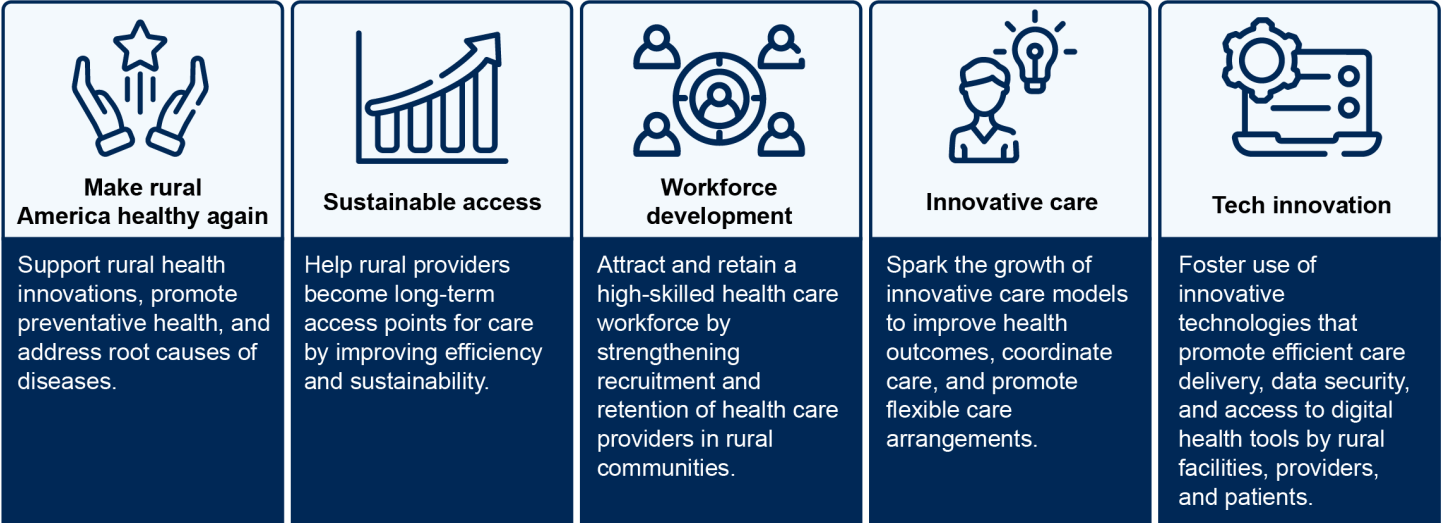
- At the end of 2025, CMS awarded a total of \$10 billion in RHT program funding to 50 states. The first allotment of state funding ranged from \$147 million for New Jersey to \$281 million for Texas. States are required to use RHT program funding to implement approved initiatives and policy actions that seek to address rural health care needs. For example, states may use the funding to recruit more clinicians to practice in rural areas or may reestablish the Presidential Fitness Test in their schools.
- CMS plans to monitor states' RHT program activities through communicating with states to discuss progress and challenges, reviewing information submitted by states, and conducting audits and site visits. We found that these planned monitoring activities are generally consistent with selected requirements for monitoring of federal awards. We have future planned work to continue evaluating CMS's implementation of the RHT program.
- CMS plans to allot up to \$40 billion of the remaining RHT program funds to states over the next 4 years based on its assessment of their demonstration of satisfactory progress toward approved initiatives and policy actions. To assess satisfactory progress, CMS plans on collecting and reviewing information from states on their progress implementing initiatives and policy actions in their approved applications. If states do not comply with the terms and conditions of their notices of award (e.g., receive approval from CMS to make changes to initiatives), CMS may withhold, reduce, or recover a portion of states' RHT program funding. The authorizing legislation of the RHT program limits states' ability to appeal or challenge any funding changes made by CMS.

What key actions did CMS take in 2025 to implement the RHT program?

Following the enactment of Public Law 119-21—commonly known as the One Big Beautiful Bill Act (OBBBA)—and beginning in July 2025, CMS completed key actions to implement the RHT program, including releasing the notice of funding opportunity, communicating with and engaging states, establishing the Office of Rural Health Transformation, and awarding initial funding to all 50 states.¹ CMS will manage this program through cooperative agreements with states, and program funding will be allotted to states in five increments or budget periods that roughly correspond to federal fiscal years.²

Notice of funding opportunity. Released in September 2025, the notice of funding opportunity detailed the RHT program structure and guidance on the activities states may propose in support of the strategic goals of the program, including a description of permissible uses of funds (see fig. 1).³

Figure 1: Strategic Goals of the Rural Health Transformation Program



Source: Centers for Medicare & Medicaid Services (information); VectorStockDesigns/stock.adobe.com (icons). | GAO-27-108853

Permissible uses of RHT program funds include, but are not limited to

- promoting consumer-facing, technology-driven solutions for the prevention and management of chronic diseases—for example, telehealth expansion and remote monitoring;
- 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; and
- recruiting clinical workforce talent to rural areas and retaining them with commitments to serve rural communities for a minimum of 5 years.

