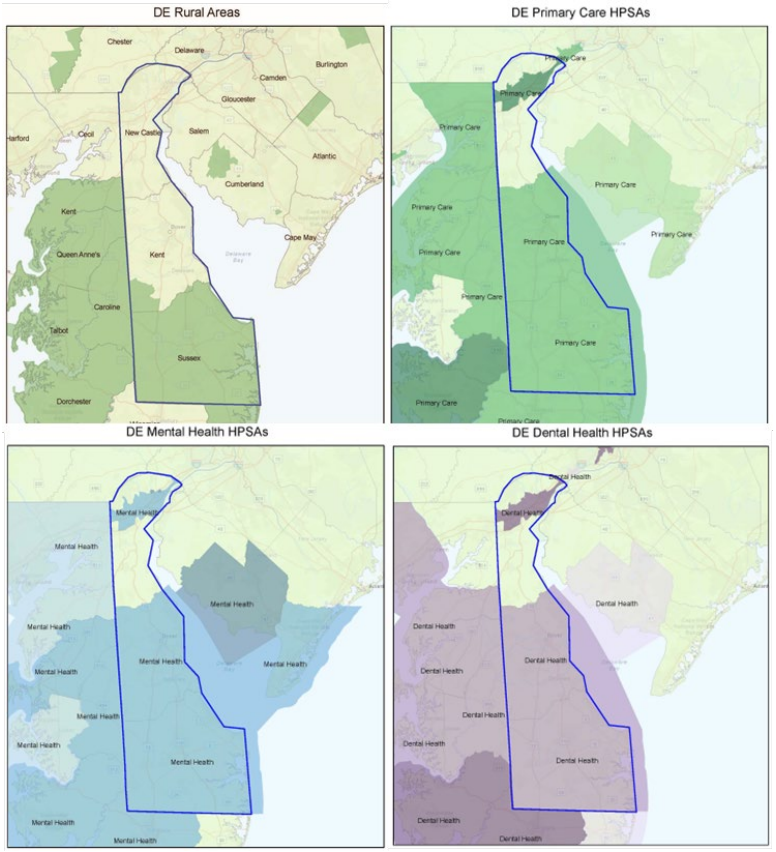
Rural Health Needs and Target Population

Delaware's rural health landscape reflects the pressures of a small but rapidly transforming state with stark disparities between its northern urban areas and southern rural counties. According to the Health Resources and Services Administration (HRSA) Federal Office of Rural Health Policy definition, Sussex County is fully rural (all census tracts designated rural), while Kent is partially rural and New Castle County is not. Roughly 38-40% of Delaware residents - about 400,000 people - live in these rural areas, facing healthcare challenges that far exceed their geographic footprint.[1]



Sussex County embodies Delaware's rural health crisis. With a total population of 271,000, it is one of the fastest growing counties in the nation – expanding 29.3% from 2010-2022, compared to 7.7% nationally and 13.2% statewide.[2] Growth is projected to continue through at least 2032, placing extraordinary strain on healthcare infrastructure. Yet despite this growth, Sussex County is designated entirely as a Medically Underserved Area (MUA) and a Health Professional Shortage Area (HPSA) for primary care, dental care, and mental health services. The same is true for Kent County. In fact, Delaware ranks dead last - 50th nationally - in meeting primary care needs, with only 14.85% of

demand met and a shortfall of 71 primary care physicians statewide to remove HPSA designation.[3] In Sussex County, the healthcare workforce crisis is acute: there are only 130 active primary care physicians serving 271,000 residents - a ratio exceeding 2,000:1, well above HRSA's shortage threshold.[4] Kent County fares slightly better at 1,700:1 compared to 960:1 in urban New Castle County. Forty percent of Sussex County residents lack a primary care provider entirely, and average wait times for new appointments have more than doubled—from 11.5 days in 2013 to 27 days in 2021.[5]

The pressure on this already thin healthcare workforce will only intensify. More than 26% of Sussex County's population is aged 65 and older—significantly higher than the national rate of 17% and rising as retirees from neighboring states continue to move to Delaware's rural coastal communities. By 2035, this aging cohort will demand 36% more trauma services, 30% more rehabilitation services, 23% more lab services, and 15% more cardiac services.[6] Yet the provider pipeline remains limited. Delaware has no medical school, limited rural clinical rotation opportunities, and in turn, has not been able to implement the "train here, stay here" model that has successfully placed physicians in underserved communities nationwide.

These workforce shortages translate directly into poor health outcomes. Seven of Delaware's ten leading causes of death stem from chronic disease, with rates of hypertension, diabetes, and cancer exceeding national benchmarks.[7] Approximately 10% of Delaware residents manage multiple chronic conditions simultaneously, and the state ranks in the bottom fifth nationally for prevalence of high cholesterol and chronic kidney disease—conditions requiring consistent primary care management. The burden falls heaviest on Sussex County and rural Kent County. Adult obesity rates in Sussex are 36% - the highest in Delaware, more than one in eight adults

(13.1%) have diabetes, and 20% have poor or fair health overall. These poor health measures reflect not only limited access to preventive care but also the compounding effects of poverty, food insecurity, and poor health education. Geography itself is also a barrier to health. Residents in western Sussex County routinely travel 50 miles to reach hospitals or specialty providers, often without reliable public transportation. The result is deferred care, preventable complications, and high health care costs.

Rural Health Snapshot: Delaware vs. U.S

Key health, demographic, and economic indicators

Indicator	Sussex	Kent	New Castle	Delaware	U.S.
% Living in Rural Areas	79-80%	45-50%	10-12%	38-40%	19%
Population > 65	26.1%	18.7%	17.5%	20.4%	17.3%
Diabetes	13.1%	13.3%	13.9%	13.4%	11.3%
Obesity	36%	37%	34%	35.7%	32%
Adult Smoking	18.8%	17.5%	14.0%	15.5%	11.5%
Food Insecurity	13.3%	14.0%	11.5%	12.6%	12.8%
Poverty	12.3%	13.9%	11.2%	11.8%	11.6%
Poor or Fair Health	19%	20%	18%	19%	17%

Sources: ACS 5-Year (2023); CHR 2023, CDC, USDA/Census 2023-24

At A Glance

Sussex County: 80% rural, oldest population

Kenty County: Slightly less rural, more poverty, more food insecurity, diabetes, obesity

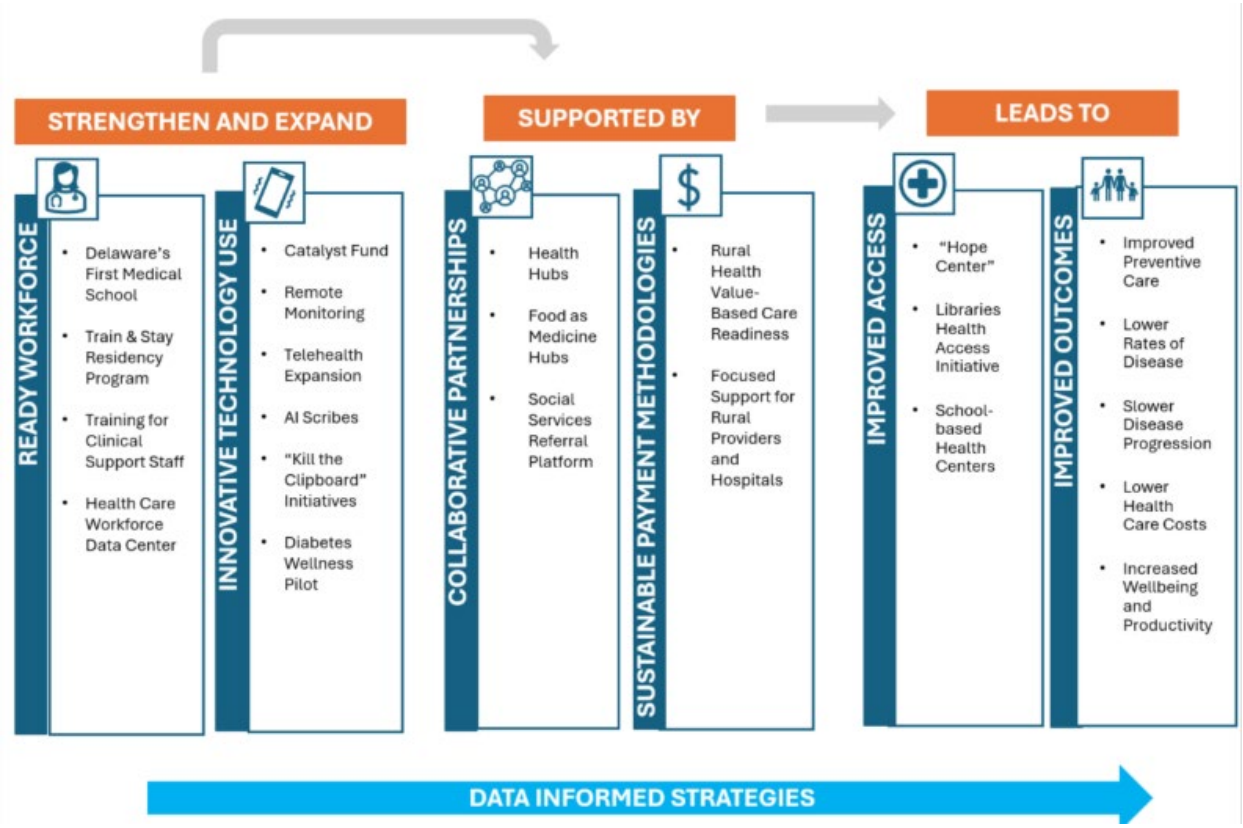
Rural Health Transformation Plan: Key Performance Objectives

