

## Michigan Rural Health Transformation Program: Frequently Asked Questions

### **What is Michigan's Rural Health Transformation Program (RHTP)?**

RHTP, administered by the Michigan Department of Health and Human Services (MDHHS), provides time-limited funding to help rural communities transform care delivery to improve access, quality and long-term sustainability.

### **What is the primary purpose of RHTP funding?**

RHTP funding is intended to support measurable care transformation activities, not to permanently subsidize hospital operations or backfill losses.

### **Is there a risk that CMS could require repayment ("claw back") of RHTP funds?**

Yes. CMS may require repayment if funds are used for unallowable purposes, lack required documentation or if approved transformation activities and reporting requirements are not met.

### **Are there limitations on using RHTP funds to make payments to providers?**

Yes. RHTP funds may not be used for unrestricted payments to providers and must be tied to specific, documented transformation activities, deliverables or services that advance approved care redesign goals. **RHTP funds may not be used to fund activities that are already being paid for by existing funding sources.**

### **Can RHTP funds be used to replace an existing EMR?**

If the existing EMR is a HITECH certified EMR, only 5% of the total RHTP funds awarded to a state can be used to help providers purchase new or replacement EMR. This funding limitation does not apply to EMR upgrades, enhancements or added functionality, provided the upgrades, enhancements and added functionality will help providers meet the goals outlined in the state's RHTP application.

### **Can RHTP funds be used for other health IT investments?**

Yes. Allowable uses include technical assistance, software and hardware purchases, enhancements to foster interoperability, population health tools, data analytics and cybersecurity measures needed to support care transformation.

### **Can RHTP funds be used for capital or facility improvements?**

Yes, on a limited basis, when renovations or equipment are necessary to support redesigned models of care and long-term sustainability.

### **Can RHTP funds be used to cover routine operating expenses?**

No. Funds may not be used for day-to-day operations or staffing unrelated to transformation activities.

### **Can RHTP funds be used to cover hospital losses or revenue shortfalls?**

No. Funding cannot be used to backfill historic deficits or ongoing financial losses without care redesign.

### **Can RHTP funds replace existing federal or state funding?**

No. Funds may not supplant existing funding sources or pay for costs already covered by other programs.

### **Can RHTP funds be used for new construction or major expansion projects?**

No, unless the capital investment is directly tied to a transformed care model and justified in the application.