SMHAs and the Rural Health Transformation Program, 2026

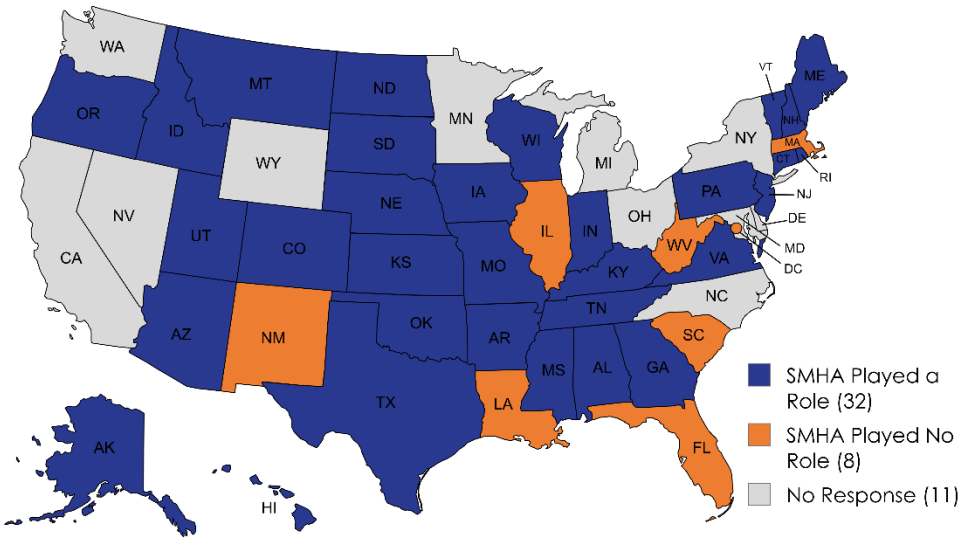
NRI 2026 State Profiles

In 2025, Congress created the Rural Health Transformation (RHT) Program, a $50 billion federal investment administered by the Centers for Medicare & Medicaid Services (CMS) that will distribute $10 billion per year to states from federal fiscal year 2026 through 2030.[1] On December 29, 2025, CMS approved applications from all 50 states, with first-year awards ranging from $147 million to $281 million per state.[2] Improving access to behavioral health (BH) care in rural communities is among the program's aims, and many states are directing RHT funds toward crisis services, telebehavioral health, workforce development, and community mental health infrastructure.

Because RHT awards flow to a single lead agency in each state, the role of the State Mental Health Authority (SMHA) in shaping and administering these funds varies widely. NRI's 2026 State Profiles asked SMHAs whether they played a role in their state's RHT application, whether they will have a role in administering RHT funds, how they plan to measure the impact of RHT funds on behavioral health, and how much RHT funding is dedicated to BH-specific projects. Forty of 51 states and jurisdictions responded.

SMHAs Helped Shape State RHT Applications

Figure 1: SMHA Role in State RHT Applications, 2026



80% of reporting SMHAs shaped RHT applications

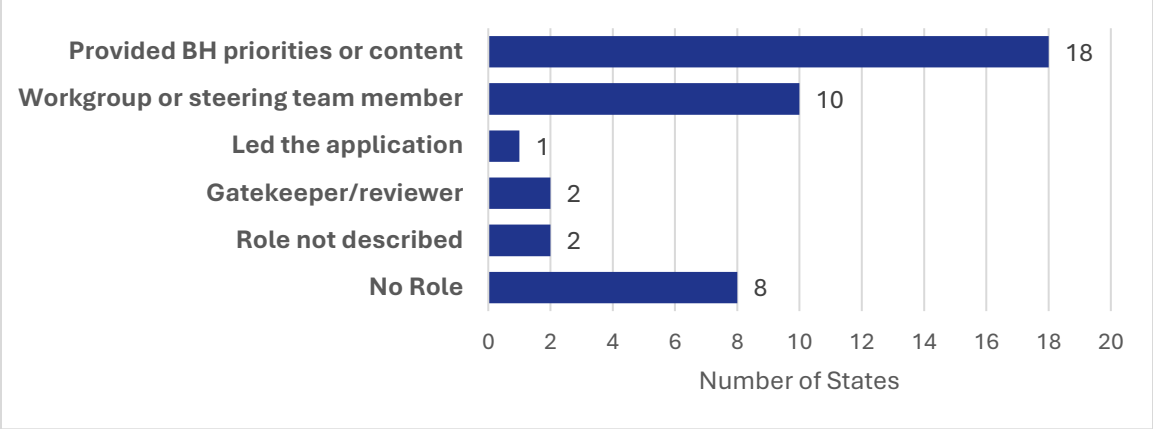
43% of reporting SMHAs will administer RHT funds

$216M+ in reported BH funding in the RHT Program

Thirty-two of the 40 responding states (80%) reported that the SMHA played a role in the state's RHT application. (See Figure 1.) The depth of that role varied considerably across states. Most SMHAs served in advisory or contributing capacities, such as suggesting BH priorities, drafting BH content, or serving on interagency workgroups. Only Montana's SMHA reported leading the application and the ongoing distribution of funding.