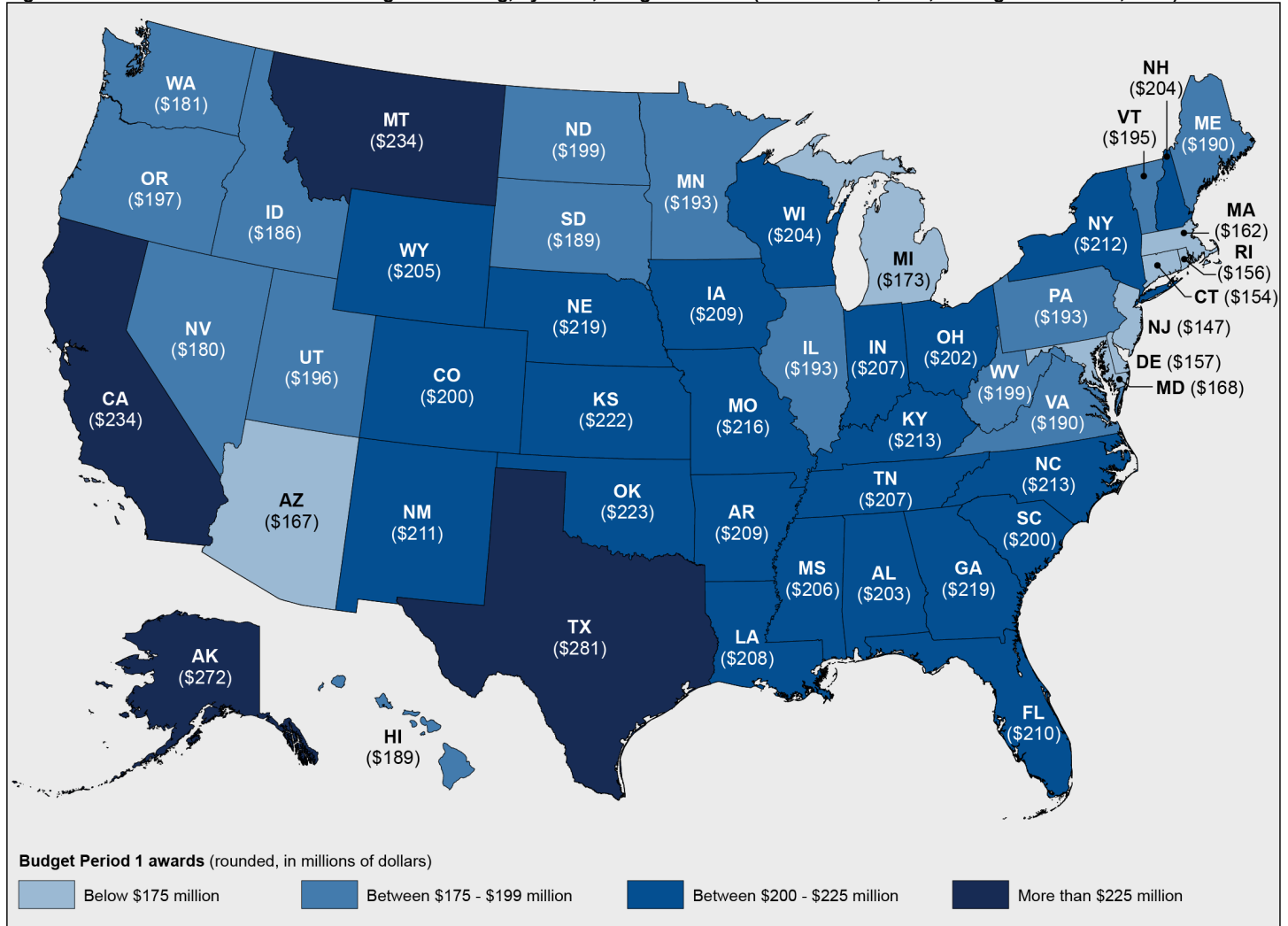
CMS developed the notice of funding opportunity in collaboration with other federal agencies, such as the Department of Health and Human Services’ Health Resources and Services Administration, according to officials. The notice of funding opportunity also included details on how state applications will be reviewed and scored, states’ responsibilities for required reporting to CMS as a part of their funding, and restrictions on their use of funding, among other things.

Communication and state engagement. During the latter half of 2025, CMS hosted webinars to provide states with information on the RHT program application, review, and scoring process. CMS also released supplemental guidance to address frequently asked questions to support states during the application process. This document included details on allowable costs and the application review and scoring process.

