



# Measuring outcomes under CMS's Rural Health Transformation Program



## From program design to impact: The importance of performance measurement in RHTP

Rural communities across the United States face persistent challenges in accessing timely, high-quality healthcare. More than 60 million Americans, nearly one fifth of the US population, live in rural areas where provider shortages, hospital closures, and longer travel distances affect access to essential services.<sup>1</sup> The Centers for Medicare & Medicaid Services' (CMS) Rural Health Transformation Program (RHTP) was established to address these challenges through sustained investment in strengthening rural health systems over time. Designed as a cooperative agreement, the program emphasizes steady, measurable progress across multiple budget periods, reflecting CMS's view that meaningful improvement requires long-term commitment. States submit a single, five-year application and undergo annual CMS reviews to assess progress on approved initiatives and policy commitments.

In this context, performance measurement not only should support program implementation but also must be maintained throughout the agreement and is central to how CMS evaluates the success of state-implemented programs. Performance data indicates whether initiatives are being executed as proposed, whether they are generating credible signals of impact, and whether evidence is informing ongoing decision-making. It also enables states to communicate progress to stakeholders by

demonstrating how program investments translate into meaningful improvements in health access, quality, or outcomes. Treating performance tracking as an ongoing management function, rather than a reporting obligation tied solely to deadlines, can help position states to demonstrate progress, respond to CMS inquiries, support continued funding across budget periods, and reinforce program value to the communities they serve.



# The stakes: How funding is directly tied to performance

Under RHTP, continued funding across the five-year program is explicitly linked to ongoing performance and compliance. CMS may decrease, suspend, or terminate awards if performance expectations are not met or award requirements are not satisfied, directly tying performance measurement and documentation to financial risk.<sup>2</sup>

CMS has clarified how performance and reporting directly influence funding decisions: Continued eligibility and funding under RHTP are contingent on satisfactory performance, compliance with award terms and conditions, and adherence to reporting requirements. Performance data submitted through required annual and quarterly reports informs a formal rescoring process used to determine funding distributions for subsequent budget periods.<sup>3</sup>

