

Update on H.R. 1 and Rural Health Transformation

House Health Care & Wellness

Ryan Moran, Director

Trinity Wilson, Medicaid Director

Mich'l Needham, Chief Policy Officer

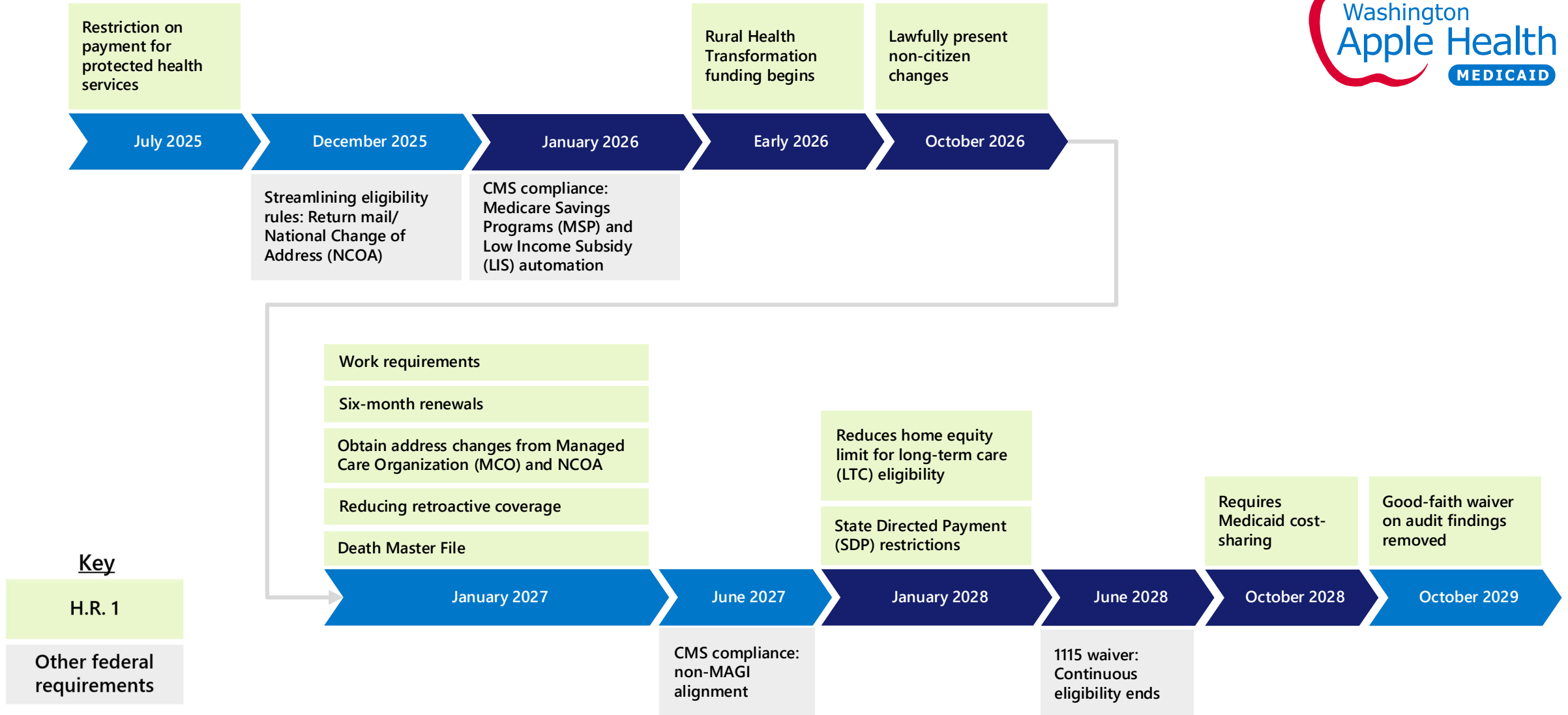
Washington State
Health Care Authority

Agenda

- ▶ Overview of H.R. 1
 - ▶ Noncitizen eligibility changes
 - ▶ Community engagement rules
 - ▶ Outreach and communications
 - ▶ Redeterminations and state directed payments (SDPs)
- ▶ Rural Health Transformation Project update
 - ▶ What we are working on
 - ▶ Mapping the funds
 - ▶ Overview of the six initiatives
 - ▶ Community engagement
 - ▶ Year 1 recap and insights
- ▶ Next steps and resources