Office of Rural Health Transformation. To administer the RHT program, CMS created the Office of Rural Health Transformation in December 2025. Located within the Center for Medicaid and Children's Health Insurance Program Services, the office will guide states in implementing their rural health transformation plans, provide technical assistance, coordinate federal and state partnerships, and provide oversight and accountability throughout the 5-year RHT program, according to CMS. OBBBA appropriated \$200 million to CMS to implement the RHT program, some of which was used to hire staff in the Office of Rural Health Transformation and other CMS offices supporting the RHT program.⁴

Initial funding awards to states. At the end of 2025, CMS awarded a total of \$10 billion to 50 states for budget period 1 (December 29, 2025, through October 30, 2026). State funding ranged from \$147 million for New Jersey to \$281 million for Texas. See figure 2.

Figure 2: Rural Health Transformation Program Funding, by State, Budget Period 1 (December 29, 2025, Through October 30, 2026)



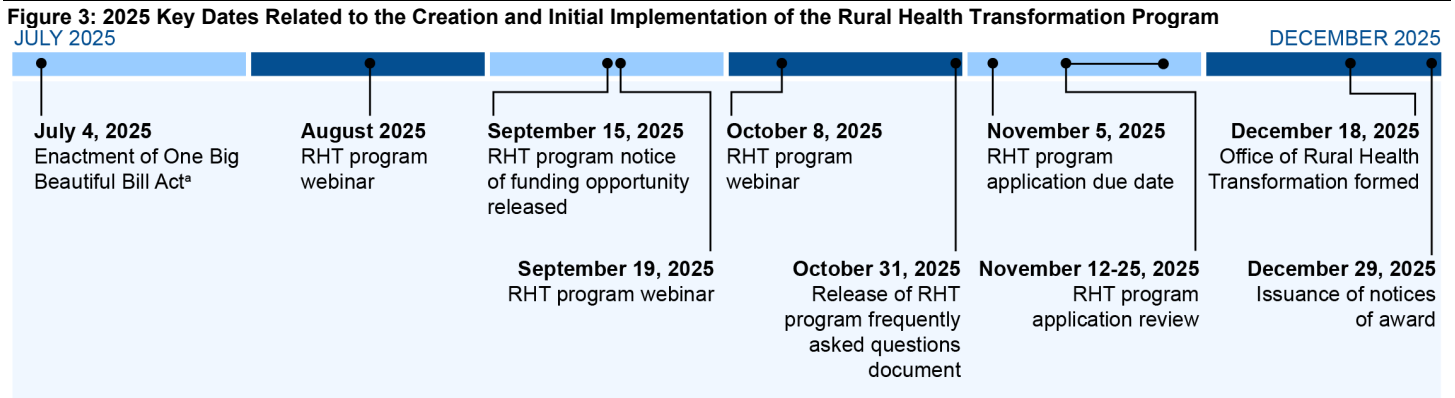
Source: GAO summary of Centers for Medicare & Medicaid Services information; MapResources (map). | GAO-27-108853

Award amounts included two funding components: baseline and workload funding.

- **Baseline.** Each state received \$100 million in baseline funding.
- **Workload.** Workload funding is based on two components: (1) a state's rural characteristics and (2) a state's technical score.

The technical score in turn comprises: (1) the strength of the state application's proposed initiatives or activities it plans to complete using RHT program funds, as determined by merit reviewers; (2) the size of enrollment of dually eligible individuals in Medicare and Medicaid integrated health plans, assignment of a state official to work with CMS's Medicare-Medicaid Coordination Office, and the quality of a state's Medicaid data reported to CMS; and (3) the state's current policy or choice to commit to specific policy actions listed in the notice of funding opportunity, such as restricting the use of Supplemental Nutrition Assistance Program benefits on non-nutritious foods.⁵ (See the next section for more detail on how state applications were reviewed and scored.)

For a timeline of CMS's initial implementation of the RHT program in 2025 following the enactment of OBBBA, see figure 3.



RHT = Rural Health Transformation

Source: GAO summary of Centers for Medicare & Medicaid Services information. | GAO-27-108853

^aAn Act to provide for reconciliation pursuant to title II of H. Con. Res. 14, Pub. L. No. 119-21, 139 Stat. 72 (2025).

How were states' RHT program applications reviewed and scored?

CMS and merit reviewers reviewed and scored different components of states' RHT program applications to determine their level of workload funding. All states received the same amount of baseline funding in the first budget period.