The Delaware Rural Health Transformation Plan (RHTP) confronts these realities through 15 integrated initiatives spanning workforce development, expanded access to care in rural communities, technology innovation, and prevention. Together, they will expand access through community-based delivery; strengthen the workforce pipeline through medical education and rural training opportunities; modernize rural facility operations and payment models; improve population health and chronic disease management; and offer technological innovations to promote better health. The primary beneficiaries will be the residents of rural Sussex County (271,000 residents) and Kent Counties (~50% rural, 193,000 total residents), totaling approximately 400,000 rural residents. By investing in coordinated, community-anchored strategies, Delaware will not only prevent the loss of critical rural health capacity but create a

resilient, connected, and sustainable healthcare system that truly makes rural America healthy again.

Rural Health Transformation Plan: Goals and Strategies

Figure 1: Rural Health Transformation Plan Logic Model



Improving Access: Delaware's RHTP includes proven healthcare access strategies that address needs identified through data and community input. These strategies build on existing efforts and partnerships to create a strong network of community providers that leverages innovative technology to serve patients virtually and in-person. A Hope Center will provide transitional housing, primary care, and behavioral health services to rural homeless residents - services proven to reduce overall healthcare costs while improving health outcomes. Strategically deployed mobile health units and health pods, along with library- and school-based health centers will serve as convenient care sites that use technology and community resources to provide low-cost access points critical to value-based payment model success. Meanwhile,

FQHCs and rural health systems will collaborate with payers and other stakeholders to rethink health care delivery, using new technologies to reshape both patient engagement and health care workforce needs. The Milford Wellness Village in Milford, DE, demonstrates a successful community-anchored model that will guide RHTP initiatives. This integrated wellness campus delivers skilled nursing, rehabilitation, long-term chronic care support, and wrap-around services to help older adults live longer, healthier lives.

Improving Outcomes: The RHTP's coordinated approach to workforce expansion, access points, service innovations, and technology aims to deliver measurable improvements in the health of Delaware's rural residents. Delaware will track population health, service utilization and workforce adequacy measures, establish baseline metrics and provide public reports. Each initiative includes specific outcomes measures and quantifiable targets. Anticipated patient-focused outcomes include:

- Earlier interventions through screenings at mobile units, health pods, libraries, and school-based health centers, resulting in earlier diagnoses, less complex illnesses, lower medical costs and improved self-management
- Adherence to lifestyle programs that complement medical interventions and mitigate disease progression with support from dieticians, behavioral health clinicians, and community health workers.
- Improved glucose and blood pressure control through remote monitoring, "Food is Medicine" counseling, and the Diabetes Wellness Program
- Reductions in potentially avoidable hospitalizations and emergency department visits.

Workforce: Delaware ranked last among all states in meeting primary care needs, with only 14.85% of need met[1], and faces growing workforce demands from a rising and aging population[2] and workforce. One challenge is that Delaware is one of only three states without an in-state medical school – neither public nor private. As a result, Delaware has been challenged to offer medical students crucial clinical rotations in its rural facilities and cultivate the next generation of primary care physicians. Moreover, Delaware's existing programs for Advanced Clinical Practitioners (NPs, PAs) and other critical positions remain financially out of reach for qualified students. In response, Delaware's RHTP will support programs that train medical professionals in a defined range of licensed roles who commit to five years of rural service. Key RHTP components include establishing Delaware's First Medical School, a "Train Here, Stay Here" residency program that encourages physician trainees to build roots in the rural community through educational awards, and new and expanded training programs for NPs, PAs, behavioral health professionals, long-term care staff, and other key roles. A newly developed Healthcare Workforce Data Center will monitor progress towards full staffing and report on RHTP success related to Delaware's medical workforce.

Technology Use: Delaware recognizes the need to optimize the healthcare experience for rural patients, providers and caregivers in a tech-enabled world. Through the Rural Provider and FQHC Value-Based Care Readiness initiative, the state will competitively fund providers and health facilities to adopt technological solutions that enable patient-centered and efficient care delivery. Healthcare providers will identify health IT investments that prepare them for value-based payment initiatives, enable participation in CMS' Aligned Networks pledge and promote CMS Interoperability Framework goals. Eligible investments will include AI Scribes and other

HIPAA-compliant tools to reduce documentation burden, allowing providers to "kill the clipboard" and focus more fully on patients; software and technical assistance to model the financial impact of value-based payment methodologies; and EHR Integration. Separately, the state will launch a Catalyst Fund to help health tech vendors bring new innovations to rural Delawareans. Delaware also will support a Diabetes Wellness Pilot that integrates new technologies with high-touch care management and lifestyle changes to improve outcomes.

Partnerships and Stakeholder Engagement: Delaware state agencies have built strong relationships across health policy issues. The RHTP will be led by the Delaware Department of Health and Social Services (DHSS), the Division of Public Health (DPH), and the Governor's Office, who will engage health systems, payers, consumers, educators and others in implementing the RHTP. To expand training opportunities, our plan supports the creation of a Delaware medical school and related training programs. We will partner with community-based organizations to implement "Food is Medicine" programs and deploy mobile "health hubs" in accessible locations. Our initiative to expand health access services at Delaware's public libraries leverages existing infrastructure and established partnerships among the Division of Substance Abuse and Mental Health (DSAMH), DPH, and DHSS. The technology-centered Catalyst Fund will directly support companies as they develop and deploy consumer-facing solutions.

To develop this application and the various RHTP initiatives, the Governor's Office requested input on rural health priorities. Delawareans responded with over 200 ideas and recommendations, which were used to develop the comprehensive plan. Governor Meyer embarked on a Rural Health Tour in Delaware, visiting multiple major hospitals systems and

rural-focused FQHCs. This tour culminated in an open press roundtable where the Governor directly heard feedback from doctors, nurses, FQHCs, hospital leaders, state legislative leaders and others to refine Delaware's plan. The Governor's Office also reached out to both of Delaware's recognized tribes — the Lenape Indian Tribe, largely located in central Kent County, and the Nanticoke Indian Tribe, largely in Sussex — and closely engaged with Delaware's Community Health Advocacy Mobilization Group for feedback on the State's approach. Most notably, Delaware has secured unprecedented statewide support for the RHTP, as documented in the Other Supporting Documentation section of this application. The State has received a letter of support from Delaware's entire legislature committing to regulatory changes around scope of practice and certificate of need—critical policy reforms that will enable the full implementation of this transformation plan. Additionally, every hospital in Delaware has signed a letter supporting the RHTP approach, demonstrating the unified commitment across Delaware's healthcare delivery system to implement these evidence-based strategies. This extraordinary level of legislative and provider alignment ensures that RHTP's initiatives will not face regulatory or institutional barriers, and positions Delaware to implement reforms that have stalled in other states.

State leadership will provide ongoing guidance on measures, outcomes and reporting through existing committees and workgroups. This leadership includes Delaware DHSS (which includes Medicaid); DPH; the Delaware Health Care Commission (DHCC) ; the Delaware Department of Insurance (DOI); the Primary Care Reform Collaborative (PCRC) and its ongoing Value-Based Care Model Workgroup; the Delaware Office of Rural Health; the Delaware Institute for Medical Education and Research (DIMER); and the Delaware Workforce Development Board.

Financial Solvency and Cause Identification: Delaware's rural hospitals operate within integrated health systems rather than as standalone facilities, which has helped the state avoid the widespread closures affecting rural America. However, these facilities face mounting financial pressures: declining inpatient volumes, high Medicare and Medicaid payer mix, rising labor costs driven by housing unaffordability, and workforce shortages exacerbated by the lack of in-state medical training programs. Without intervention, Delaware's rural healthcare system risks gradual erosion through service reductions and increasing emergency department (ED) reliance for primary care. The RHTP addresses these underlying causes through multiple interconnected strategies:

- Value-Based Care Readiness: Technology infrastructure funding for EHR integration, telehealth, and remote patient monitoring will enable participation in value-based payment models that create new revenue streams.
- Reduce ED Utilization: Mobile Health Hubs, library-based health services, and school-based health centers will expand preventive care access and reduce costly ED utilization.
- Improved Behavioral Healthcare: Supporting CCBHC development and expanding behavioral health workforce training will address the Mental Health HPSA designation and improve payer mix.
- Data-Driven Optimization: The expanded Health Care Workforce Data Center and RHTP program vendors will use system-wide data to maximize federal Disproportionate Share Hospital (DSH) payments and coordinate resources across Delaware.