Overview of H.R.1

Compliance timeline



Noncitizen eligibility

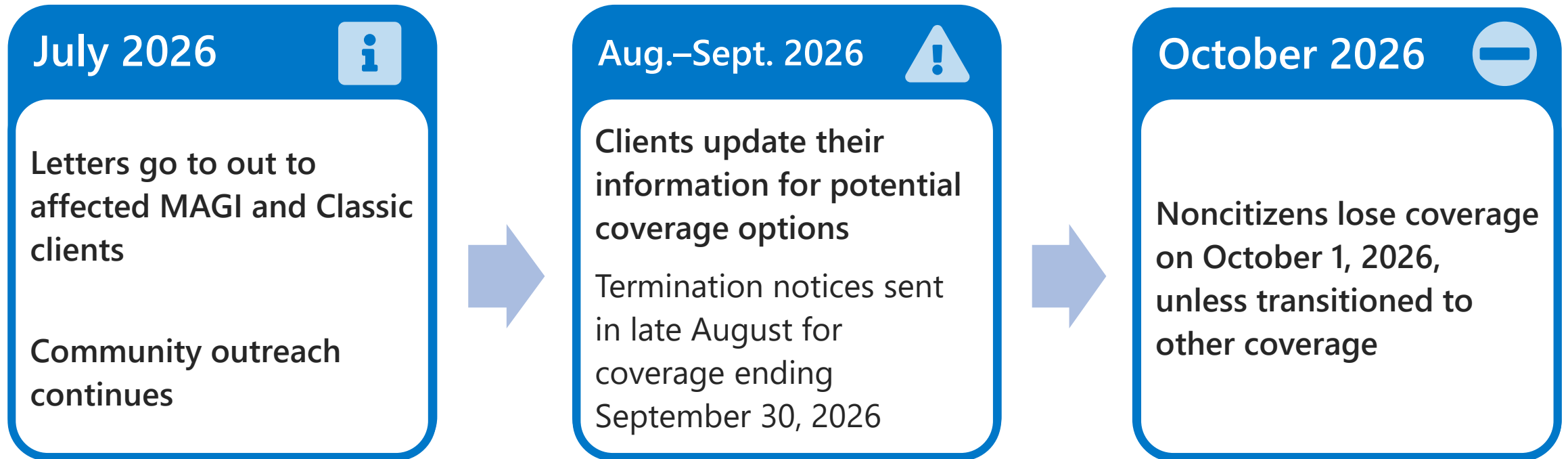
Non-U.S. citizen definition change

- ▶ Effective October 1, 2026, eligibility for lawfully-present non-U.S. citizens changes
 - ▶ Limited to lawful permanent residents, certain Cuban/Haitians, and Compact of Free Association (COFA) islanders
- ▶ Expect nearly 11,000 individuals to lose Medicaid
 - ▶ Includes ~900 individuals receiving long-term care or developmental disability services
- ▶ Received CMS guidance in April
 - ▶ Prohibits Federal Financial Participation (FFP) for all impacted classes of noncitizens starting October 1
 - ▶ Requires states to redetermine eligibility for *all* impacted lawfully present noncitizens by October
 - ▶ Initial letters sent to impacted clients starting in July
 - ▶ Clients losing coverage on October 1 receive final notification in September

Eligibility impacts

- ▶ Newly identified impacted populations include:
 - ▶ Supplemental Security Income (SSI) Medicaid recipients
 - ▶ American Indian, Alaska Native (AI/AN) born abroad
- ▶ Clients may be able to access other health care coverage after October 1
- ▶ The following programs are not impacted:
 - ▶ Apple Health for Pregnant individuals
 - ▶ After-Pregnancy Coverage (APC)
 - ▶ Apple Health for Kids Family Planning Only (state only)
 - ▶ Emergency Medical (AEM)
 - ▶ Apple Health Expansion (AHE)
 - ▶ Family Planning Only (state only)
 - ▶ Medical Care Services (MCS)
 - ▶ Refugee Medical Assistance (RMA)
 - ▶ Foster Care/Adoption Support
 - ▶ Long-Term Services and Supports (LTSS) for noncitizens

H.R. 1 noncitizen change timeline



Community engagement rules

Work requirements

- ▶ Effective January 1, 2027, a new eligibility criteria for all individuals applying for or renewing Apple Health for Adults
 - ▶ Individuals will need to either meet work requirements or qualify for an exemption
- ▶ Work requirements do not apply to any other Apple Health programs
- ▶ CMS published rules on June 1, 2026

Work requirements criteria

- ▶ Work requirements are met when an individual meets **one** of the following:
 - ▶ Has an average monthly family income of at least \$580
 - ▶ Enrolls in an educational program at least half-time
 - ▶ Participates in a work program at least 80 hours per month
 - ▶ Completes at least 80 hours of community service
 - ▶ Has a combination of hours of work, community service, work program, or educational program totaling at least 80 hours per month

Work requirement exemptions

- ▶ Individuals who do not meet work requirements may be eligible for Apple Health for Adults when they meet an exemption.
- ▶ Exemptions include:
 - ▶ Under age 19
 - ▶ Foster youth or former foster youth under age 26
 - ▶ Pregnant or in postpartum period
 - ▶ Parent/caretakers of children under 14
 - ▶ Parent/caretaker of individual with disability
 - ▶ Tribal members
 - ▶ Incarcerated or within 90 days post-release period
 - ▶ Household member on SNAP (food assistance) or TANF (cash assistance)
 - ▶ Entitled to Medicare Part A or B
 - ▶ Disabled veteran with 100% total disability
 - ▶ Medically frail
 - ▶ Alcohol or Substance Use Disorder treatment (AUD/SUD)
 - ▶ Short-term hardship