CMS reviewed the following:

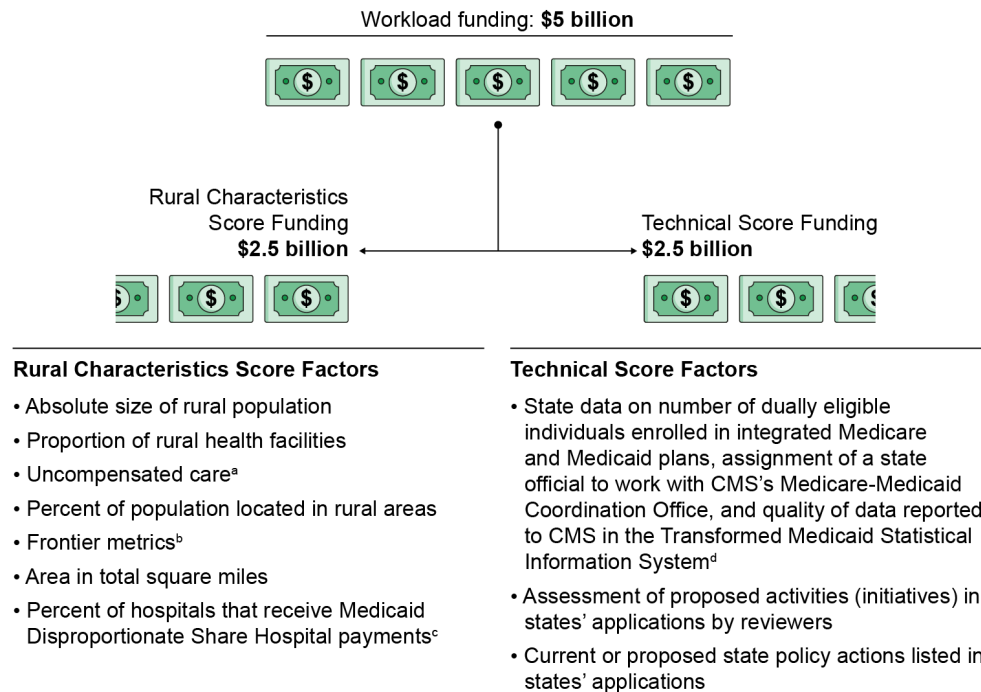
- **Rural characteristics.** CMS scored states based on data, such as the absolute size of their rural population and the percentage of a state's population located in rural areas.
- **Policy actions.** CMS scored states, as part of technical score funding, on the extent to which states implemented or planned to implement specific policy actions as a part of their RHT program.

The notice of funding opportunity contained eight policy actions that, if enacted by a state, would result in greater funding. Selected by CMS, these policy actions included restricting the use of Supplemental Nutrition Assistance Program benefits on non-nutritious foods, establishing requirements for nutrition to be included in continuing medical education for physicians, and requiring schools to reestablish the Presidential Fitness Test.

- **Individuals dually eligible for Medicare and Medicaid and Medicaid data quality.** CMS also scored states, as part of technical score funding, on the size of enrollment of dually eligible individuals in integrated Medicare and Medicaid health plans, assignment of a state official to work with CMS's Medicare-Medicaid Coordination Office, and the quality of state Medicaid data reported to CMS.⁶

For an overview of the factors considered during the review process to determine workload funding, see figure 4.

Figure 4: Total Workload Funding and Score Factors Under the Rural Health Transformation Program, Budget Period 1 (December 29, 2025, Through October 30, 2026)



Source: GAO summary of Centers for Medicare & Medicaid Services information (information and icons). | GAO-27-108853

Note: Budget period 1 funding included baseline and workload funding. States received an equal share of \$5 billion for baseline funding or \$100 million per state. States received varied amounts of workload funding based on the factors presented above. The Centers for Medicare & Medicaid Services (CMS) uses the term Rural Facility and Population Score Factors for Rural Characteristics Score Factors.

^aUncompensated care is defined as charity care and bad debt from providers' Medicare cost reports which list the amounts of unpaid co-pays, deductibles, and coinsurance by non-Medicare beneficiaries.

^bFrontier metrics include a state's population located in a zip code designated as a Frontier and Remote Area by the U.S. Department of Agriculture based on data from the 2010 decennial census. Frontier and Remote Area designations identify areas with low populations that are particularly geographically isolated from population centers based on travel distance thresholds.

^cMedicaid Disproportionate Share Hospital payments are federal funds paid to hospitals that serve a high volume of Medicaid and uninsured patients. These payments help cover the uncompensated costs of treating low-income patients.

^dCMS's Medicare-Medicaid Coordination Office was established to improve the coordination between the federal government and states to enhance access to quality services for individuals dually eligible for both Medicare and Medicaid benefits. The Transformed Medicaid Statistical Information System collects Medicaid and Children's Health Insurance Program data from states.