By addressing root causes—workforce and training gaps, outdated care delivery models, and underutilized payment mechanisms—rather than providing temporary subsidies, the RHTP creates sustainable financial stability for rural providers while improving access and outcomes.

Data-driven solutions: Delaware brings a strong health data infrastructure, including My Healthy Community for public health data, the Delaware Health Information Network (DHIN) which oversees a leading health information exchange and advanced all-payer claims database, and Delaware Health Force providing interactive workforce planning dashboards. Through RHTP funding, Delaware will strengthen these systems with a rural health focus, enabling real-time tracking of progress toward measurable and quantifiable targets across all initiatives. The state will expand the legislatively-supported Health Care Workforce Data Center to track supply, demand, distribution, Health Professional Shortage Areas, medically underserved populations, workforce research, and policymaking—with particular emphasis on rural communities facing the most severe workforce constraints. This comprehensive data infrastructure will support continuous monitoring of clinical outcomes, access improvements, workforce development milestones, and technology adoption metrics, ensuring that each RHTP initiative demonstrates tangible impact and can be adjusted based on performance data.

Data Driven Factors A.2 and A.7

Delaware is one of four states that does not have a Certified Community Behavioral Health Clinic (CCBHC). However, DHSS is currently developing two providers for CCBHC readiness with plans to release a Request for Information assessing additional provider interest in CCBHC operation. The state has a CCBHC planning grant from SAMHSA to support this capacity building and prep work, with a goal to open two CCBHCs in Kent or Sussex County. One acute care hospital in Delaware qualifies for Medicaid DSH payments. Per Delaware's Medicaid State Plan, qualifying hospitals must have inpatient facilities located in Delaware, meet other federal

and state requirements and in some cases must also have been enrolled as providers with DMMA's MCOs and the Medicaid fee-for-service program in the consecutive 24 months immediately preceding the month of DSH payment.

Legislative and Regulatory Action:

State Policy Technical Factor	Current State Policy	Actions Delaware Commits To Pursuing
B.2 Health and Lifestyle	Delaware has established a comprehensive health policy framework through the Benchmark Initiative for tracking health care spending and quality, the Primary Care Reform Collaborative, and the Office of Value Based Health Care Delivery. The state's Title 18 insurance code regulates commercial health insurance spending and coverage, establishes prescription drug payment caps, and sets requirements for Pharmacy Benefits Managers (PBMs). Executive Order 8 created the Delaware Interagency Collaborative to End Homelessness, aiming to reduce homelessness by half and eliminate youth homelessness within five years.	Delaware commits to requiring schools to reestablish the Presidential Fitness Test aligned with federal guidance associated with Executive Order 14327. *Timeline:* Executive action to be taken by December 31, 2028. *Improvement to Access, Quality, Cost of Care:* Establishes baseline fitness data for early identification of rural youth at risk for obesity and chronic diseases, enabling targeted school-based interventions and connections to health resources.
B.3 SNAP Waivers	DHSS received USDA approval to waive the Able-Bodied Adults Without Dependents (ABAWD) SNAP three-month time limit in Kent and Sussex counties due to unemployment rates being over 20% above national average for FY 2025.[8]	None
B.4 Nutrition Continuing Medical Education	Delaware's Title 24, Chapter 1700 requires physicians to complete 40 hours of continuing medical education through approved Category 1 AMA courses for each registration period, with 20 hours required for first time renewals. [9]	Delaware commits to requiring nutrition to be a component of continuing medical education for physicians. *Timeline:* Regulatory amendments drafted by March 31, 2028; Board of Medical Licensure and Discipline approval by September 30, 2028; effective for licensure renewals beginning January 1, 2029. *Improvement to Access, Quality, Cost of Care:* Provides rural physicians evidence-based nutrition knowledge to counsel patients on dietary interventions, improving preventive care and reducing specialist referrals. Interventions, improving preventive care and reducing specialist referrals.

State Policy Technical Factor	Current State Policy	Actions Delaware Commits To Pursuing
C.3 Certificates of Need	Delaware's Title 16, Chapter 9303 requires a Health Resources Management Plan to guide health resource allocation, including regulating hospital and nursing home bed capacity and preventing excessive purchasing of medical equipment.[10]	Delaware commits to eliminating or loosening Certificate of Need laws (known as "Certificate of Public Review" in DE) to reduce regulatory barriers for providers establishing new facilities in rural areas. *Timeline:* Legislation drafted by September 30, 2026; legislative sponsor identified by January 31, 2027; brought to vote by June 30, 2027. *Improvement to Access, Quality, Cost of Care:* Removes regulatory barriers that prevent new facilities from opening in underserved rural areas, increasing local access to care and reducing transportation costs and time for rural patients.
D.2 Licensure Compacts	Delaware's Division of Professional Regulations has enacted Medical[11], Nursing[12], EMS[13], Psychology[14], and Physician's Assistant[15] licensure compacts, establishing multi-state licensure eligibility and recognizing telemedicine authority.	Delaware commits to maintaining participation in existing licensure compacts (Medical, Nursing, EMS, Psychology, and Physician Assistant) and promoting their utilization by rural providers. *Timeline:* Outreach campaign to rural providers launched by March 31, 2027; annual compact utilization reports published December 31, 2027. *Improvement to Access, Quality, Cost of Care*: Increases the pool of providers available to serve rural communities through telehealth and cross-state practice, reducing wait times and expanding access to specialty services without provider relocation.

State Policy Technical Factor	Current State Policy	Actions Delaware Commits To Pursuing
D.3 Scope of Practice	Delaware's Title 24, Chapter 17 Medical Practice Act establishes the Board of Medical Licensure and Discipline as the exclusive authority to issue and regulate medical practice certificates,[16] sets accreditation requirements for office-based surgery facilities, and requires state oversight of physician services.	Delaware commits to expanding scope of practice regulations to allow nurse practitioners, physician assistants, pharmacists, and dental hygienists to practice at the top of their training and licensure. *Timeline:* Legislation drafted by September 30, 2026; legislative sponsor identified by January 31, 2027; brought to vote by June 30, 2027. *Improvement to Access, Quality, Cost of Care:* Enables advanced practice providers to practice independently in rural areas, allowing them to open practices and deliver appropriate care without costly oversight requirements, improving access.
E.3 Short-term, Limited-duration Insurance	Delaware's Title 18 Insurance Code 1320 establishes minimum standards requiring policies be issued for no longer than three months, maintain consistent underwriting standards, provide required notice, achieve 60% minimum loss ratios, and receive Insurance Commissioner approval. [17]	None
F.1 Remote Care Services	Delaware's Title 24, Chapter 60 authorizes licensing boards to allow telehealth and telemedicine delivery by some out-of-state providers with interstate compacts, requiring remote services meet the same standard of care as in-persons services. [18]	Delaware commits to enacting comprehensive telehealth reimbursement parity requiring all payers to reimburse telehealth services at the same rate as in-person services without restriction. *Timeline:* Legislation drafted by September 30, 2026; legislative sponsor identified by January 31, 2027; brought to vote by June 30, 2027 *Improvement to Access, Quality, Cost of Care:* Ensures sustainable telehealth programs through adequate reimbursement, expanding rural access to specialty and behavioral health services.

Proposed Initiatives and Use of Funds

1. Rural "Hope Center" Initiative

Description: The State of Delaware proposes replicating its highly successful Hope Center model[19] by establishing two new, geographically essential Hope Centers to serve the homeless rural populations of Kent and Sussex Counties. These Centers will be created through the strategic renovation, staffing, and equipping of existing state-owned facilities, transforming underutilized infrastructure into comprehensive, integrated hubs for healthcare, behavioral health, and housing stability services. The Delaware State Housing Authority, in partnership with DHSS, will lead the development of each Hope Center. These centers will offer critical non-congregate temporary housing—including at least 20 transitional beds specifically for individuals with serious mental illness (SMI) and substance use disorder, plus safe individual and family units. Each center will integrate social services and evidence-based interventions to promote long-term stability and self-sufficiency. This initiative directly addresses critical gaps in the rural healthcare safety net by enhancing access to primary care, behavioral health treatment, and chronic disease management for unhoused residents and those at high risk for substance use disorder (SUD). Data demonstrates the urgent, unmet need for integrated services in rural Delaware:

- Growing Homelessness: Delaware's homeless population rose from 1,245 in 2023 to 1,358 in 2024, a 9% increase, according to the latest Point-in-Time Count report[20].
- Existing Service Strain: Currently, 25% of individuals served at the existing New Castle County Hope Center travel from rural Kent and Sussex Counties. This documents a significant geographic barrier and unmet need for services within home communities.