Figure 1: HHS grant management process

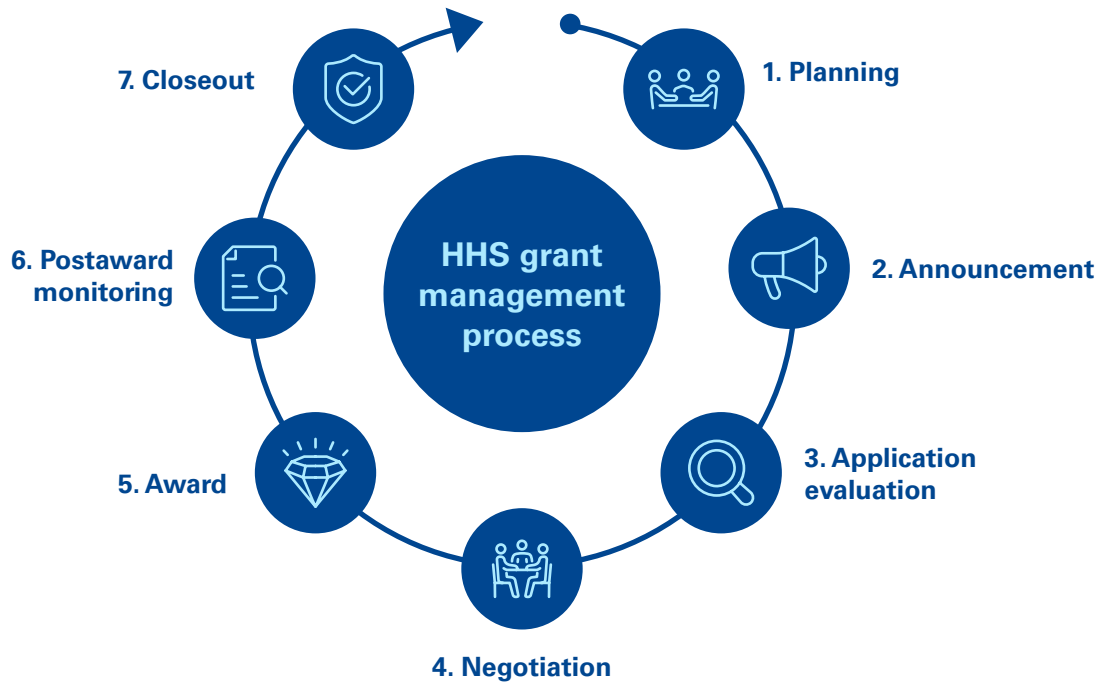


Figure 1, the Health and Human Services (HHS) grant management process, illustrates that federal oversight extends well beyond the initial award, spanning multiple phases including planning, application review, negotiation, postaward monitoring, and closeout. This end-to-end lifecycle reinforces that performance monitoring and reporting are continuous requirements throughout the grant period, not one-time activities tied to funding decisions.<sup>4</sup> Annual continuation funding under RHTP is determined through the Non-Competing Continuation (NCC) application, which states must submit for each subsequent budget period. CMS requires states to submit progress reports along with NCC applications so that CMS has the information needed to make continuation funding decisions.<sup>5</sup> NCC applications are due approximately 60 days before the end of each budget period, reinforcing the need for continuous, year-round performance tracking. This reporting cadence extends beyond the annual cycle, with quarterly reporting supporting

short-term monitoring and operational adjustment while generating the performance evidence CMS reviews as part of annual continuation and funding determinations, including rescoring.<sup>3,5</sup>

CMS also recognizes that certain outcomes, particularly long-term health outcomes, may take several years to materialize. As clarified in the RHTP Frequently Asked Questions (FAQs), states are not expected to demonstrate measurable progress on long-term outcomes until 2028 at the latest.<sup>5</sup> This deferral, however, does not reduce expectations around planning and infrastructure. CMS guidance implies that states should define metrics, establish baselines, identify data sources, and build reporting systems in advance of formal reporting requirements to enable performance tracking and ongoing program evaluation.<sup>3</sup> Early program years are therefore critical for laying the foundation for credible outcome reporting once it is required.<sup>5</sup>

# Framework for accountability: Strategic goals and annual reviews

Statewide performance under RHTP is organized around five CMS strategic goal areas: Make Rural America Healthy Again, Sustainable Access, Workforce Development, Innovative Care, and Technology Innovation.<sup>4</sup> These goals define the outcome domains CMS uses to assess statewide progress and evaluate whether funded initiatives collectively advance program intent. The review

process is structured around five sequential budget periods aligned with federal fiscal years. Continuation funding for budget periods 2 through 5 is contingent on timely NCC submissions demonstrating satisfactory progress. As further clarified by CMS, annual reporting data, along with required quarterly updates, feeds a standardized rescoring process that recalculates initiative-based funding factors each budget period.<sup>3</sup> Because budget period 1 is shorter than subsequent periods, early performance tracking and documentation are particularly important for supporting continuation decisions.