Medical frailty exemption

- ▶ Available to individuals with:
 - ▶ Serious or complex conditions
 - ▶ Substance use or mental disorders
 - ▶ Disabilities that significantly impair the ability to perform daily living activities
- ▶ CMS rule limited exemption to individuals whose disability or condition significantly impairs their ability to comply with the work and community engagement requirement.
 - ▶ This will increase burden on customers and providers as medical claims and encounter data do not include information about functional work capacity.
- ▶ CMS requires states to develop a list of diseases, diagnoses, disorders, and other health factors to identify individuals who will qualify for this exemption.

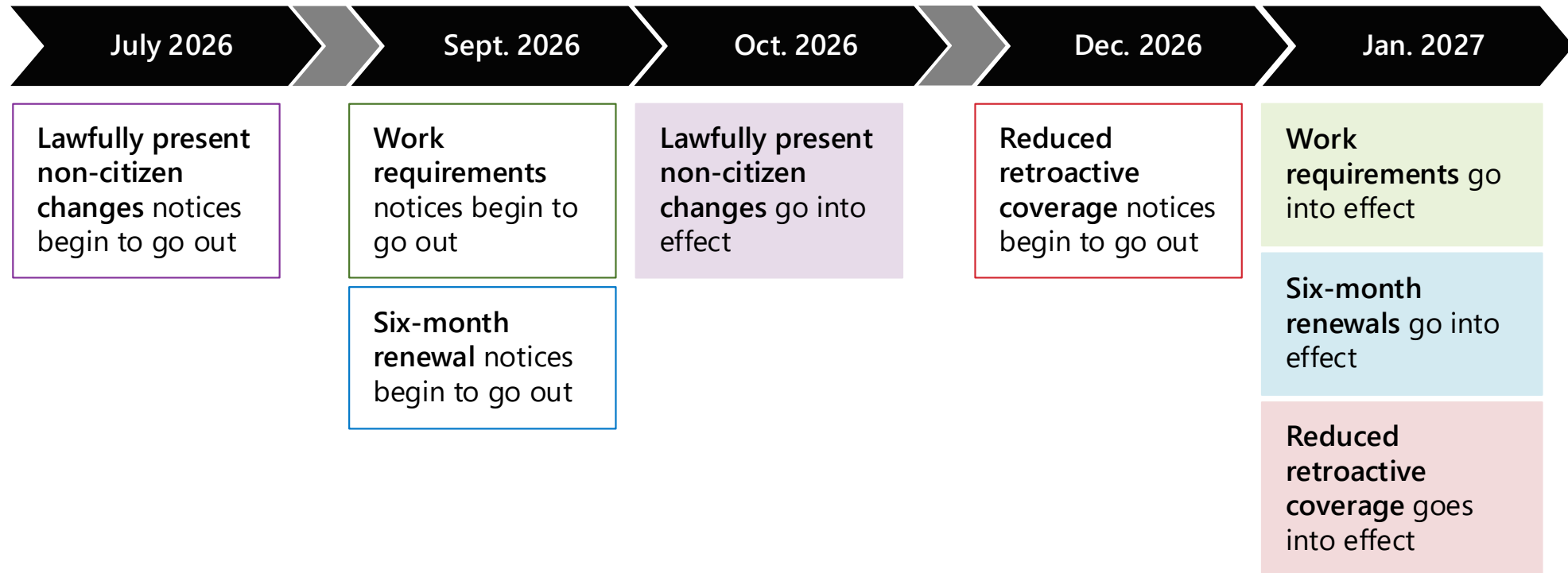
Medical frailty exemption, cont.

- ▶ HCA collected public comment on a medically frail code list
 - ▶ Public comment ended June 19
- ▶ Based on guidance from CMS and requirements from the interim final rule, HCA is adopting a diagnosis code list and methodology developed by the Harvard school of Public Health.
 - ▶ H.R.1 update: Guidance on medical frailty for providers
 - ▶ Medically Frail Exclusion from Community Engagement Requirements

Medical frailty exemption verification

- ▶ Beginning January 2028, an individual may use self-attestation to establish medical frailty **once** during a period of enrollment.
- ▶ State verification:
 - ▶ States may reverify medical frailty every 6 or 12 months, at the option of the state; however, states can only rely upon data or documentation (not self-attestation) for a 12-month period.
 - ▶ Permanently disabling conditions require annual verification.