- Health and Cost Disparities: Homeless individuals enrolled in Medicaid incur excess costs of $4,611 to $5,218 per person annually, compared to housed enrollees (2019 data), primarily due to high use of acute care. Moreover, 19% of individuals who received publicly funded substance use and mental health treatment in DE between 2019 and 2021 reported homelessness, with the rate rising to 22% for Black clients.

The geographic isolation of rural homeless residents creates persistent and profound barriers to continuity of care, effective care coordination, and successful transitions to stable housing. By strategically locating new Hope Center facilities within Kent and Sussex Counties, Delaware will immediately eliminate travel burdens, dramatically enhance service access, and build robust partnerships with local healthcare systems, Federally Qualified Health Centers (FQHCs), community-based organizations, and housing providers. On-site, interdisciplinary teams (including partnered homelessness response organizations, licensed medical providers, behavioral health specialists, SUD treatment professionals, community health workers, state social workers, and care coordinators) will deliver a holistic continuum of care that addresses both acute health needs and the critical underlying social determinants of health. The Centers will integrate with electronic records systems and provide related technical training to on-site providers. Services offered at the Centers will include:

- Integrated Healthcare: Primary and behavioral healthcare.
- Transitional Housing with Wraparound Services: Designated transitional housing beds for individuals with SMI and substance use disorders, providing evidence-based treatment including cognitive behavioral therapy, MAT, life skills training, relapse prevention, and employment support.

- Intensive Case Management: Individualized care planning, benefits enrollment, and assistance with rapid permanent housing placement.
- Self-Sufficiency Programs: Connections to vocational training and workforce readiness programs.
- Community Coordination: Robust coordination with local social service agencies and community support networks.

Critical to the success of these integrated services is the implementation of a closed-loop referral tracking system. Each Hope Center will deploy technology infrastructure to ensure that all referrals for healthcare, behavioral health, housing, and social services are formally opened, actively tracked throughout the service delivery process, and systematically closed upon completion. This closed-loop system will enable real-time monitoring of service utilization, identify gaps in care coordination, ensure accountability across partner organizations, and generate data-driven insights to continuously improve service delivery and patient outcomes. By sustaining rural residents' connection to integrated care within their home communities, the new Hope Centers will:

1. Drive Significant Improvements in Long-Term Health Outcomes.
2. Reduce Costly and Avoidable Emergency Department Visits and Hospitalizations.
3. Strengthen the Resilience of Local Care Networks.

This initiative directly aligns with federal priorities of advancing rural health equity, improving comprehensive behavioral health access, and reducing homelessness through a proven, integrated service delivery model. Buses will not need to be purchased as the facility as the properties under consideration for the project are on transit routes. Initial renovations will include general repairs to the building, updating any ADA related concerns, as well as any expected general

maintenance repairs such as electrical or compliance concerns. The Rural Hope Centers will not require major renovations. We are in the process of reviewing vacant state properties that can be converted to provide the services, including former prisons that could be updated. We are also looking at acquiring a soon to be vacant building currently owned by Delaware State University that was once a hotel. It is currently being used as a dormitory and early childhood education center. If the building is acquired, it will be at state cost.

Main strategic goal: Make Rural America Healthy Again

Permissible Uses of funds: A, B, G, H, J, K

Technical score factors: B.1, B.2, C.1

Key stakeholders: Governor's Office (lead); Delaware State Housing Authority; DHSS including DPH, the Division of Social Services (DSS), DSAMH, Division of State Service Centers, and the Division of Social Services; Rural Health Clinics; FQHC's; CCBHC's; local healthcare providers; community-based organizations and foundations

Outcomes:

- Reduction in avoidable emergency department visits among program participants (baseline to be established from participant data 6 months pre-enrollment; target: 15% reduction by Year 3)
- Number of successful transitions to stable housing in home county (target: 25% within 12 months of leaving the Center by Year 3)
- Reduction in rates of rural residents from Kent and Sussex Counties traveling to New Castle County for homeless services (baseline: 25% of New Castle Hope Center residents from rural counties; target: 25% reduction by Year 4)

- Number of established partnerships with local rural healthcare providers and community organizations for care coordination and referrals (target: minimum 5 new partnerships by Year 5

Impacted Counties: Sussex County and Kent County

Estimated Required Direct Funding: $97.5 million for two new Hope Center locations

Sustainability plan: By Year 4, the state will pursue formal partnerships with local jurisdictions for ongoing operational support and integrate the new Hope Centers into the state's healthcare delivery infrastructure. Housing, clinical and care coordination services will transition to a subsidized fee-for-service model while maintaining a safety net for uninsured individuals through state funding and community partnerships.

2. Rural Community Health Hubs

Description: Establish a comprehensive network of mobile health units throughout rural Sussex and Kent Counties to eliminate transportation barriers and deliver evidence-based preventive care, chronic disease management, behavioral health services, and specialty care directly to underserved rural communities. This initiative responds to persistent provider shortages and high rates of chronic disease in rural Delaware, where geographical and financial barriers continue to limit access to essential health services and insurance coverage.

Delaware DHSS will award funds through competitive procurement to FQHCs and qualified organizations demonstrating capacity to deploy staff, equip, and operate mobile health units in Delaware’s rural communities. Preference will be given to applicants partnering with existing health systems for clinical integration and continuity of care. Funding will also be used for a

dedicated State Coordinator of Mobile Health who will oversee the initiative and ensure optimization. All mobile health units will connect to the patient electronic medical record (EMR) and link with the DHIN – Delaware's Health Information Exchange (HIE). As part of the public comment period for the RHTP funds in August 2025, Delaware received strong proposals from multiple healthcare organizations—including ChristianaCare, Highmark Health Options, Nemours Children's Health, and Westside Family Healthcare—expressing readiness to implement and expand their mobile health solutions to address access gaps in rural communities. These organizations identified critical needs including cancer and chronic disease screening, stroke care, maternal and infant health, substance use disorder treatment, pediatric services, and emergency medical services, outlining their capacity and commitment to immediate implementation. Mobile health units will be strategically deployed to familiar, accessible community locations including schools, churches, town centers, and community parking lots, bringing medical services directly to rural residents where they live and gather, especially for physically disabled, elderly residents, and Native American residents. Deployment will be guided by Delaware's community data and the Centers for Disease Control and Prevention's Social Vulnerability Index (SVI), a data tool that identifies areas with the greatest barriers to healthcare access based on socioeconomic status, household composition, housing type, and transportation. The SVI assigns each area a percentile score from 0 (lowest need) to 1 (highest need). DHSS will use county and census tract SVI data, along with community profile reports, to prioritize applications to deploy mobile health units to rural locations with the greatest service gaps.

Main strategic goal: Make Rural America Healthy Again

Permissible Uses of funds: A, B, G, H, K

Technical score factors: B.1, B.2, C.1, C.2

Key stakeholders: Delaware DHSS (lead), healthcare systems, FQHC's, schools, faith-based organizations, community centers, Native American organizations, pharmacies.

Outcomes:

- Number of new mobile units and health pods deployed in rural Sussex and Kent counties (target: minimum of 8 new units by Year 2)
- Number of patient encounters at mobile health units annually (target: 2500 encounters across Sussex and Kent counties annually by Year 3)
- Number of chronic disease screenings conducted through mobile units (cancer, diabetes, hypertension, HIV) (target: 1,000 screenings across Sussex and Kent counties annually by Year 3)
- Number of individuals receiving specialty services through mobile units (maternity care, dental care, substance use disorder treatment) (target: 200+ annually across Sussex and Kent counties by Year 3)

Impacted Counties: Sussex County and Kent County

Estimated Required Direct Funding: $20 million

Sustainability plan: By Year 4, transition to sustainable operational models through fee-for-service billing and health system investment. DHSS will also pursue ongoing state appropriations and explore cost-sharing and value-based payment models to maintain long-term operations.