Merit reviewers scored states' proposed initiatives, one of three components of states' technical score funding. CMS used GrantSolutions—both a shared service program office and a software platform that enables federal agencies to manage grants and cooperative agreements through the entire award life cycle—to identify subject matter experts who were screened for any ethics concerns or potential conflicts of interest, according to officials. CMS also sent an internal request seeking potential federal employee reviewers, according to officials. CMS selected a total of 100 merit reviewers, and 43 of those reviewers were federal employees, according to CMS officials.⁷

The merit review process included three key steps, according to CMS documentation:

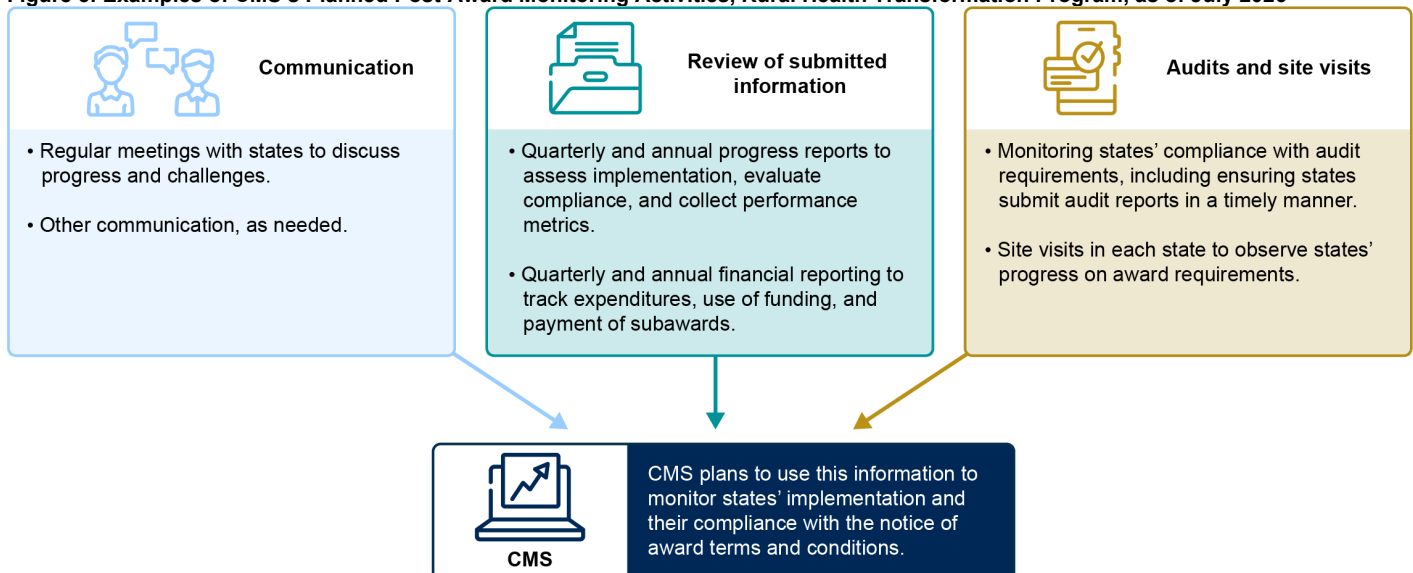
1. Three reviewers assigned scores to a state's proposed initiatives or activities they plan to complete with RHT program funding. Reviewers used criteria included in the notice of funding opportunity, such as the quality and transformative potential of the proposed initiatives.

2. After reviewers independently assigned scores to a state's proposed initiatives, they participated in panel meetings with a chairperson. During those meetings, reviewers discussed scores and revised their scores based on the discussion, if necessary. After the panel meetings, the chairperson completed a panel summary report based on the meeting.
3. A federal review director reviewed and approved the panel summary report. The final score was the median of the three scores determined by the reviewers, according to CMS officials.

How does CMS plan on monitoring states' activities and use of RHT program funding and to what extent is this monitoring consistent with federal requirements?

Our review of agency documentation and interviews with officials show that in the post-award period, CMS plans to monitor states through key activities such as (1) communicating with states, (2) reviewing submitted information, and (3) conducting audits and site visits.⁸ See figure 5.

Figure 5: Examples of CMS's Planned Post-Award Monitoring Activities, Rural Health Transformation Program, as of July 2026



Source: GAO summary of Centers for Medicare & Medicaid Services (CMS) information (information); VectorStockDesigns/stock.adobe.com (icons). | GAO-27-108853

As of July 2026, CMS has initiated some post-award monitoring activities. For example, CMS officials said they have already begun communication with states, such as regular meetings between project officers and states. These bimonthly meetings with states began in January 2026 and included project officers and grants management specialists, according to CMS officials. CMS officials also started conducting site visits with states and, as of July 2026, completed 21 site visits, according to officials.