Where the SMHA played no role (DC, FL, IL, LA, MA, NM, SC, and WV), the application was typically led by the State Medicaid Agency or the Governor's office. The District of Columbia noted that it has no rural areas as defined by the RHT program. As shown in Figure 2, the most common contributions were providing behavioral health priorities or content for the application (18 states) and serving on an application workgroup or steering team (10 states).

Figure 2: Type of SMHA Role in the RHT Application, 2026



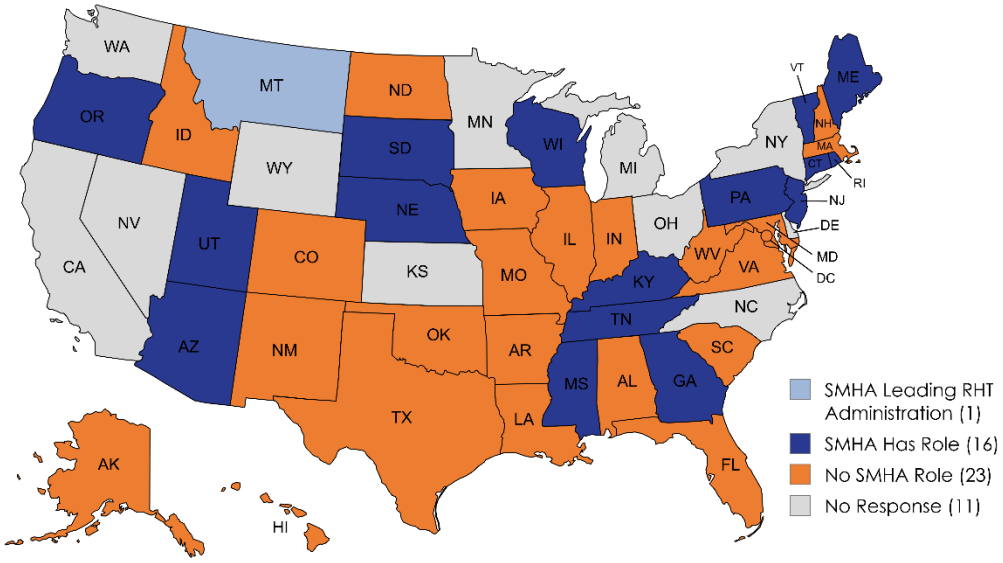
Examples of SMHA roles in state applications include:

- **Arizona:** AHCCCS, which serves as both the SMHA and the State Medicaid Agency, assisted with stakeholder outreach and development of the application.
- **Hawaii:** The SMHA played a gatekeeper role for the Department of Health's application components.
- **Iowa:** SMHA provided suggestions to support gaps in the behavioral health system and to increase access. SMHA also reviewed RHT application materials.
- **Kentucky:** DBHDID collaborated with the Department for Public Health on the Rapid Response to Recovery Initiative, one of five initiatives in the state's application.
- **Maine:** The SMHA was a core part of a cross-office interdisciplinary team that used a community-engaged, participatory process to generate the application.
- **Montana:** The SMHA led the grant application and the current process for distribution of the funding.
- **Nebraska:** The Division of Behavioral Health provided a plan ("Pillar 5") for expanding access to mental health and substance use disorder treatment in rural areas.
- **Wisconsin:** Developed three BH projects for the grant application.