3. School-Based Health Centers Expansion Initiative

Description: Expand Delaware's network of school-based health centers (SBHCs) in rural Sussex and Kent Counties to provide comprehensive physical, behavioral, and preventive health

services directly to students and families, eliminating transportation barriers and improving access to primary care, mental health services, chronic disease management, and nutrition counseling. SBHC's have historically been associated with better access to care, support for children's behavioral health, fewer absences and better learning outcomes.[2122] Currently, 73% of Delaware's 40 SBHCs are in New Castle County, leaving rural communities, particularly in Sussex County, with limited access to school-based healthcare. In Sussex County, only 1 middle school and 1 elementary school currently have SBHCs, despite the county having 22 elementary schools and 12 middle schools across seven school districts.[2324] Expanding SBHCs to these grades in Sussex and rural Kent Counties will allow early interventions, increase preventive care, and reduce behavioral health referrals. To allocate the RHTP funding, the Delaware Division of Public Health's Adolescent Health Program will conduct a competitive procurement to establish four new SBHCs in Sussex and Kent elementary and middle schools over the funding period. Awards will be given to "medical sponsor partnerships" (e.g., hospital systems, FQHCs, or clinics) capable of staffing, coordinating care with a medical home or primary care provider, and supporting ongoing operations at schools with school board approval and readiness for implementation. Preference will also be given to SBHCs that can expand services to nearby schools through a "hub and spoke" model increasing impact and efficiency. Seaford Middle School and Indian River School District in Sussex County have already expressed readiness to implement centers immediately. Funding will also support minor building renovations to establish clinical space (exam rooms, counseling offices, screening areas), purchase equipment and supplies, and establish operations. Renovations will be limited to minor interior improvements within existing school facilities, such as non-structural partition walls and space reconfiguration to support clinical use. The project does not include structural or load-bearing

construction, building expansion, or major capital improvements; any required permits would be routine and associated with standard interior fit-out. The four new SBHCs will provide interdisciplinary care teams including physicians or physician assistants, nurses, mental health counselors, dietitians, and community health workers, delivering services by appointment during school days with parental consent. Services will include well-child exams, chronic disease management (asthma, diabetes), physical fitness testing, depression and substance use screenings, mental health counseling, nutritional counseling, sexual and reproductive health services including STI screening and testing (with parental and school board approval), and referrals to specialty care, coordinated with a medical home or primary care provider.

Main strategic goal: Make Rural America Healthy Again

Permissible Uses of funds: A, B, G, H, J, K

Technical score factors: B.1, B.2, C.1

Key stakeholders: Delaware DPH (lead), Sussex County school districts, healthcare systems, FQHC's, school boards, families

Outcomes:

- Number of new SBHCs established in rural Sussex and Kent County elementary and middle schools (baseline: 0; target: minimum 4 additional centers by Year 4)
- Number of students receiving preventive services through the new SBHCs (well-child exams, preventive services, STI screenings) annually (baseline:0; target: 400+ annually by Year 3)
- Number of mental health evaluations and behavioral risk assessments delivered through the new SBHCs (baseline:0; target: 150+ annually by Year 3)

- Number of completed new applications for Delaware-recognized SBHC status (target: 4+ applications submitted by Year 4)

Impacted Counties: Sussex County and Kent County

Estimated Required Direct Funding: $10 million

Sustainability plan: By Year 4, establish sustainable operational models through Medicaid reimbursement for eligible services and medical sponsor commitments to incorporate SBHCs into their community benefit programs and value-based care arrangements. Schools and districts will integrate SBHCs into their educational support infrastructure. The state will pursue ongoing appropriations for core SBHC operations.

4. Food is Medicine Infrastructure Initiative

Description: In rural Kent and Sussex counties, food-insecure older adults show 59.7% hypertension and 27.8% diabetes prevalence rates, adding $1,800 in annual medical costs per person. Food is Medicine (FIM) interventions - including food prescriptions, medically tailored meals/groceries, and culinary medicine - have been proven to significantly reduce A1C and blood pressure, generating major cost savings. Yet rural implementation of these interventions faces three barriers: lack of sustainable billing mechanisms, minimal nutrition training in medical education (<1% of medical curriculum), and a limited workforce of dieticians and community health workers.

As part of this initiative, DHSS will establish a FIM infrastructure in rural Kent and Sussex counties through competitively procured vendor(s) working in partnerships with Delaware's primary rural health providers. The Delaware Food is Medicine Committee will provide ongoing advisory support to DHSS through the development and implementation of all three infrastructure elements described below.

- **Element 1 (Payment Infrastructure & Research):** Vendors and participating rural health providers will develop and implement sustainable billing mechanisms including CPT code 99213 culinary medicine consultations, Medicaid "in lieu of services" pathways, and Accountable Care Organization (ACO) payment arrangements. This element also includes deployment of an EMR-integrated billing toolbox for provider use and establishment of a rigorous evaluation framework with published findings. The goal is to secure value-based payment arrangements with at least two payers.
- **Element 2 (Technology & Workforce):** Vendors will hire 4-5 community health workers and 1 registered dietician to serve patients in rural health practices across Kent and Sussex counties by providing nutrition counseling, education and coordination. Vendors will also deploy an EMR-decision support tools for participating providers, a telehealth nutrition consultation platform, a patient-facing mobile application, and remote patient monitoring systems.
- **Element 3 (Training & Pilot):** The program will certify 15 Culinary Medicine Teachers to train 150 rural practitioners (70% rural serving) and implement a pilot for 375 participants with diabetes or hypertension in rural Kent and Sussex counties. Specific communities will be identified in consultation with the Delaware Council on Farm &

Food Policy. The pilot will provide a six-month intervention including nutrition education, culinary medicine consultation, and remote monitoring.

DHSS will provide program oversight, vendor procurement, and coordination with the Delaware Council on Farm & Food Policy for community identification and technical assistance. The Delaware Food is Medicine Committee will provide advisory support throughout development and implementation. Vendor(s) will manage day-to-day program operations, ensure CMS compliance, hire and deploy workforce resources, implement technology platforms, and provide quarterly progress reporting. Participating rural health providers will provide patient referrals, clinical integration, and billing implementation. This model is systems focused and ensures replicable FIM infrastructure that lowers healthcare costs and improves rural health outcomes. These initiatives are evidence based with clear measurable health related outcomes as the state standards to be set by the Delaware Food is Medicine Committee are based on healthcare systems requiring that enrollees must be patients with diagnosed clinical conditions and interventions assigned based on science related, interventions to include baseline testing, identifying specific indicators to test, monitoring of changes in conditions overtime, and nutrition education evaluation of retention. Delaware will engage with community partners to implement and monitor the initiative through existing frameworks where community leaders, community practitioners and healthcare professionals have been identified and are already convening through regular meetings including the Delaware Council on Farm & Food Policy and Delaware Food is Medicine Committee. Will also add new opportunities to convene stakeholders in-person and virtually through workshop and townhall models that state agencies have employed to communicate information and collect feedback and insights for other initiatives and processes (hosting a minimum of 3 convenings during the implementation period). Additionally,

will package written communications and use the state public meeting website and state agency websites to intake written comments and survey responses. This initiative does not include the purchase of food. Expenses associated with this initiative will build capacity for workforce, practitioner training, digital tools like integrated billing platforms and other technology.

Main strategic goal: Make America Healthy Again

Permissible Uses of funds: A, B, C, D, G, I, K

Technical score factors: B.1, B.2, C.1,

Key stakeholders: Delaware DHSS (lead), DPH, Delaware Council on Farm & Food Policy, Food is Medicine Committee, FQHC's, rural healthcare providers and health systems, payers

Outcomes:

- Improved clinical outcomes (target: 40% of participants achieve >/=0.5 point HbA1c reduction and/or >/= 5 mmHg blood pressure reduction by Year 5)
- Reduced healthcare utilization and food insecurity (target: 20% reduction in ED visits; 25% reduction in food insecurity by Year 5)
- Workforce capacity (target: hire 5-6 FTE staff with 80% retention; train 150 rural practitioners with 80% implementing FIM within 6 months; certify 15 Culinary Medicine Teachers by Year 3)
- Sustainable infrastructure (target: $500,000 annual FIM reimbursement; value-based payment agreements with 2+ payers by Year 4; 20 rural sites with EMR-integrated tools; 2 peer-reviewed publications; 5+ new partnerships annually)

Impacted Counties: Sussex County and Kent County

Estimated Required Direct Funding: $8 million

Sustainability Plan: The recently launched a Delaware Food is Medicine Committee leads statewide efforts to integrate nutrition into healthcare. Building on Delaware's First State Food System Grant Program (now State-funded), this initiative provides a policy foundation for sustainable FIM infrastructure. RHTP start-up funds will demonstrate clinical and cost-saving impacts, supporting long-term payer reimbursement. By Year 4, value-based agreements with 2+ payers, $500,000 annual reimbursements, EMR-integrated billing tools, trained workforce, and statewide culinary medicine educators will sustain operations. Partnerships among producers, retailers, and healthcare systems, reinforced by evaluation data and publications, will embed FIM into Delaware's systems, ensuring enduring health and economic improvements.