Customer outreach timeline



Other H.R. 1 provisions

Six-month redeterminations

- ▶ Effective January 2027, Apple Health for Adults certification period is reduced from 12 months to six months
- ▶ Additional burden for individuals who must manually renew their coverage
 - ▶ Today, approximately 20% must manually renew
 - ▶ Expecting this percentage could grow with work requirement rules
- ▶ Expecting a significant increase in call volumes and community-based organization (CBO) engagement

State directed payments (SDPs) and provider taxes

- ▶ H.R. 1 and associated CMS SDP proposed rule:
 - ▶ Prohibit new SDPs from exceeding Medicare payment levels.
 - ▶ Require existing SDPs to reduce by 10% per year beginning in 2028 until they reach Medicare levels.
 - ▶ Extended caps to Medicaid fee-for-service (FFS) payments
 - ▶ Restricts permitted use of value-based purchasing (VBP) models in managed care
 - ▶ Prevents Medicaid capitation rates from assuming provider payments above Medicare limits
- ▶ CMS proposed rules will also restrict implementation of new provider taxes, including certain new taxes on health insurers

Community connection and client outreach

Stakeholder engagement

- ▶ Changes Coming to Apple Health
- ▶ Apple Health (Medicaid) Work Requirements
- ▶ HCA established Community Connector forums to engage broad external stakeholders. Includes distribution of materials and webinars for:
 - ▶ Formally trained Navigators and Assisters
 - ▶ Providers, CBOs, Tribes, and other external partners
- ▶ Communications Toolkit
- ▶ Social Media Toolkit
- ▶ Desk guide for legislative offices: Helping constituents with H.R. 1 changes



WASHINGTON

RURAL HEALTH TRANSFORMATION

Rural Health Transformation Program Update

Disclaimer: This presentation is supported by the Centers for Medicare & Medicaid Services (CMS) of the U.S. Department of Health and Human Services (HHS) as part of a financial assistance award totaling \$181,257,515.06 to the Washington State Health Care Authority 100 percent funded by CMS/HHS. The contents are those of the author and do not necessarily represent the official views of, nor an endorsement by, CMS/HHS or the U.S. Government.

Rural Health Transformation Program (RHTP)

- ▶ Five-year cooperative agreement under H.R. 1 (One Big Beautiful Bill Act), authorized by Centers for Medicare & Medicaid Services (CMS).
- ▶ Empowers states to strengthen rural communities across America by improving health care access, quality, and outcomes by transforming the health care delivery ecosystem.
- ▶ Washington awarded over \$181 million for Budget Period 1 on December 29, 2025. There will be 5 distinct Budget Periods awarded through the life of the RHT Program.
- ▶ Washington will be held accountable to delivering on the initiatives and activities spelled out in our application.

Washington RHT program at a glance

\$181.26 million – year one

Total federal award for budget period 1 - CMS/HHS 5-year cooperative agreement

1.1 Million

Rural Washingtonians served across 30 counties

29

Federally recognized Tribal Nations partnered as sovereign governments

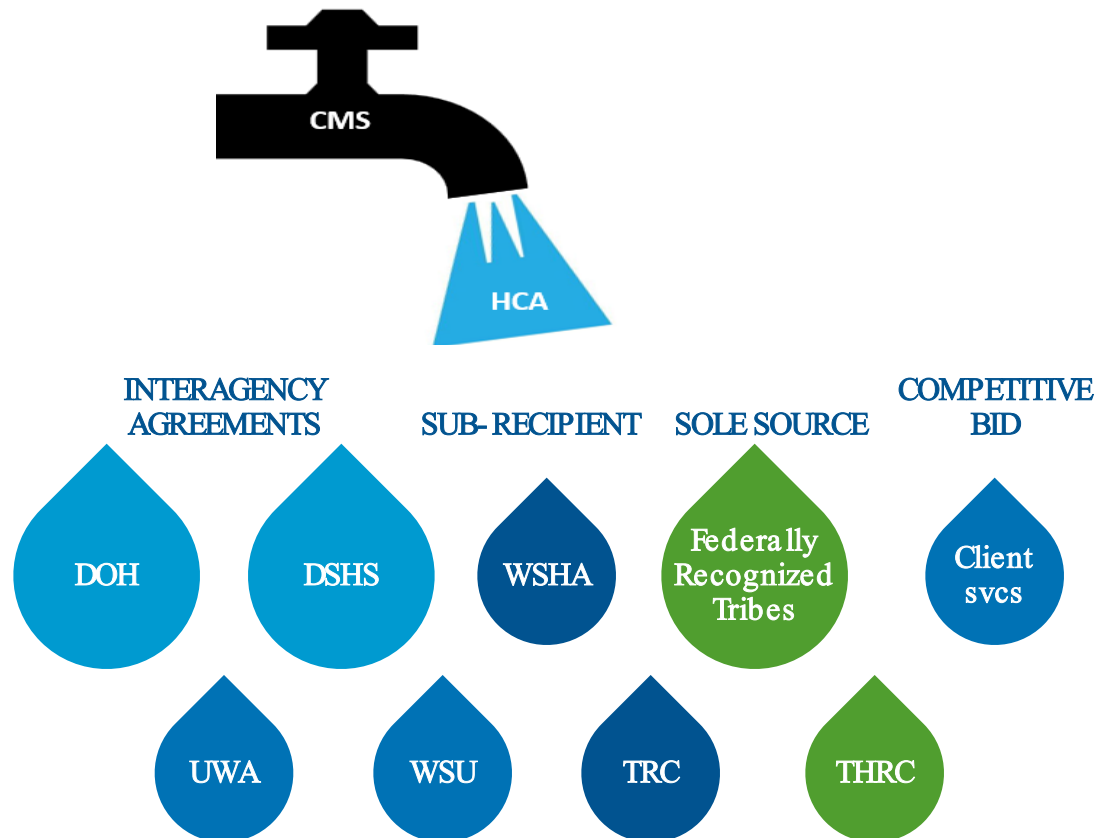
Reaching all 30 rural counties:

- 36 Rural hospitals
- 30 Rural Collaborative network hospitals
- 29 Federally Recognized Tribes
- 70 rural FQHCs and 110 rural clinics
- 13 community mental health centers
- 5 opioid treatment providers
- 12 CCBHCs
- 62 school districts
- 10 Area Agencies on Aging
- Rural EMS agencies
- Other providers

1	Ignite innovation in rural hospitals	\$60M
2	Prevent disease & manage care in community settings	\$18M
3	Invest in the health of Native families	\$19M
4	Adopt technology and data solutions	\$19M
5	Develop Washington's rural workforce	\$32M
6	Expand and sustain rural behavioral health	\$25M

Washington's approach

- ▶ HCA is the primary recipient
- ▶ Joint effort of HCA, DOH, and DSHS, in partnership with the Governor's Office.



Competitive bid/review: public solicitation for bidders to propose solutions and associated costs for contracting certain goods/services.

Sign up for updates at [govDelivery](https://govdelivery.com)

Check Washington state agencies for contracting opportunities:

- [Health Care Authority](#)
- [Department of Health](#)
- [Department of Social and Health Services](#)

[Register with Washington's Electronic Business Solution](#)

Where the money goes: by purpose

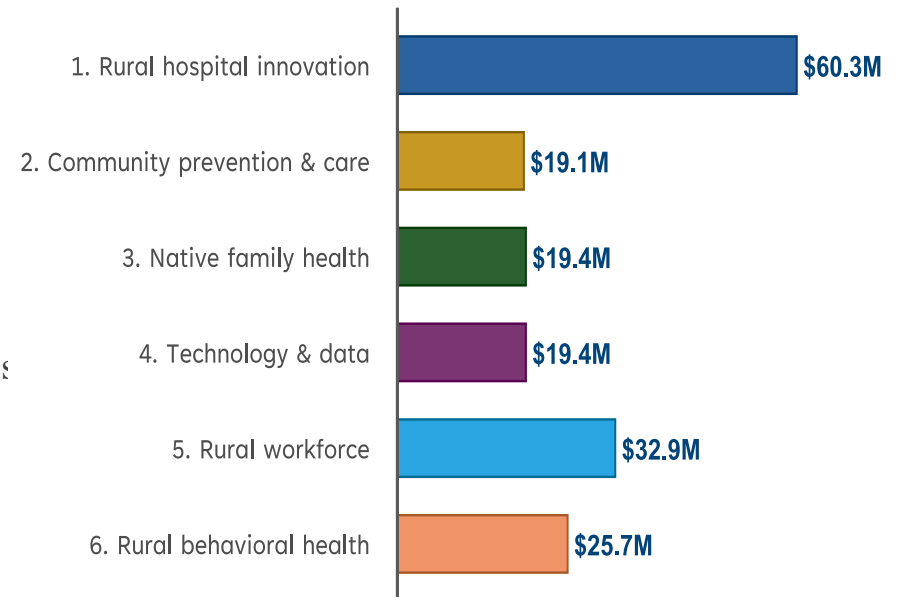
► **\$181.26M** (\$18m allowed for administration)

► **WA RHT Administration \$4.59M**

► **Direct program funds \$176.67M** for Initiatives

1. **Rural Hospital Innovation (\$60M)**
New technology, coordinated services, sustainable payment models
2. **Community Prevention & Care Coordination (\$18M)**
Community-based programs that manage care outside clinical settings
3. **Tribal Health Investments (\$19M)**
Tribal-led care, workforce development, invest in families
4. **Technology & Data Solutions (\$19M)**
Tools that improve access, care coordination, and system efficiency
5. **Rural Workforce Development (\$32M)**
Training and recruitment for nurses, primary care, and community health workers
6. **Behavioral Health System Expansion (\$25M)**
Crisis response, telehealth, and a stronger behavioral health workforce

Budget Period 1 funding by initiative (\$176.67M)



*Funding depends on a CMS-approved annual budget proposal.

