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Gov. Lee Announces Submission of Tennessee's Rural Health Transformation Proposal

Proposal pursues healthcare improvements for the future, builds on foundation of meaningful progress to enhance rural healthcare throughout Lee administration

NASHVILLE, Tenn. – Today, Tennessee Governor Bill Lee announced that the State has submitted its application to access federal grant funding through the Rural Health Transformation Program (RHTP), which is designed to improve healthcare access, quality, and outcomes in rural communities nationwide.

“Tennessee has an historic opportunity to invest in and strengthen healthcare for rural communities for generations to come,” **said Gov. Lee.** “We know what works, because supporting at-risk and underserved Tennesseans has been a priority of my administration since day one. I’m grateful to the Trump Administration for their partnership to ensure better care, closer to home, for every Tennessean.”

Through passage of The One Big Beautiful Bill Act, Congress established the RHTP on July 4, 2025, making \$50 billion available to states over the next five years to expand access to care and support sustainable rural health systems. Each year, \$5 billion will be shared equally among participating states, and the U.S. Department of Health and Human Services, through the Centers for Medicare & Medicaid Services (CMS), will distribute the remaining \$5 billion based on competitive scoring criteria.

Tennessee’s proposal aligns with CMS’ guiding principles and sets forward five major goals:

- **Goal 1: Rural Healthcare Transformation:** Strengthen rural health systems by modernizing facilities and expanding value-based care.
- **Goal 2: Maternal and Child Health:** Support strong starts for rural families through generational health investments.
- **Goal 3: Prevention & Community Health:** Increase early detection, expand access to preventative services, and improve local nutrition and wellness.
- **Goal 4: Health Technology & Infrastructure:** Invest in digital tools that improve care coordination, reduce administrative burden, and support innovative service delivery.
- **Goal 5: Workforce Development:** Build and retain a skilled rural healthcare workforce through education and training pathways.

“Tennessee can be a national model for how rural systems deliver sustainable, high-quality care anchored in prevention, innovation, and value,” **said Tennessee Health Commissioner Dr. John**

Dunn. “We are ready to achieve meaningful results through this program – during and beyond the five-year grant period.”

Tennessee enters the RHTP building on the foundation of meaningful progress under Gov. Lee’s leadership:

- Created the [Governor’s Rural Health Care Task Force](#), a public-private partnership for developing innovative program, policy, and funding opportunities;
- Established the [Rural Health Resiliency Program](#), providing healthcare project grant awards that reach 100 percent of Tennessee counties designated as at-risk or distressed;
- Strengthened the [Healthcare Safety Net](#) through community, faith-based, and rural providers;
- Expanded access to dental services and workforce development opportunities for the dental profession through the [Healthy Smiles](#) initiative;
- Supported [County Health Councils](#) and their local work to assess and implement health solutions in every rural community across Tennessee;
- Renovated and modernized facilities at more than **30 county health departments**;
- Most recently, established the [Rural Health Center of Excellence](#) with the University of Tennessee Health Science Center to address preventative care and health services challenges facing rural Tennesseans.

For more information about the Rural Health Transformation Program, click [here](#).

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