5. Rural Libraries Health Access Initiative

Description: Expand health access services and operating hours at nine rural libraries up and down Delaware to deliver telehealth, health navigation, and social services support at locations within seven miles of most rural residents. Rural libraries serve as trusted community anchors where residents already gather, making them ideal access points for health services that would otherwise require travel. Children and older adults are frequent library patrons, and Delaware's public libraries have developed a nationally recognized telehealth and service delivery model leveraging existing infrastructure such as high-speed internet, private spaces, and trained specialists to address healthcare access barriers in underserved communities. The Delaware Division of Libraries has established partnerships with several DHSS divisions, including DPH and DSAMH to connect library patrons to primary care, substance use disorder treatment, and mental health services. DSAMH specifically promotes private library spaces for medication-assisted treatment (MAT) appointments, recognizing libraries as safe and accessible locations for

sensitive services. This initiative builds upon proven success by expanding library services through additional specialized staff and hours of operation. Newly hired library-based community health specialists will assist rural residents with scheduling and completing virtual health visits, supporting health insurance applications (Medicare, Medicaid), facilitating Electronic Benefits Transfer (EBT)/ Supplemental Nutrition Assistance Program (SNAP) benefits applications, providing referrals to community partners, offering courses on health literacy, and delivering other health programming including Aging in Place support, chronic disease management, naloxone training, nutrition education, and wellness activities. Specialists will also provide non-health services including job interview coaching and legal resources, addressing broader barriers to economic and social stability that impact health outcomes. By meeting people where they already are, this initiative eliminates transportation barriers and reduces stigma associated with seeking health services. Funding will support a project coordinator across all libraries to supervise staff and manage outreach; three full-time telehealth specialists; three full-time digital navigation specialists; a part-time specialist for on-site support and resource connections; extended operating hours at nine rural libraries; software upgrades; outreach and marketing supplies; and technical assistance and staff training.

Main strategic goal: Make Rural America Healthy Again

Permissible Uses of funds: A, C, F, G, H

Technical score factors: B.1, F.1, F.3

Key stakeholders: DE Division of Libraries (lead), DHSS, DPH, DSAMH, community-based organizations

Outcomes:

- Number of rural libraries with expanded services (baseline: 0; target 9 by Year 3)

- Number of residents assisted with telehealth appointments through library assistance annually (target: 250+ by Year 2)
- Number of health insurance and/or benefits applications completed through library assistance annually (target: 250+ by Year 2)
- Number of new partnerships established between libraries and local healthcare providers, community organizations, and social service agencies to deliver programming (county-level tracking; target: minimum 4 new partnerships by Year 3)

Impacted Counties: Nine rural library locations across Sussex and Kent Counties

Estimated Required Direct Funding: $3 million

Sustainability plan: By Year 4, establish sustainable operational funding through state and local appropriations. Libraries will leverage existing partnerships with DSAMH, DPH, DHSS, and other partners to ensure services continue beyond the funding period.

6. Rural Provider and FQHC Value-Based Care Readiness Initiative

Description: Delaware has made significant progress in transitioning its healthcare system from one dependent on fragmented, misaligned fee-for-service payments to one focused on caring for whole populations in value-based care models: more than half of the state's primary care providers participate in a commercial value-based payment arrangement; four of the state's largest provider organizations participate in a Medicaid accountable care program; and Delaware has high participation in the Medicare Shared Savings Program. Yet, value-based payment adoption among rural providers and FQHCs has been slow, held back by smaller patient populations that make it difficult to assume risk, limited resources for technology investments, and challenges in expanding care teams and services without funding and stable payment

structures. This initiative will build upon current state policies and investments while also setting up Delaware for durable transformation after funding ends.

Delaware is interested in participating in an AHEAD model and has had direct conversations with staff at the Center for Medicare and Medicaid Innovation about the feasibility of this approach. However, even if not selected for an AHEAD award, Delaware—and our rural health providers— are committed to a future built on value-based care and look forward to using these funds to hasten our progress. To address barriers and accelerate rural providers' transition to value-based care, this initiative establishes three complementary strategies overseen by DHSS: **1) innovative technology investments** to reduce administrative burden and promote patient-centered data exchange; **2) strategic funding to expand high-value services and care teams**; and **3) a sustainable framework for collaboration** between providers and payers that informs the design of new payment models that position rural providers for sustainability and helps guide implementation. Together, these components create a pathway for Delaware's rural providers and FQHC's to successfully engage in value-based payment arrangements while increasing their service offerings to residents.

1. **Innovative Technology Investments**: Rural providers, including FQHCs La Red Health Center and Westside Family Healthcare, along with rural health systems like Tidal Health, Beebe Healthcare, and Bayhealth will participate in a competitive procurement process to fund health IT investments that prepare providers for value-based payment initiatives; enable participation in CMS' Aligned Networks pledge, and promote CMS Interoperability Framework goals. A significant portion of the total cost of care for attributed beneficiaries in value-based models occurs outside the primary care setting,

including procedures performed at other institutions. To improve care quality and reduce costs, rural primary care providers need visibility into, and actionable data, across the care continuum. Examples of eligible investments include:

- AI Scribes: HIPAA-compliant tools that reduce documentation burden, allowing providers to "kill the clipboard" and focus more fully on patients.
- Software and Technical Assistance to Model Financial Impact of Value-Based Payment Methodologies: Health systems and other provider organizations need to understand the potential financial benefits and risks of participating in various models. Actionable reports and unbiased, expert consultation will support providers in successfully identifying models well suited to their needs and modifying care delivery to ensure successful implementation.
- Value Based Payment EHR Integration: Integrated platforms within Epic to facilitate more efficient communication between FQHCs, payers, and value-based payment programs. Beebe Healthcare, which serves rural Delaware, recently invested $50 million in enhancements to its EPIC electronic health record (EHR) system. This investment provides patients across 50 sites – including many in rural Delaware – a seamless, integrated EHR. With RHT program funds, Delaware will amplify and scale this investment across additional providers allowing for more coordinated rural care delivery and improved information sharing with patients, which are foundational to value-based care.
- Hub-and-Spoke Telehealth: Enhanced telehealth platforms that position community health centers, rural health clinics, hospitals, and other community-based organizations as central hubs coordinating care delivery. These hubs will

connect patients to specialized services and specialty providers, including behavioral health and long-term care support “spokes”, creating a more integrated approach to physical health, behavioral health, long-term care, and social services.

- Cybersecurity: Software, hardware, and monitoring to protect sensitive patient data, ensure compliance with federal standards, and safeguard continuity of care.
- Remote Patient Monitoring (RPM): RPM devices and services not covered by insurance. In public comments, providers proposed RPM solutions to address a wide variety of needs ranging from chronic condition management to complex pediatric care previously requiring a hospital visit.

Priority will be given to technology vendors that have endorsed applicable CMS’ Make Health Tech Great Again pledges.

2. **Innovating and Strengthening the Rural Health Care Delivery Model:** Through a separate competitive procurement, this initiative will fund rural health providers such as hospitals, long-term care facilities, FQHC’s, and other critical providers to deliver optimized, tech-enable healthcare. Funding will directly support providers in expanding services and care teams to improve patient outcomes and care delivery efficiency. Eligible expenses include:
    - Strategic planning for patient-centered care delivery in a tech-enabled world
    - Adding in-house laboratory, imaging, pharmacy, and behavioral health services to increase convenience, accelerate diagnoses, and improve adherence to care plans.
    - Additional care managers, patient navigators, clinical pharmacists, and other care team members focused on primary care, maternal health, long-term care, and behavioral health.

Award recipients will receive funding over a three-year glidepath plus technical assistance on how to optimize existing payment structures and expand participation in value-based payment models to ensure sustainability beyond the initial funding period.

3. **Framework for Sustainable, Ongoing Collaboration:** DHSS and the Department of Insurance's Office of Value-Based Health Care Delivery (OVBHCD) have collaborated with payers and stakeholders for over five years to expand value-based care delivery in Delaware. This work has identified persistent barriers preventing rural health providers, FQHCs, and independent practices from effectively engaging in value-based care, including small patient populations that make risk assumption and expanded care teams difficult to sustain. Building on established relationships – including regular meetings with each commercial payer - DOI OVBHCD will convene payers to gain commitments to detailed sustainability plans. DOI OVBHCD will also bring together public health professionals, rural providers, FQHCs, food is medicine hubs, community organizations, employers, and other stakeholders to assess value-based care participation benefits and barriers, including those related to the AHEAD model. Discussions will focus on prevention, chronic disease management, maternal health, nutrition access, and pediatric health outcomes. DOI OVBHCD will then lead development and implementation of a plan to address these barriers - such as through state-facilitated rural value-based payment programs and provider access to outsourced services (clinical pharmacy, patient navigation, behavioral health integration) from larger organizations. The plan will include measurable milestones to ensure that efforts are scaled, sustained, and impactful.