As of July 2026, CMS has not yet reviewed state information such as quarterly and annual reports, since the first of these reports is not due until August 31, 2026.⁹ CMS is in the process of finalizing reporting forms states will use to submit progress and financial information, according to CMS officials. Once these forms are finalized and states submit them, CMS plans to review them to monitor state progress toward initiative milestones, policy actions, and expenditures of funds.¹⁰ CMS is also planning to conduct audits of states' use of RHT program funds beginning in 2027.

We found that these planned monitoring activities are generally consistent with selected requirements for monitoring federal awards (see table 1).¹¹ It is too early to know whether CMS's implementation of these monitoring activities will fully address the post-award monitoring requirements, because states have not yet reported to CMS on the full extent of their RHT program activities or completed the first budget period which ends in October 2026. We have future planned work to continue evaluating CMS's implementation of the RHT program.

Table 1: CMS's Actions or Plans to Address Selected Post-Award Monitoring Requirements or Recommendations in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, as of July 2026

Activity	Citation(s)	Requirement	Examples of related CMS actions or plans
Performance measurement	2 C.F.R. § 200.301	Agencies must measure awardee performance to show achievement of program goals and objectives, share lessons learned, improve program outcomes, and foster the adoption of promising practices.	- In states' notices of award, CMS required states to submit quarterly and annual progress reports that CMS will use to measure states' performance against states' milestones. - CMS plans to hold bimonthly webinars (led by CMS or states) and an annual meeting with all states to share lessons learned, improve program outcomes, and foster the adoption of promising practices, according to officials.
Financial reporting	2 C.F.R. § 200.328	Agencies must collect financial reports, if possible, in coordination with performance reports, and recipients or subrecipients must submit financial reports as required by the award. ^a	- In states' notices of award, CMS required states to submit financial information quarterly and annually. - In states' notices of award, CMS required states to submit financial data in real time as they draw down RHT program funds.
Monitoring and reporting program performance of the subrecipient or pass-through entity ^b	2 C.F.R. §§ 200.329, 200.332	States must monitor activities under federal awards to ensure they are compliant with all requirements and meet performance expectations. In monitoring a subrecipient or pass-through entity, a recipient must, for example, review financial and performance reports.	Although states are responsible for monitoring subrecipients or pass-through entities, CMS is developing plans to ensure states monitor subrecipient performance and their compliance with the notice of award terms and conditions, according to officials.
Reporting program performance	2 C.F.R. § 200.329(b)	Agencies must use Office of Management and Budget-approved means of information collection, generally may not collect performance reports more frequently than quarterly, and when practical, align the due dates of performance and financial reports.	- As of July 2026, CMS is seeking approval from the Office of Management and Budget for the quarterly and annual reports states will use to submit progress and financial information, according to CMS officials. - CMS is requiring states to submit key financial and performance information on a quarterly basis and has aligned their due dates, according to states' notices of award.
Site visits	2 C.F.R. § 200.329(f)	Agencies may conduct in-person or virtual site visits as warranted.	- CMS is planning to conduct site visits in all 50 states in calendar year 2026, according to officials. - CMS completed 21 site visits as of July 2026, according to officials.
Audit requirements	2 C.F.R. §§ 200.501, 200.508, 200.513	Agencies must ensure that state audits are completed and reports are received in a timely manner, and follow up on findings to ensure that appropriate and timely corrective action is taken. ^c	CMS required states to complete annual audits and submit them within 9 months after the end of their fiscal year in states' notices of award. CMS plans to monitor states' compliance with audit requirements, including to ensure the audit reports are submitted in a timely manner, according to agency documentation. CMS also plans to ensure that appropriate and timely corrective action is taken by states, according to officials.

Source: GAO summary of selected requirements from *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 2 C.F.R. Part 200, and Centers for Medicare & Medicaid Services (CMS) information. | GAO-27-108853

^aA subrecipient is an entity that receives a subaward from a pass-through entity to carry out part of a federal award.

^bA pass-through entity is a recipient or subrecipient that provides a subaward to a subrecipient (including lower tier subrecipients) to carry out part of a federal program.

^cStates, as non-federal entities, that have expended \$1,000,000 or more in federal awards during their fiscal year must have an audit conducted in accord with the regulation's provisions and follow up and take corrective actions on audit findings. See 2 C.F.R. § 200.501.

How does CMS plan on determining future funding allotments for states?

According to agency documentation, CMS plans to allot future funds to states based on its assessment of states demonstrating satisfactory progress.¹² Satisfactory progress includes progress implementing initiatives and policy actions, according to states' budget period 1 notices of award. To assess satisfactory progress, CMS plans on collecting and reviewing information from states on their progress implementing initiatives and policy actions in their approved applications. States are required to complete the initiatives and enact the policy actions included in their applications throughout all five budget periods unless CMS approves any changes.