**Figure 2: Fund distribution and use deadlines**

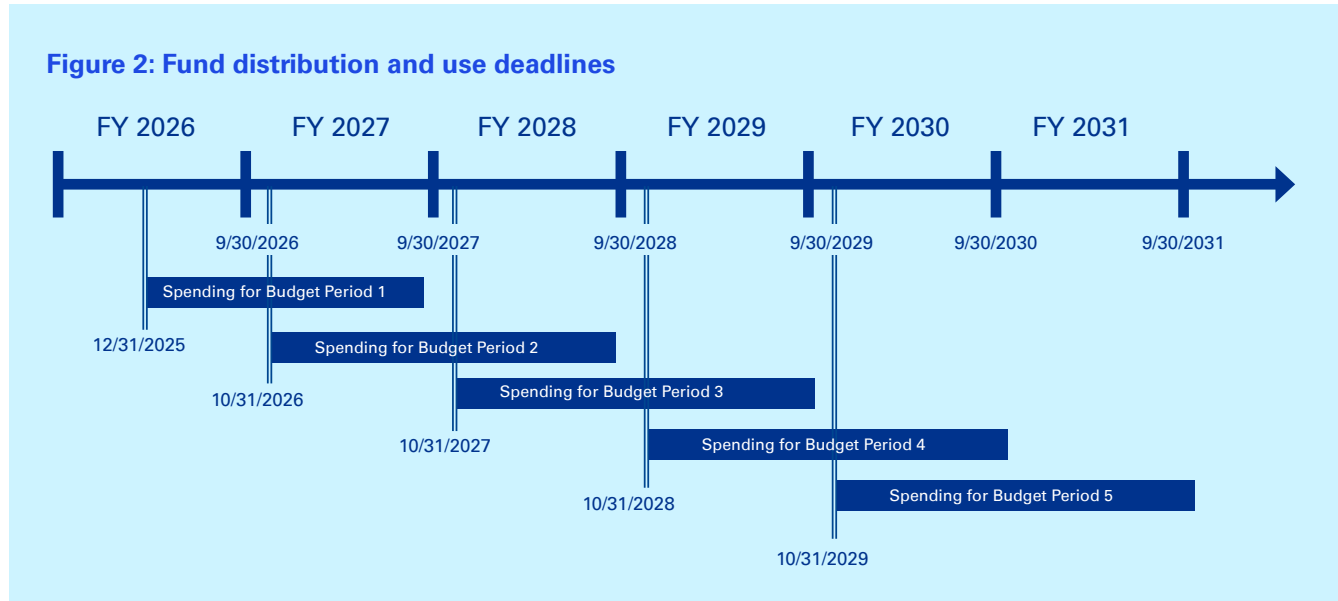


Figure 2 shows the alignment between federal fiscal years, RHTP budget periods, and allowable spending windows for awarded funds. Under the program, funds not spent within required timeframes may be subject to redistribution, although redistribution is not shown here.<sup>4</sup>

## Meeting CMS RHTP performance and reporting expectations

### Connecting initiative-level tracking to statewide accountability

Although CMS evaluates progress at the statewide level, initiative-level tracking is central to demonstrating implementation progress and supporting continuation funding decisions. CMS requires states to report initiative-specific narrative updates, metric values, and supporting documentation aligned to defined checkpoints as part of ongoing reporting and rescoring processes.<sup>2,3</sup> Clear assignment of ownership for performance measures enables initiative leads to

manage reporting inputs, coordinate submissions across subrecipients, and elevate performance risks through established oversight structures.

### Defining measures and establishing baselines

Operational performance tracking begins with clearly defined measures and documented baselines for each approved initiative. These baselines establish the reference point for assessing progress across budget periods and supporting performance narratives over time. CMS expects states to rely on the best available data, apply consistent methodologies, and transparently document assumptions and limitations, even where data maturity varies.<sup>2</sup> Required submissions must include current metric values and supporting methodology.<sup>3</sup>

## Managing evolution of performance measures over the program lifecycle

Performance measures under RHTP are expected to evolve as initiatives mature. Early program years may appropriately emphasize implementation milestones, while later periods increasingly focus on trends, outcomes, and evidence of impact. CMS evaluates initiative progress using a standardized checkpoint framework, with partial and completed milestones contributing to annual rescoring determinations.<sup>3</sup> States must therefore maintain continuity in measurement while allowing measures to adapt as initiatives move from launch to sustained operation.

## Establishing reporting and oversight infrastructure

Consistent performance reporting is supported by defined intake processes, standardized templates, and centralized oversight. Structured approaches to data validation and documentation help ensure comparability across initiatives and subrecipients. Integrating performance data into centralized environments enables cross-initiative analysis and helps position states to respond efficiently to quarterly reporting, NCC submissions, routine CMS monitoring, and audits. CMS has emphasized the importance of maintaining organized, submission-ready documentation throughout the year to support initiative-level progress reporting.<sup>3</sup>

While CMS guidance outlines what states must demonstrate to support continuation funding, translating these requirements into day-to-day operations often requires additional strategic and operational decisions.