Main strategic goal: Innovative Care

Permissible Uses of funds: A, B, C, D, G, H, I, K

Technical score factors: B.1, B.2, C.1, F. 1, F.2

Key stakeholders: Delaware DHSS (lead), DPH, DOI, FQHCs, local rural healthcare providers and health systems, payers

Outcomes:

- Number of rural Delawareans receiving care paid via a value-based arrangement (baseline: TBD based on data collected within six months of award; target: ~~30%~~ 20% increase by Year 5)
- Use of statin prescriptions for high cholesterol among patients attributed to participating providers, living in Sussex and/or Kent County (baseline: TBD based on claims data from state APCD post award; target: ~~10%~~ 8% increase by Year 5)
- Increase in cervical cancer screening rates among patients attributed to participating providers, living in Sussex and/or Kent County (baseline: TBD based on claims and/or Uniform Data System data post award; target: ~~10%~~ 8% increase by Year 5)
- Increase in depression screening rates among patients attributed to participating providers, living in Sussex and/or Kent County (baseline: TBD based on claims and/or Uniform Data System data post award; target: ~~20%~~ 15% increase by Year 5)

Impacted Counties: Sussex County and Kent County

Estimated Required Funding: $186 million

Sustainability Plan: Project milestones focus on developing a sustainability plan and securing commitments from payers to expand value-based payment models that meet the needs of rural providers, and from providers to participate. Delaware will learn from other states and pursue well-aligned federal opportunities such as AHEAD. Existing state law already requires commercial insurers and Medicaid Managed Care organizations to reimburse providers for care

management and other advanced primary care services covered by Medicare. RHTP funding will cover necessary health IT and infrastructure investments and partially offset provider salaries during a three-year transition period until they can be sustained using a combination of fee-for-service and value-based payments.

7. Catalyst Fund for Telehealth and Remote Monitoring

Description: The expansive field of remote health technology is evolving quickly, yet residents of rural areas are often slower to adopt these advances. To bridge this gap, Delaware will establish a Catalyst Fund to encourage the development and adoption of emerging health tech innovation focused on rural populations. Unlike the technology investments described in the previous initiative – which funds health IT infrastructure for FQHC's and rural healthcare providers – this fund will directly support technology companies and vendors in developing and deploying consumer-facing solutions for rural residents. Through a competitive procurement process, DHSS will select vendors to provide remote patient monitoring, wearable devices, and other consumer-facing, technology-driven solutions that are proven to prevent disease, manage chronic conditions, and improve health outcomes. Priority will be given to solutions that integrate with hub-and-spoke telehealth models, enabling rural providers and FQHC's to serve as central coordination hubs while giving patients specialized monitoring and support services. Successful vendors will be required to endorse applicable CMS' Make Health Tech Great Again Patient Friendly Apps pledges. DHSS will ensure adherence to federal requirements and CMS compliance, ensuring CMS retains a royalty-free, nonexclusive, and irrevocable right to

innovations. Funded products may include AI-enabled sensors for wound and infection risk detection, conversational AI for wellness monitoring and social connection, and hospital-at-home monitoring systems.

Main strategic goal: Tech Innovation

Permissible Uses of funds: A, C, G, K

Technical score factors: B.2, F.1, F.3

Key stakeholders: Delaware DHSS (lead), Health Systems, Payors, Academic Institutions, Providers, Patients and Consumers, Private Investors and Venture Capital Firms, Tech Industry.

Outcomes:

- Percent of Medicaid beneficiaries living in rural areas who are reached or served through the funded innovations (target~~: 5%~~ 1% of rural Medicaid population by Year 3)
- Improved glucose control (target: 85% of diabetes tool users improve HbA1c by Year 5)
- Weekly Active Health Participants (WAHP) or percent of eligible users who log at least one meaningful health activity per week: (target: all chosen innovations meet predefined WAHP target at least 75% of weeks beginning 6 months after launch)
- 7-day retention rate: (target: all chosen innovations meet or exceed predefined WAHP target specific to innovation at least 75% of weeks beginning 6 months after launch)

Impacted Counties: Sussex County and Kent County

Estimated Required Funding: $25 million

Sustainability plan: The Fund will prioritize innovations that demonstrate a clear return on investment. Applicants will need to show how their solutions will reduce costs, improve outcomes, or generate savings that can be leveraged through existing payment structures, such as shared savings arrangements, reduced hospital admissions, or improved chronic disease

management. By selecting technologies with measurable ROI, DHSS will ensure that cost savings and quality improvements generated by the new technologies will promote ongoing adoption and scale beyond the initial funding period.

8. Rural Delaware Diabetes Wellness Pilot Program

Description: Delawareans have higher rates of diabetes and prediabetes than the national average, and rates of the disease have nearly doubled since 2003. Delaware Medicaid and Delaware state Group Health Insurance Plan spend more on diabetes than any other chronic condition. Addressing diabetes early improves health and generates savings.[25] This initiative will bring together the Delaware Information Network (DHIN) - the state health information exchange (HIE) which also serves as its all-payer claims database (APCD)- a technology partner, rural Delaware diabetes patients, providers and payers in a three-year pilot study to understand the impact of hands-on care management paired with continuous glucose monitoring (CGM) devices. The pilot would provide a CGM to 500 patients with diabetes living in rural Delaware and monitor whether real-time adjustments in health behaviors (e.g., diet, exercise, eating whole foods) paired with appropriate medication use, improves health outcomes. Physician-led care teams including diabetic care coordinators will then utilize predictive and prescriptive analytics to identify health and cost trends and adjust care plans accordingly. Tailored guidance to patients will be provided to patients using a combination of clinicians and AI-enabled virtual platforms. The state's APCD will provide analytic resources to track longer term outcome measures. RHTP funding will support the purchase and distribution of the CGMs

when not covered by insurance; administrative support to oversee the pilot initiative and ensure compliance; payments to participating providers to support enhanced diabetes care including individualized healthcare management plans; a specialized analytics vendor to deliver predictive and prescriptive analytic capabilities; a standards-based platform that integrates and stores health data from CGMs and existing health records, enabling seamless exchange, real-time monitoring, and actionable patient and provider alerts; and, technical assistance and training to providers and patients to integrate the digital solutions. Community engagement will be embedded throughout the pilot, with rural Delaware patients with diabetes, primary care providers, FQHCs, and care coordinators engaged during project design and recruitment, and through scheduled feedback checkpoints during implementation. Patient and provider input will be collected at baseline, mid-pilot, and annually thereafter, and used to refine care management protocols, digital tools, and patient-facing guidance to ensure the intervention remains responsive to community needs.

Main strategic goal: Sustainable Access

Permissible Uses of funds: A, C, D, G, K

Technical score factors: B.1, B.2, C.1, F. 1, F.2

Key stakeholders: Delaware Health Information Network (lead), FQHCs, local rural healthcare providers and health systems, community-based organizations, payers

Outcomes:

- Recruitment goals achieved by Year 3 (target: providers recruit 500 patient participants)
- Increased virtual engagement by primary care team for participating patients (target: 6 virtual provider “touches” by Year 3)
- Engagement by patient (target: weekly engagement by each participant, by Year 3)

- Improved glucose control (target: 75% of participants improve HbA1c during participation)

Impacted Counties: Sussex County

Estimated Required Funding: $6.5 million

Sustainability plan: Delaware law and regulation require commercial insurance carriers to reimburse providers at Medicare parity for services including setup, provision and patient education for continuous glucose monitoring (CGM) systems, remote patient monitoring and all Medicare eligible chronic care management services. The RHTP would provide funding for data systems to integrate patient data, technical assistance and training to overcome knowledge gaps, and a formal pilot study to demonstrate effectiveness.

9. Delaware Medical School

Description: Delaware is one of only three states without an in-state medical school – neither public nor private. As a result, Delaware cannot offer medical student's crucial clinical rotations in its rural facilities and cultivate the next generation of physicians committed to serving the state's rural communities. To address this, the Governor's Office will conduct an expedited competitive procurement process to select a partner institution to establish a "Primary Care – Rural Health" track medical school program in Delaware, focused on the health priorities most critical to rural populations: community medicine, preventive care through lifestyle changes, substance use disorder treatment, behavioral health, and integration of care with community providers. The four-year program will leverage Delaware's existing healthcare infrastructure and clinical training sites to prepare physicians for rural practice. Funds will also support parallel programs for physicians' assistants and nurse practitioners to help meet primary care needs. In

parallel with this new undergraduate medical education program, Delaware's six major health systems operate graduate medical education (GME) programs that have been expanding over the last five years. The state will continue to support these expansions, and the new medical school will work with GME programs to establish residency linkages, creating a pathway from medical school through residency training in Delaware's rural communities.

This medical school initiative is the foundation of Delaware's comprehensive 'Train Here, Stay Here' workforce development strategy. It works in concert with two complementary initiatives: the Medical School Rural Workforce Development Program (Initiative #10), which provides financial awards to students enrolled in the Primary Care - Rural Health track, and the Rural Medical Residency Recruitment Program (Initiative #11), which supports graduates as they transition to residency training in Delaware's rural communities. Together, these three initiatives create a complete educational pipeline from medical school admission through residency, with each stage reinforcing a commitment to stay and practice in the State's rural communities. RHTP funding will support program infrastructure and facility development, including:

- Building conversion and renovation: Transforming an existing building in Delaware into purpose-built medical education space, including creating simulation labs, anatomy labs, clinical skills training areas, lecture halls, small group learning rooms, and study spaces.
- Medical equipment and technology: Purchasing essential medical education equipment including simulation mannequins, diagnostic equipment, and clinical examination tools
- Furniture, fixtures, and educational infrastructure: Outfitting classrooms, labs, and clinical training spaces with desks, chairs, examination tables, storage cabinets, whiteboards, and other furnishings necessary for effective medical education.