How the money flows

HCA \$130.00M Health Care Authority - primary recipient		DOH \$31.72M Department of Health		DSHS \$14.96M Department of Social & Health Services	
SUB-RECIPIENT		INTERAGENCY AGREEMENT		INTERAGENCY AGREEMENT	
1.3	WSHA - tech & cyber	\$42M	5.4	Grow-your-own training	\$9.91M
1.1	TRC - 30 member hospitals	\$5.43M	5.5	Rural workforce incentives	\$9.71M
SOLE SOURCE		\$21.55M	5.3	Rural Nursing Education	\$3.50M
3.1	WA 29 Federally Recognized Tribes	\$19.41M	2.3	EMS interfacility transport	\$3.00M
1.2	Rural Health Redesign Center	\$2.14M	6.1	Mobile crisis MDT	\$2.78M
INTERAGENCY AGREEMENT		\$17.46M	2.1	Community-based workforce	\$2.20M
5.1	UW - WWAMI residency	\$5.46M	2.4	Community center refit	\$0.54M
6.3	OSPI - youth in rural areas	\$5.14M	2.4	Care-A-Van triage	\$0.08M
4.1	UW - Project ECHO	\$4.28M			
5.2	WSU - rural training	\$2.57M			
COMPETITIVE BID and Client Services*		\$43.56M			
4.2	Provider tech & cyber, non-hospital	\$11.05M			
1.4	Hospital specialty growth	\$10.71M			
6.1	Mobile crisis MDT*	\$7.93M			
6.4	OTP recruitment	\$6.64M			
6.2	CCBHC transition*	\$3.21M			

Competitive awards through Request for Application (RFA)

4.2 Provider technology and cybersecurity fund - \$11.5 M

- ▶ To improve access and upgrade technology, telehealth, and remote monitoring
- ▶ For non-hospital providers: dental, doulas, midwives, FQHCs, RHCs, BH clinics, community-based health clinics and organizations, Federally Recognized Tribes, EMS, private and non-profit orgs including adult family homes.
- ▶ Applications received from across WA from over 80 health care providers.
- ▶ Awards in process

RFA 1.4 – Hospital Specialty Care, Maternal, EMS, & Specialty Services - \$10.71 M

- ▶ To incentivize hospitals to develop comprehensive strategies to sustain and maintain
 - ▶ Maternal and obstetric services
 - ▶ Emergency department services
 - ▶ Specialty Care Services
- ▶ Hospitals that serve rural statewide
- ▶ 28 received
- ▶ Awards in process

Initiative 1: Ignite innovation in rural hospitals

- ▶ The Rural Collaborative is working with 30 independent rural hospitals to build capacity and improve revenue cycle management
- ▶ Washington State Hospital Association is receiving applications from hospitals for critical technology infrastructure and maintenance needs, including replacing 15-year-old filtration and sterilization equipment, computer servers, and sanitation equipment
- ▶ HCA and the Rural Health Redesign Center are meeting with rural hospital CEOs and CFOs to begin co-designing a payment model
- ▶ Completed the competitive bid process for rural hospitals to invest in maternal, emergency, and specialty services



Rural Nursing Leadership Symposium — Jefferson Healthcare, member of The Rural Collaborative

Initiative 2: Prevent disease and manage care

“My granddaughter is going off to college tomorrow. She should have this with her.”
– Anonymous grandmother picking up naloxone nasal spray, Care-A Van attendee

- ▶ Developing two Community Health Worker trainings from focus group input
- ▶ Statewide assessment of SBIRT programs
- ▶ Care-A-Van attended a back-to-school event in Lewis County, August 2026
- ▶ Evaluating 16 community hub proposals from Tribal and local health partners
- ▶ One rural high schools will expand testing capacity to community members
- ▶ Working with the Office of Deaf and Hard of Hearing (ODHH) to develop ASL Caregiver training video
- ▶ New caregiver testing locations across nine counties
- ▶ Up to 500 caregivers gain access to Trualta, a web-based training platform
- ▶ Expand Building Dementia Capable Communities from two Area Agencies on Aging to six in year one
- ▶ WA211 helpline expansion



Care-A-Van is a mobile care clinic providing services to rural Washington

Initiative 3: Invest in the health of Native families

- ▶ Support Tribal members' participation in Behavioral Health Aide Program
- ▶ Hire a Rural Health Care Coordinator to develop and implement care coordination agreements with hospitals
- ▶ Remove barriers to specialty care by providing transportation for Tribal members to get care off the reservation
- ▶ Modernize existing health information technology infrastructure
- ▶ Expand access to culturally responsive care at the Jamestown Salish Seasons by strengthening the behavioral health workforce
- ▶ [HCA Tribal RHT webpage](#)



Photo: Jamestown Salish Seasons Evaluation and Treatment Center; courtesy of Jamestown S'Klallam Tribe

Initiative 4: Adopt technology and data solutions

- ▶ Project ECHO is a long -standing program that gives rural providers broader opportunities to reach specialists where access to consults and tele-monitoring is limited
- ▶ University of Washington's Project ECHO is considering expanding current programs and is evaluating demand for new ECHO programs such as perinatal psychology, chronic kidney disease, and chronic respiratory disease
- ▶ Completed competitive bid process for providers adopt technology and data solutions. For example, upgrading technology, telehealth, and remote monitoring system.