CMS plans to convert states' progress implementing initiatives and policy actions into numerical scores that will be used to calculate future budget period allotments.¹³ CMS will begin the process of determining states' funding for budget period 2 (October 31, 2026, through October 30, 2027) in August 2026, according to CMS documentation. CMS expects implementation of states' activities to evolve over time, but any changes to their milestones, metrics, baselines, targets, or other scoring details must be approved by CMS before they are final.

Representatives from selected rural health and state government stakeholder groups we met with expressed concerns about the limited period of time states had to demonstrate progress for purposes of calculating budget period 2 funding allotments. To reflect the actual award amounts states received for budget period 1, CMS required states to submit revised budget plans by January 30, 2026.¹⁴ The budget period 1 revision process took an average of about 41 days to complete, based on our review of agency documentation. This review time included the time states took to respond to CMS feedback and revise their budget plans, according to officials. Until CMS fully approved their budget plans, states were limited in their ability to use their budget period 1 funding, according to representatives. States had between 4 and 7 months before the August 2026 deadline for reporting progress on their initiatives to CMS. For purposes of calculating budget period 2 allotments, CMS officials said states had the ability to adjust their planned activities for budget period 1 for the available time they had to make progress by August 2026 after approval of their revised budget plans.

Under what circumstances may CMS withhold, reduce, or recover a state's RHT program funding?

If CMS determines a state is not using its funding in ways consistent with their approved application or the terms and conditions of their notice of award, CMS may withhold, reduce, or recover a portion of the state's funding, according to the RHT program notice of funding opportunity. Examples of reasons CMS may take these actions include the following:

- **Unallowable costs.** States may not use their funding for expenses that are not allowed under the program, such as new construction and payments for clinical services that could be reimbursed by insurance, according to the notice of funding opportunity.
- **Unapproved changes to initiatives.** States are not permitted to make changes to their initiatives without approval from CMS, according to CMS guidance. This includes adding or removing projects or activities associated with their funded initiatives. CMS guidance further indicates that state requests to modify initiatives will be reviewed only after sufficient data have

been presented to CMS to demonstrate the lack of efficacy and on a case-by-case basis in later years of the program.

- **Failure to finalize state policy actions.** According to the notice of funding opportunity, states will receive partial funding to implement a policy action with full funding provided after states finalize their policy actions. However, CMS will recover previously awarded funds should a state fail to finalize a state policy action by the deadline outlined in the notice of funding opportunity. For example, if a state committed to establishing nutrition as part of continuing medical education for physicians, that policy must be enacted by December 2028. If the state does not implement what they committed to in their application for continuing medical education, prior funding provided for that policy action will be recovered by CMS.
- **Other reasons.** The RHT program notice of funding opportunity also lists other circumstances that may lead to a state's funding to be withheld, reduced, or recovered. These circumstances include not using funds in a way that broadly affects a state's rural areas and residents in a positive manner and improperly managing or using funds, including waste, fraud, and abuse.

According to the notice of funding opportunity, states will have 90 days to address any violations before CMS may recover previously awarded or withhold further RHT program funding.¹⁵ Further, the notice of funding opportunity states remediation actions by states may include submission of a remediation plan to CMS outlining actions to address the violation.

Can states appeal their RHT program funding allotments?

Generally, no. The OBBBA provides that there shall be no administrative or judicial review of amounts allotted or redistributed to states under the RHT program, payments withheld or reduced under the program, or previous payments recovered from states under the program.¹⁶

According to CMS officials, the agency interprets this provision to generally preclude administrative or judicial review related to annual award amounts, redistribution determinations, and recovery of funds associated with noncompliance with award terms and conditions.¹⁷ However, CMS officials acknowledged that questions related to appeals or challenges may depend on the specific facts and circumstances of a particular action. CMS is in the process of determining the applicability of the Department of Health and Human Services' Departmental Appeals Board review, the entity responsible for administrative review of grant-related decisions, and the handling of any specific dispute or challenge related to RHT program funding determinations, according to officials.¹⁸

Agency Comments

We provided a draft of this report to the Department of Health and Human Services for review and comment. The Department of Health and Human Services provided technical comments, which we incorporated as appropriate.

How GAO Did This Study

To conduct this work, we reviewed CMS documentation, including RHT program notice of funding opportunity, supplemental guidance documents, webinar slide presentations, notices of award from all 50 states for budget period 1, fiscal years 2025 and 2026 spend plans for appropriations provided by OBBBA to CMS to implement the RHT program, press releases, documents describing information about the review process CMS used for states' RHT program applications, and policies and procedures for awarding future budget period allotments to states and conducting monitoring activities.