## Embedding performance management into RHTP execution

As states operationalize CMS performance requirements under RHTP, early experience suggests that effective performance management cannot be treated as a downstream reporting function. Instead, states are increasingly embedding performance expectations directly into program design, initiative execution, and day-to-day oversight.

One consistent strategy observed across early RHTP implementation is integrating performance expectations into initiative delivery and RHTP partner engagement models from the outset. States are aligning vendor and subrecipient responsibilities to defined performance measures, reporting cadence, and documentation standards early in the lifecycle of each initiative. This approach reduces variability in how performance data is produced, improves consistency across initiatives, and minimizes downstream reconciliation ahead of CMS review and rescoring activities.

States are also prioritizing centralized performance data environments to support statewide reporting and oversight. Rather than allowing initiative-level data to remain siloed across vendors or program teams, these models emphasize integrating performance data into a standardized structure governed by shared definitions and validation rules. This enables repeatable reporting, strengthens data quality, and improves readiness for CMS progress reporting and NCC submissions.

In parallel, many states are using shared dashboards and standardized reporting tools to increase visibility into initiative-level progress. These tools help program leadership to monitor implementation status, identify emerging risks, and understand how individual initiatives collectively support statewide RHTP goals. When paired with disciplined reporting processes, this visibility helps support clearer performance narratives and more informed management actions.

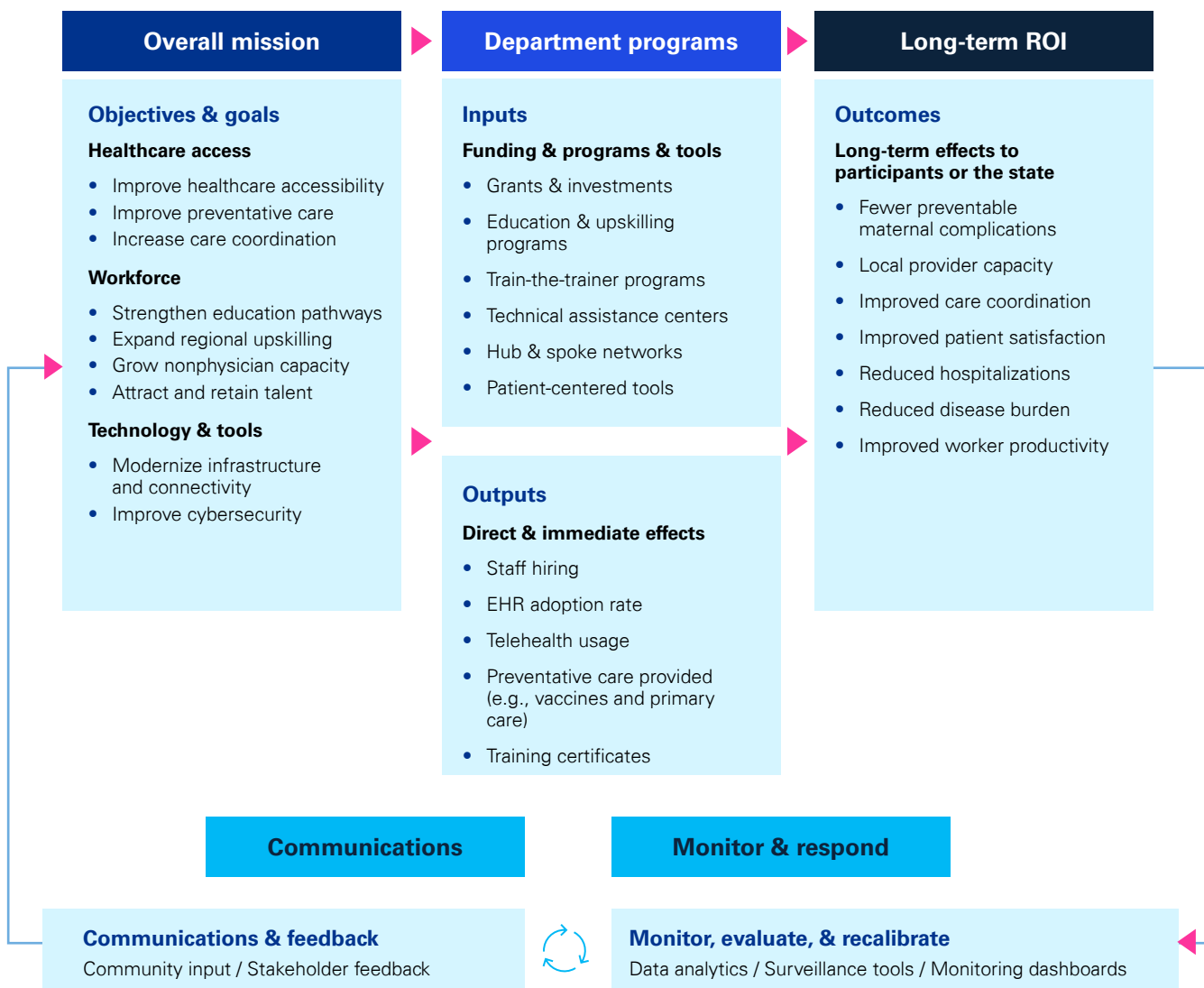
As states apply these strategies, common challenges emerge related to governance, data readiness, and sustaining performance management over multiyear funding periods. Addressing these challenges requires more than technical compliance; it calls for deliberate operating models that integrate execution, insight, and accountability. Drawing on experience supporting states implementing RHTP, KPMG LLP (KPMG) helps align performance evidence, program narratives, and policy commitments, supporting well-positioned continuation submissions and sustained momentum toward long-term rural health system improvement.