Administering RHT Funds: Medicaid Agencies and Umbrella Departments Lead

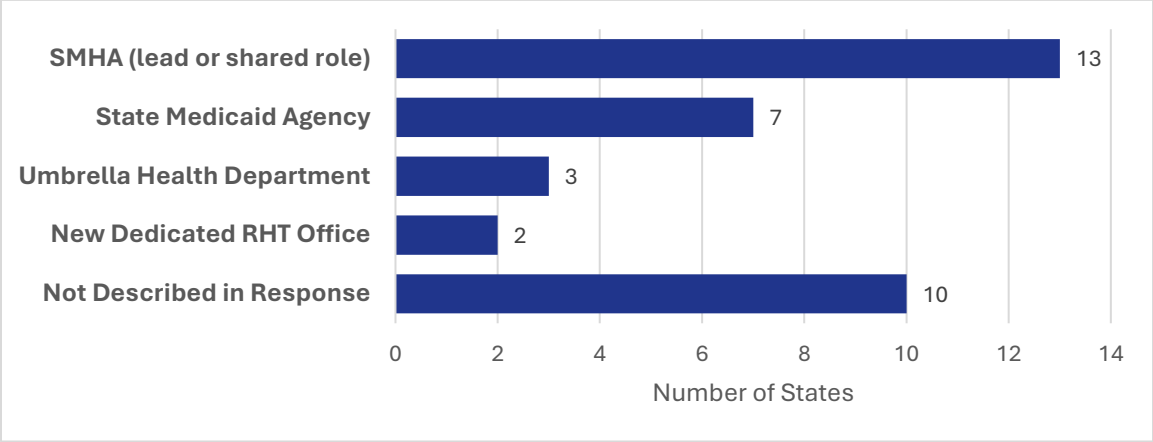
Fewer SMHAs will have a role in the administration of RHT funds: 17 of 40 (43%) responding SMHAs (AZ, CT, GA, KY, ME, MS, MT, NE, NJ, OR, PA, RI, SD, TN, UT, VT, and WI). (See Figure 3.) In most states, responsibility for the administration of funds rests with the State Medicaid Agency, the umbrella health or human services department, or a newly created RHT office, such as New Hampshire's Governor's Office of New Opportunities & Rural Transformational Health (GO-NORTH) or Mississippi's Rural Health Transformation Program (RHTP) Office.

Figure 3: Will the SMHA Have a Role in Administering RHT Funds? 2026



Even among the 17 states where the SMHA has a role in administering funds, that role is usually shared, such as: issuing sub-awards to grantees (MS, NE), administering behavioral health contracts under a parent agency's award (OR, RI, VT), supporting administration of RHT funds through an interagency agreement with the Department of Health (TN), selecting projects with the state's RHT team (UT), or providing subject matter expertise for the behavioral health elements of RHT initiatives (KY, PA). Figure 4 shows the agencies states named as having responsibility for administering RHT funds.

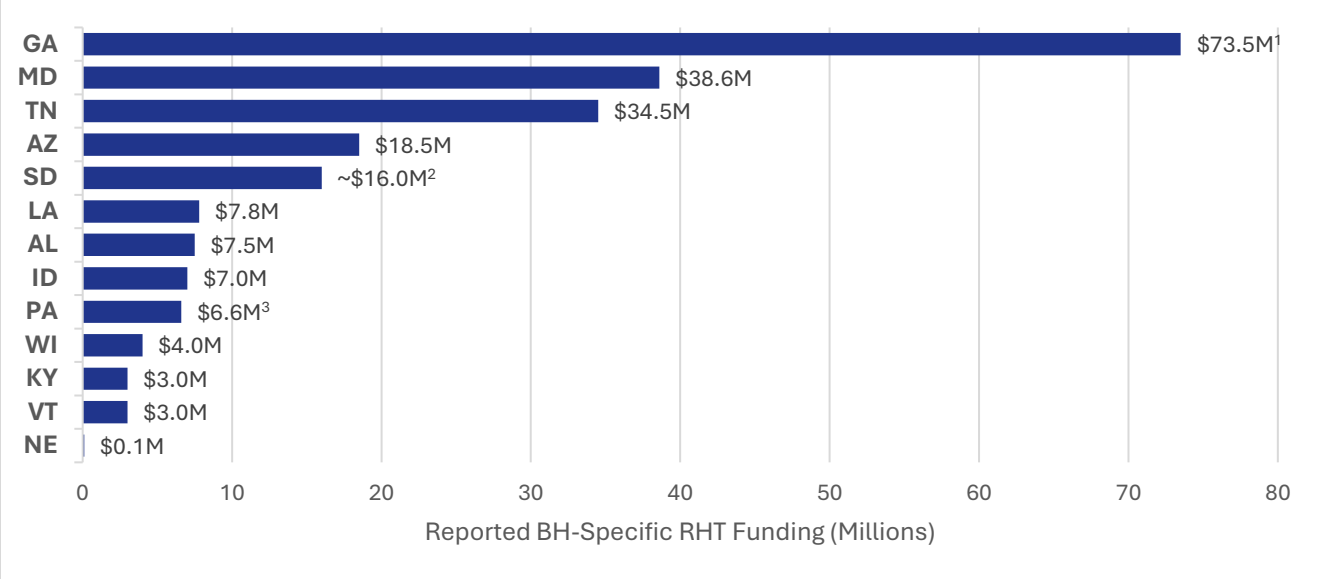
Figure 4: Agency Administering RHT Funds, as Reported by SMHAs, 2026



Behavioral Health Funding Within RHT Awards

Thirteen states reported a dollar amount of RHT funding dedicated to BH-specific projects, totaling more than $220 million. (See Figure 5.) However, reported amounts are not directly comparable, since some states reported first-year funding, others multi-year totals or funding per budget period. Several additional states could not yet isolate a BH-specific amount, either because budgets were pending CMS approval, the administering agency held that information, or initiatives were not limited to BH providers.

