



ARIZONA STATE SENATE
Fifty-Seventh Legislature, Second Regular Session

FACT SHEET FOR S.B. 1316

Arizona rural health transformation fund

Purpose

Establishes the Arizona Rural Health Transformation Fund (Fund) under the Arizona Health Care Cost Containment System (AHCCCS) consisting of monies received through the Rural Health Transformation Program (RHTP) and establishes procedures for utilization of Fund monies.

Background

The RHTP is a federal program that directs \$10 billion per year for each of FYs 2026 through 2030 toward promoting rural health innovation, strategic partnerships, infrastructure development and workforce investment. Half of the allocated monies must be distributed to states upon approval of each state's proposed RHTP plan by the U.S. Centers for Medicare and Medicaid Services.

To be eligible for an allotment from the RHTP, a state must submit an application that includes prescribed information, including a detailed plan to: 1) improve access to hospitals, health care providers and health care items and services for rural residents of the state; 2) improve health care outcomes of rural residents; 3) prioritize the use of new and emerging technologies that emphasize prevention and chronic disease management; 4) initiate and strengthen local and regional strategic partnerships between rural health care providers; 5) enhance economic opportunity for, and supply of, health care clinicians through enhanced recruitment and training; and 6) prioritize data and technology driven solutions that help rural hospitals and health care providers furnish high-quality health care services as close to a patient's home as possible. The plan must outline strategies to manage long-term financial solvency and operating models of rural hospitals in the state and identify specific causes driving the accelerating rate of stand-alone rural hospitals becoming at risk of closure, conversion or service reduction ([P.L. 119-21, 119th Congress, 2025](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Establishes the Fund consisting of monies received by the state through the RHTP.
2. Requires AHCCCS to administer the Fund.
3. Requires AHCCCS, before the Executive Branch may spend any of the monies in the Fund, to hold three public meetings in each of the largest metropolitan areas in Northern, Central and Southern Arizona to receive input and feedback regarding how the monies should be spent.

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4. Requires AHCCCS, after the three meetings have been held, to submit an expenditure plan for the monies received through the RHTP to the Joint Legislative Budget Committee for approval.
5. Specifies that the Fund monies are continuously appropriated.
6. Becomes effective on the general effective date.

Prepared by Senate Research

January 26, 2026

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