# A holistic and data-driven approach to RHTP evaluation

To maintain momentum for long-term rural health transformation, it is essential to look beyond program-specific metrics and adopt a more thorough performance measurement philosophy. KPMG support for states implementing the RHTP is grounded in a data-driven methodology for measuring the performance and impact of large-scale public investments. This approach recognizes that while compliance with program-specific requirements is essential, a truly effective measurement framework must also capture the long-term, holistic value that programs deliver to communities. This philosophy is built on the understanding that improving rural health is not only a clinical priority but also a strategic economic investment.

Our experience, reinforced by lessons from crises such as the COVID-19 pandemic, has shown that traditional metrics often miss the far-reaching societal and economic gains of health initiatives. To help capture this value, KPMG employs a practical framework that integrates several key components. It begins with establishing a clear logic model that connects program inputs and activities to direct outputs and, ultimately, to long-term outcomes and return on investment (ROI). This logic model serves as the foundation for the evaluation to successfully measure outcomes and changes towards the program’s desired objectives.

**Figure 3: Logic model for monitoring and evaluating RHTP performance**



Building upon the clear logic model (Figure 3), our framework helps states move beyond measuring immediate results by considering key evaluation questions, assessing relevant qualitative and quantitative data collection methods, and developing appropriate indicators so that program performance is being measured holistically, and reporting of outcomes is proceeding smoothly. This is all brought together through robust monitoring and response systems, often including public-facing dashboards,

that provide transparent, real-time insights for state leaders, federal funders, and the communities they serve. The details of our approach can be found in [Beyond health metrics](#). By shifting the narrative from simply administering a health program to strategically orchestrating a transformation plan, our approach helps empower leaders to make evidence-based decisions that demonstrate lasting value and drive sustainable improvements in both health and economic well-being.

## How KPMG can help

At KPMG, our Rural Health Transformation Orchestration (RHTO) approach provides states with the framework and experience needed to navigate this complexity. We bring demonstrated experience in large-scale healthcare and state and local government transformations, having supported numerous states in complex program implementations. Our approach—with portfolio rationalization at its core, spanning strategic services, governance, quality assurance, and change management—helps states deliver on their RHT commitments while building sustainable capabilities for the future.

## Contact us

Contact us, and see how our RHTO approach can help accelerate your rural health transformation journey.

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5. "Rural Health Transformation Program Post-Award Frequently Asked Questions (FAQs)," Centers for Medicare & Medicaid Services, US Department of Health and Human Services, April 2026

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