Figure 5: Reported BH-Specific RHT Funding, States Reporting, 2026



[1] Georgia: four BH-focused strategies in the state's GREAT Health application, all budget periods. [2] South Dakota reported approximately $16 million. [3] Five-year total.

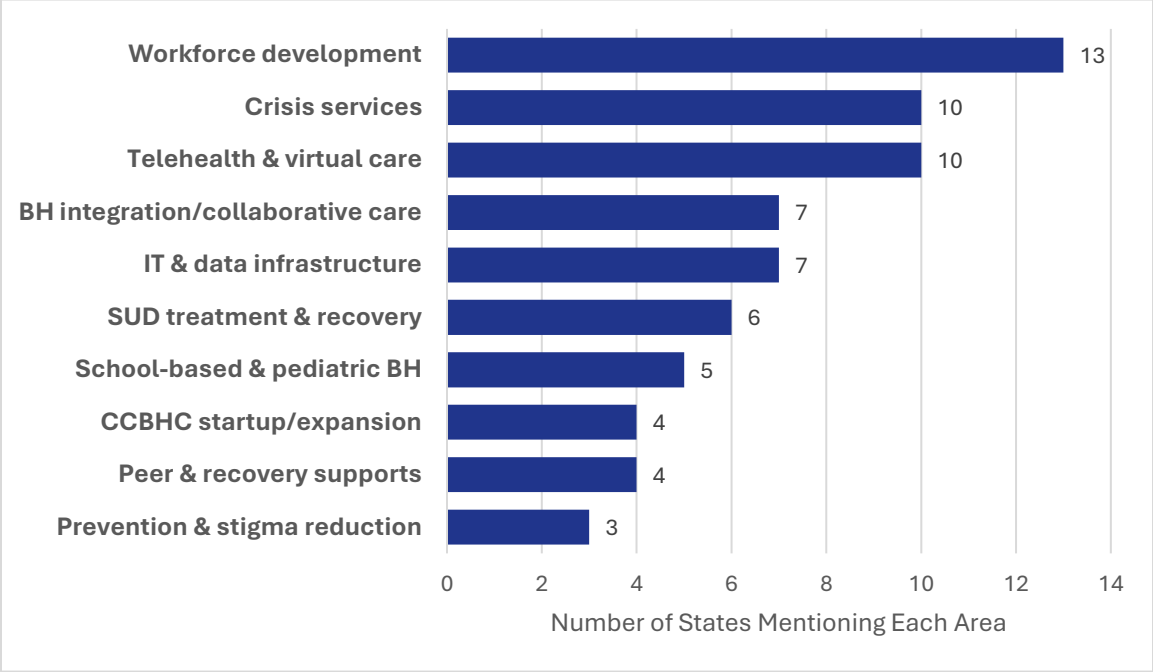
Four states reported only their total RHT award rather than a BH-specific amount: New Jersey ($147 million in first-year funding), New Mexico ($211.5 million for FFY26), Utah ($195.7 million total), and Maine ($19 million, with over 50% of initiatives directly or indirectly impacting behavioral health). Texas

noted that none of its initiatives are limited to behavioral health, though BH providers are included in four of its six initiatives. Maryland's $38.6 million includes $1.6 million for the Rural Advancement of Maryland Peers (RAMP) program and $37 million for behavioral health investments in the MidShore region.

What RHT Funds Will Support

Among the 23 states that described how RHT funds will be used for BH, workforce development was the most frequently cited investment (13 states), followed by crisis services and telehealth (10 states each). See Figure 6.