We also interviewed officials and obtained written responses from CMS. In addition, we interviewed representatives from three rural health or state government stakeholder groups selected among those with national membership to learn about states' experiences with the RHT program. The views expressed by those representatives are not generalizable to all rural health and state government stakeholder groups. We also reviewed comments submitted in response to a request for comments published by CMS in the Federal Register for proposed collection of information for the RHT program.¹⁹

To determine the extent to which CMS's current and planned monitoring activities are consistent with selected requirements for federal awards, we examined CMS's current and planned monitoring activities identified in CMS policies and procedures and explained by officials. We compared the activities with selected post-award monitoring and auditing requirements found in Part 200 of Title 2 of the Code of Federal Regulations (*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*). These selected requirements include financial and program performance reporting and monitoring.

We conducted this performance audit from January 2026 to October 2026 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

List of Addressees

We are addressing this report to the Secretary of the Department of Health and Human Services. We are sending copies of this report to the appropriate congressional committees. In addition, the report is available at no charge on the GAO website at <https://www.gao.gov>.

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Endnotes

¹An Act to provide for reconciliation pursuant to title II of H. Con. Res. 14, Pub. L. No. 119-21, 139 Stat. 72 (2025) (hereafter, OBBBA).

²A cooperative agreement is a type of award that requires substantial collaboration between the federal awarding agency (e.g., CMS) and the non-federal entity (e.g., state) in carrying out the activities contemplated by the federal award.

³A notice of funding opportunity is a formal announcement of the availability of federal funding through a financial assistance program that provides information on the award, such as who is eligible to apply, application evaluation criteria, required components of an application, and restrictions on use of funding. 2 C.F.R. § 200.1.

⁴As of July 2026, CMS onboarded 24 of the 30 planned staff members for the Office of Rural Health Transformation, according to CMS officials. CMS plans to hire additional staff members in the Office of Acquisition and Grants Management, Office of Financial Management, and Office of Strategic Operations and Regulatory Affairs.

⁵Integrated plans provide Medicaid and Medicare benefits through a single delivery system in order to provide quality care for dual eligible enrollees, improve care coordination, and reduce administrative burdens, according to CMS. CMS's Medicare-Medicaid Coordination Office was established to improve the coordination between the federal government and states to enhance access to quality services for individuals dually eligible for both Medicare and Medicaid benefits. The U.S. Department of Agriculture's Supplemental Nutrition Assistance Program is intended to help low-income individuals and families obtain a more nutritious diet by supplementing their income with benefits to purchase food. Related to scoring state policy actions, CMS also took into account if a state already had policies in place that aligned with the specific policy actions outlined in the notice of funding opportunity, according to CMS officials.

⁶The Transformed Medicaid Statistical Information System collects Medicaid and Children's Health Insurance Program data from states. We included Medicaid data, including Transformed Medicaid Statistical Information System data usefulness and quality, on our High Risk List. See appendix "Strengthening Medicaid Program Integrity" in GAO, *High-Risk Series: Heightened Attention Could Save Billions More and Improve Government Efficiency and Effectiveness*, [GAO-25-107743](#) (Washington, D.C.: Feb. 25, 2025).

⁷According to CMS officials, CMS required all merit reviewers to attest that they had no conflicts of interest before reviewing RHT program applications.

⁸The post-award period begins after CMS issues notices of award to states.

⁹The first RHT program annual report covered December 29, 2025, through July 31, 2026, a 7-month period. Subsequent annual reports are expected to cover a 12-month period. The first quarterly report is due November 29, 2026.

¹⁰CMS plans to assess progress and performance of initiatives against their approved implementation plans, including milestones and performance metrics, which are data for measurable objectives with both baseline data and targets used to track and evaluate success for each initiative.

¹¹See 2 C.F.R. pt. 200, subpts. D, F.

¹²States' next allotment of funds will be for budget period 2 (October 31, 2026, through October 30, 2027), and funding will continue through budget period 5 (October 31, 2029, through October 30, 2030).

¹³CMS will require states to submit information on progress toward planned milestones for each initiative. CMS refers to these initiative milestones as "checkpoints."

¹⁴CMS granted extensions beyond the January 30, 2026 deadline to a handful of states, according to officials.

¹⁵According to the notice of funding opportunity, workload and baseline funding may be withheld or recovered.

¹⁶Pub. L. No. 119-21, § 71401(a), 139 Stat. 72, 327 (2025) (codified at 42 U.S.C. § 1397ee(h)(8)).

¹⁷Administrative review refers to agency-level review, while judicial review refers to court review of an agency decision.

¹⁸The Department of Health and Human Services' Departmental Appeals Board provides impartial, independent review of disputed decisions in a wide range of programs, including state agency disputes related to federal grant programs.

¹⁹91 Fed. Reg. 11,978 (Mar. 11, 2026).