Project ECHO participant interview responses



WASHINGTON
RURAL HEALTH TRANSFORMATION

Initiative 5: Develop Washington's rural workforce

"It has been my number one dream to become a nurse in my rural community. There are a lot of nurses needed, and since I speak both English and Spanish, that will definitely benefit rural nursing." – RNEP student

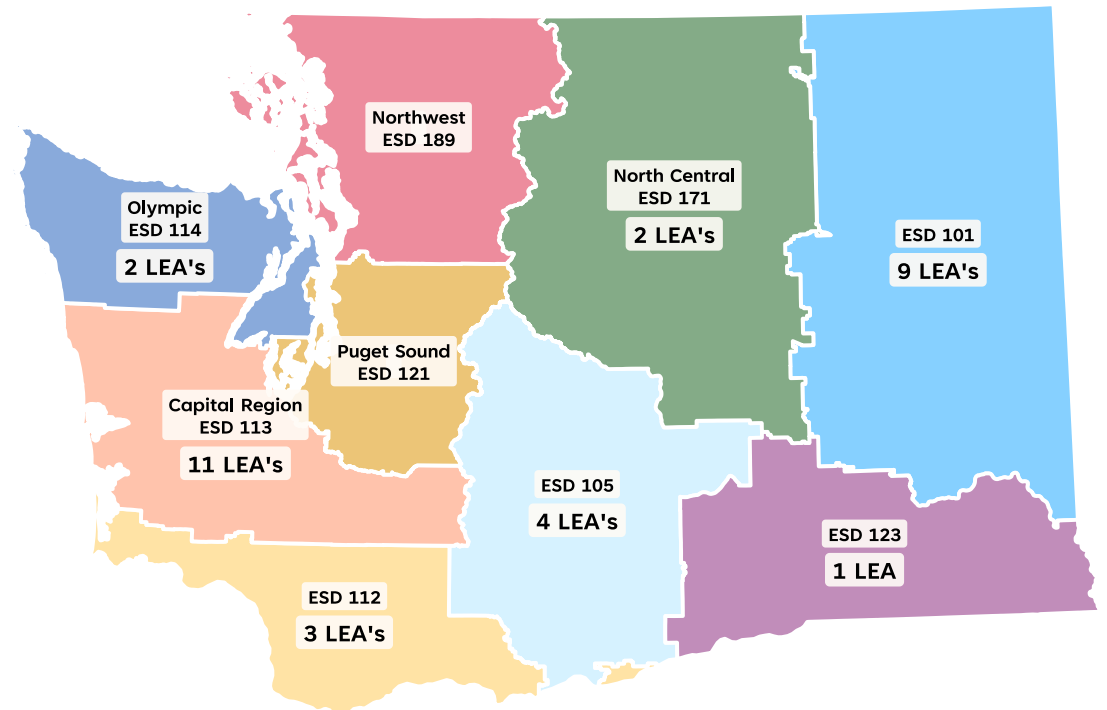
- ▶ 35 Rural Nursing Education Program students, 2 new academic partners and 16 Critical Access Hospital partners participating year 1
- ▶ Learning Management System (LMS) to remotely train Area Health Education Center (AHEC) Scholars
- ▶ Direct Support Professional (DSP) Apprenticeship Program
- ▶ Reviewing contractor packets for curriculum development



Initiative 6: Expand rural behavioral health

- ▶ Finalizing contracts for investment of \$3.2M in CCBHCs
- ▶ Finalizing contracts with BH -ASOs and Tribes to support \$7.9M in investments in mobile crisis
- ▶ 21 county Medical Program Directors to conduct assessments of EMS opioid and behavioral health activities
- ▶ Contracted with the Office of Superintendent of Public Instruction (OSPI) to expand the number of school systems able to utilize Medicaid Funding
- ▶ Finalizing contracts for competitive applications to improve recruitment and retention for opioid treatment providers (OTP)

Washington State Educational Service Districts



Local Education Agencies selected by OSPI for year one (32 in total)

RHT Advisory Committee update

- ▶ [Representing rural healthcare across the state - Roster of committee members available on the RHT webpage](#)
- ▶ Primary topics and initial aims
 - ▶ Establish a working charter and group agreements
 - ▶ Develop shared conceptual understanding of rural health in WA, including needs and assets
 - ▶ Discuss work underway for each RHTP Initiative
- ▶ Looking ahead:
 - ▶ Identify and workshop points for process improvement and evaluation framework/metrics for success
 - ▶ Host community and cross -sector roundtables to invite broader feedback and perspectives

Year 1 Insights from Washington

Building for rural transformation from the start

BUILD THROUGH EXISTING SYSTEMS AND PARTNERSHIPS

Engage early and often.
Prioritize local providers and communities.