Figure 6: BH Service Areas Supported by RHT Funds, 2026



Examples of state BH initiatives funded through RHT include:

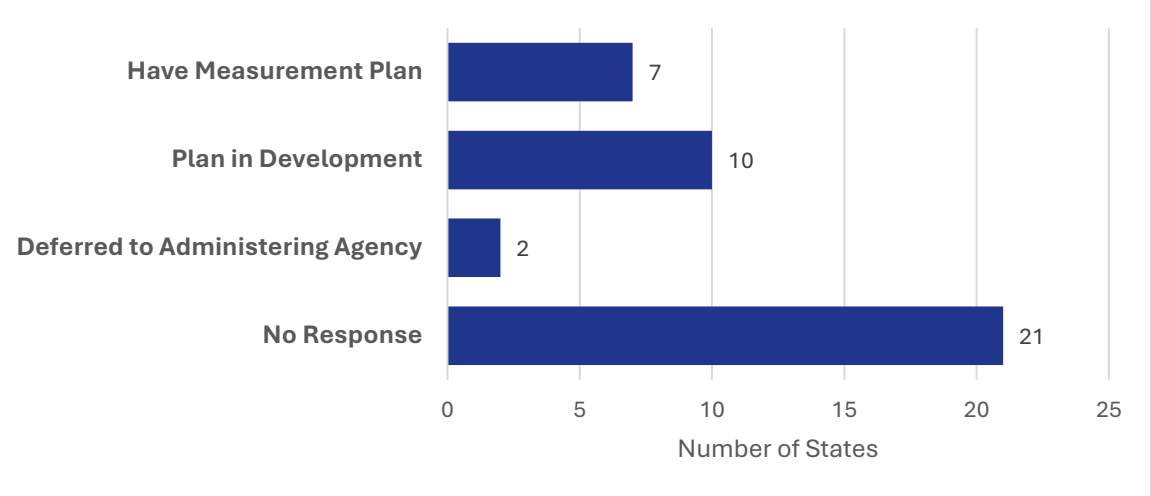
- **Arizona:** $18.5 million in year one, including a Behavioral Health & SUD Expansion Grant, mobile and digital BH access, crisis services, workforce training and recruitment, and prevention programming addressing suicide, trauma, and substance use.
- **Georgia:** School-based health infrastructure (Building Bridges), a statewide behavioral health technology assessment, rural telepsychiatry consultation and training (Pediatric Psychiatry ECHO and PEACE for Moms), and a mental health crisis transportation pilot.
- **Kentucky:** Rapid Response to Recovery: EmPATH units, behavioral health community paramedicine, and a telebehavioral health hub implementing the Collaborative Care Model.
- **Louisiana:** Partnerships among CCBHCs, opioid treatment programs, and rural health facilities to provide co-located care, including medication-assisted treatment and crisis response.

- **Pennsylvania:** 988 expansion and education, remote behavioral health consultation, peer and recovery specialist certification, a statewide bridge clinic for SUD, and a mental health training management system.
- **Rhode Island:** A behavioral healthcare stabilization triage center and two Recovery Community Centers.
- **Tennessee:** Expansion of Project Rural Recovery mobile clinics serving ten economically distressed counties, the Pathways Behavioral Health Education Award workforce initiative, and BH workforce co-location.
- **Vermont:** Expansion of mental health urgent care and a statewide pediatric psychiatry consultation program.

Measuring the Impact of RHT Funds on Behavioral Health

Plans to measure the impact of RHT funds on BH remain at an early stage. Seven states described specific approaches. For example, Kentucky will combine claims data, de novo data collection, and new technology to track movement through and retention in care; Idaho will use quarterly performance reports covering service delivery, workforce metrics, and outcomes, with payment tied to documented service delivery; and Tennessee's SMHA will track performance metrics to support federal progress reporting. Ten more states reported plans still in development, and several deferred measurement to the administering agency. See Figure 7.

Figure 7: Status of Plans to Measure RHT Impact on BH, 2026



About the Data

Findings are drawn from NRI's 2026 State Profiles, completed by SMHAs in 40 of 51 states and jurisdictions. Georgia's responses were supplemented with information from the state's published GREAT Health application.[3]

Please contact NRI at profiles@nri-inc.org with any questions or comments about this and other State Profiles reports.

References

1. Centers for Medicare & Medicaid Services, "Rural Health Transformation (RHT) Program," program overview. https://www.cms.gov/priorities/rural-health-transformation-rht-program/overview (accessed June 2026).

2. Centers for Medicare & Medicaid Services, "CMS Announces $50 Billion in Awards to Strengthen Rural Health in All 50 States," press release, December 29, 2025. https://www.cms.gov/newsroom/press-releases/cms-announces-50-billion-awards-strengthen-rural-health-all-50-states

3. Georgia Department of Community Health, "Georgia Rural Enhancement and Transformation of Health (GREAT Health) Program" (RHT application). https://dch.georgia.gov/great-health-program-georgias-rural-health-transformation-program