DESIGN SUSTAINABILITY INTO THE MODEL

Balance immediate needs with long term goals.

LEARN, VALIDATE & ADAPT BEFORE SCALING

Use early implementation to test assumptions and refine investment.

EVALUATE EARLY AND OFTEN:

Year 1 as evidence

Baselines, early implementation findings, and applicant narratives are building a more current picture of rural access needs.

NORTH STAR

Person-centered, high quality, whole person care
Ensure rural Washington, is a place people can call home across their whole lifespan, where every resident has reliable access to quality care in their own community.



WASHINGTON
RURAL HEALTH TRANSFORMATION



Questions?

► Contact:

► LegReview@hca.wa.gov

Resources

RHTP Resources

- ▶ [Rural Health Transformation Program](#): new program landing page for background, goals, upcoming events, and news
- ▶ [What we're working on](#): the six initiatives and link to sub - a wardees
- ▶ [How to participate](#): funding opportunities
- ▶ [Resources](#): Project Narrative, previous webinars, future fact sheets, and reports
- ▶ Update your bookmarks
 - ▶ Temporarily, the old RHT Program page URL redirects to the new URL
 - ▶ New URL: <https://www.hca.wa.gov/about-hca/programs-and-initiatives/rural-health-transformation-program>

RHTP Community Advisory Committee

Tribal delegates (2 positions)

- Councilwoman Seymour — Tribal Elected Official, Confederated Tribes of the Colville Reservation (Okanogan)
- Sarah Sullivan — Health Policy & Self Gov Dir, Swinomish Indian Tribal Community (Skagit)

Rural hospitals

- Tyson Lacy — CEO, Lincoln Hospital District No. 3 (Lincoln)

Local Health Jurisdictions (LHJs)

- James Wallace — Health Officer, Okanogan County Public Health District & Chelan Douglas Health District (Okanogan)

Federally Qualified Health Centers (FQHCs)

- Carl Olden — Physician and Residency Training Program, Community Health of Central Washington (Yakima & Yakama Reservation)

Behavioral Health Provider

- Julia Mackaronis — Lead Mental Health Clinician, Roger Saux Health Center, Quinault Indian Nation (Grays Harbor)

Allied Health Professional

- Devon Woodley — Family Nurse Practitioner, Ferry County Public Hospital District (Ferry)

Medical Professional

- Bindu Nayak — Endocrinologist and VP of WSMA (Douglas)

Labor Organization

- Cenetra Pickens — Dir of Nursing and Allied Health Strategy, SEIU 1199NW Healthcare Multi-Employer Training Fund (Pierce)

State Council on Aging / Area Agencies on Aging

- Laura Cepoi — ED, Olympic Area Agency on Aging (Jefferson)

Community – East (2 positions)

- Deb Miller — ED, Community Choice dba Action Health Partners (Douglas)
- Jessica Whitehawk — Founding ED, Ttáwaxt Birth Justice Center (Yakima)

Community – West (1 position)

- Adria Williams — Ambulance/EMS Supervisor, Forks Community Hospital (Clallam)

H.R. 1 resources

- ▶ [Changes coming to Apple Health](#) (for clients)
- ▶ [Apple Health \(Medicaid\) Work Requirements](#) (for clients)
- ▶ [H.R.1 impacts](#) (for stakeholders)
- ▶ [Supporting clients with changes to Apple Health](#) (Apple Health Community Connectors – for community)
- ▶ Stay connected with us:
 - ▶ [Sign up for Apple Health GovDelivery](#)
 - ▶ Select Apple Health programs and eligibility “general information and updates”

H.R. 1 stakeholder webinars

- ▶ HCA holds quarterly stakeholder webinars providing H.R.1 updates.
- ▶ 2026 H.R.1 webinar dates
 - ▶ Session 1: [View the webinar](#) | [Presentation slides](#) | [Session 1 webinar FAQ](#)
 - ▶ Session 2: [View the webinar](#) | [Presentation slides](#)
 - ▶ Session 3: [View the webinar](#) | [Presentation slides](#)
 - ▶ Session 4: December 3 at 10 a.m.
- ▶ Sign up for GovDelivery to register for future H.R. 1 webinars
 - ▶ public.govdelivery.com/accounts/WAHCA/subscriber/new

Scan for H.R. 1 Resources

Changes coming
to Apple Health



H.R. 1 Impacts