- IT equipment and software: Purchasing computers and laptops for students and faculty, servers, learning management systems, electronic health record training platforms, medical education software, video conferencing systems, and cybersecurity tools.
- Faculty recruitment, program administration, and curriculum development: Recruiting qualified medical school faculty, establishing administrative operations including admissions, student services, and accreditation compliance, and developing a comprehensive Primary Care – Rural Health curriculum aligned with national medical education standards.

By partnering with an established medical school through competitive procurement, Delaware can accelerate the development timeline and ensure academic rigor from day one, creating a sustainable pipeline of primary care physicians dedicated to serving the state's rural communities. RHTP funds will not be used for major renovations.

Main Strategic Goal: Workforce Development

Permissible Uses of Funds: E,G,H, J, K

Technical Score Factors: B.1, D.1.

Key Stakeholders: Governor's Office; DHSS through DPH, Delaware Health Care Commission, DE GME Programs; Rural Health Providers; see also Initiative #10 and #11

Outcomes:

- Number of students enrolled annually (target: 40+ students beginning Year 3 – Fall 2028)
- Number of qualified faculty and administrative leaders recruited and credentialed (target: minimum 10 core faculty by Year 3)
- Number of residency linkage agreements with rural GME programs (target: 3+ by Year 4)

- Number of rural healthcare facilities and clinical training sites in Kent and Sussex Counties participating (target: 5+ by Year 4)

Impacted Counties: Sussex County and Kent County

Estimated Required Funding: $94 million

Sustainability plan: After the initial RHTP-funded period, tuition payments will cover most operational costs. With the plan for a competitive procurement to an established medical school, the medical school will have an efficient path to administrative operations. Furthermore, the scope of work will include developing a robust fundraising program with outreach to charitable foundations and medical systems operating in Delaware. The partner medical school institution will integrate the Primary Care – Rural Health track into its sustainable funding model.

10. Medical School Rural Workforce Development Program

Description: As part of Delaware's integrated 'Train Here, Stay Here' workforce development strategy anchored by the new Delaware Medical School (Initiative #9), the State will establish a Medical School Rural Workforce Development Program, administered by the Delaware Health Care Commission, which will provide comprehensive financial awards to medical students enrolled in the new medical school who commit to practice and care of Delaware's rural population. The initiative will support two pathways: 1) students enrolled in Delaware's new medical school's Primary Care – Rural Health track, and 2) students who complete their third- and fourth-year clinical rotations in Delaware, gaining exposure to the state's communities and rural healthcare needs. By reducing the financial burden on medical students dedicated to rural practice through educational awards tied to rural service commitments, Delaware can help overcome the barrier that the high cost of medical education poses to expanding the rural

physician workforce. This workforce-first approach ensures that federal investments produce tangible results: more doctors practicing in rural Delaware. The program's eligibility criteria will require either enrollment in the new medical school's Primary Care - Rural Health track or completion of third- or fourth-year clinical training in Delaware and will prioritize awards to those electing specialties such as primary care, behavioral health, substance use disorder treatment, or chronic disease prevention. In exchange for educational support, recipients will commit to five years of practice in Delaware's rural areas upon completion of their medical education and any residency training (initiative #11). In this way, this initiative will "bridge" students from medical school to residency training, ensuring continuous support throughout the entire medical education continuum. This service-for-education model will directly translate into long-term rural physician workforce expansion.

The Delaware Health Care Commission (DHCC) will work in collaboration with other state offices and medical educators to develop the application process, establish eligibility criteria, create and monitor binding contractual agreements with participants and maintain ongoing documentation. The state will retain external legal services to draft enforceable contracts that clearly define service obligations and repayment terms to ensure program accountability and protect the state's investment in participants. The State will finalize standardized policies governing the timing and structure of education disbursements, recipient selection, monitoring and evaluation, and compliance oversight, consistent with federal grant requirements and best practices. These policies will establish clear procedures for competitive award determination, ongoing performance and expenditure monitoring, and mechanisms—such as service agreements and clawback provisions—to ensure recipients fulfill the five-year service obligation. Specific contractors, selection methods, performance periods, scopes of work, accountability measures,

and itemized budgets will be determined through an open, competitive procurement process in accordance with federal and state requirements.

Main Strategic Goal: Workforce Development

Permissible Uses of Funds: E,G,H

Technical Score Factors: B.1, D.1

Key Stakeholders: DHCC (lead), Delaware Medical Association; Rural Health Providers, Sussex Economic Development Action Committee, Delaware Academy of Family Physicians

Outcomes:

- Number of educational awards distributed annually to students enrolled in Delaware's new medical school (target: minimum 20 students by Year 3 (Fall 2028), scaling to 40+ students by Year 5)
- Number of educational awards distributed annually to students completing their third- and fourth-year clinical training in Delaware (target: minimum 15 awards by Year 2, scaling to 30 by Year 5)
- Percentage of award recipients who complete DE medical school and enter residency program in DE (target: 50%)
- Number of rural zip codes in Kent and Sussex Counties with at least one practicing physician who received educational awards through this initiative (baseline: 0, target: 10+ by end of funding period – 9/30/31).

Impacted Counties: Sussex County and Kent County

Estimated Required Funding: $29.75 million

Sustainability plan: By the end of the RHTP funding period, this program will have provided educational awards to approximately 140 physicians who are contractually committed to

practicing in Delaware's rural communities for a minimum of five years and an additional 150 who have completed clinical rotations in Delaware. The binding service agreements ensure that the initial federal investment creates sustained impact without requiring ongoing program funding. Delaware will monitor compliance with service commitments and track retention rates beyond the initial five-year obligation, as physicians trained in rural settings and with strong community connections are significantly more likely to continue practicing in those communities long-term. Additionally, the state will work with rural health systems and the medical school to establish complementary programs that support subsequent cohorts of rural physicians, building on the foundation created through RHTP funding.

11. Rural Medical Residency Recruitment Program

Description: As the third component of Delaware's 'Train Here, Stay Here' workforce development strategy, this initiative completes the educational pipeline established by the Delaware Medical School (Initiative #9) and the Medical School Rural Workforce Development Program (Initiative #10). Residency programs reliably retain physicians in the communities where they train, with retention rates increasing significantly when medical school and residency occur in the same state. For graduates of Delaware's new medical school who received financial awards through Initiative #10, this residency recruitment program provides seamless transition support, maintaining financial assistance as they move from medical school to residency training—all while deepening their commitment to Delaware's rural communities.

Medical education institutions continue to face significant recruitment challenges for rural residency positions, despite strong interest from candidates. The barrier is financial: reported

salaries for early-year medical residents in Delaware range from $70,000 to $75,000, with apartment rentals consuming at least 30% of this amount. This financial pressure is so significant that over 25% of medical residents report that debt from school and living expenses directly influences their choice of specialization and practice location, often steering them toward higher-paying urban programs or specialties rather than rural primary care positions.[26] Rural residency programs and clinical training programs also face unique housing challenges due to smaller rental markets. This creates a competitive disadvantage for rural graduate programs.

This initiative establishes a Rural Medical Residency Recruitment Program administered by the DHCC that provides awards for wraparound services, short-term housing, and relocation expenses to medical residents training in rural Delaware or clinical program participants committed to serving rural Delawareans. The program will provide:

- **Temporary housing and wrap-around services awards** of up to $2,000 per month for a maximum of 6 months ($12,000 total) to offset initial rental and other costs as residents and clinical program participants transition to rural Delaware practice locations.
- **One-time relocation awards** of up to $8,000 to cover moving expenses, security deposits, and initial setup costs.

DHCC will establish a streamlined application process. Selection criteria will prioritize awards to residents and physician extenders committed to primary care and rural practice, while requiring recipients to commit to five years of employment at a rural Delaware facility upon completing their residency or training program. The DHCC will administer the program in collaboration with the Delaware Office of Healthcare Workforce, graduate medical education programs, clinical training institutions, and rural healthcare stakeholders. The state will retain

external legal services to draft enforceable contracts that clearly define service obligations and repayment terms to ensure program accountability and protect the state's investment in participants. Specific contractors, selection methods, performance periods, scopes of work, accountability measures, and itemized budgets will be determined through an open, competitive procurement process in accordance with federal and state requirements. These processes will be determined with CMS input upon award.

Main Strategic Goal: Workforce Development

Permissible Uses of Funds: E,G,H

Technical Score Factors: B.1, D.1.

Key Stakeholders: DHCC (lead), DPH Office of Healthcare Provider Resources, DE Office of Healthcare Workforce, FQHCs, graduate medical education programs, rural health systems

Outcomes:

- Number of medical residents and physician extenders receiving housing and relocation awards annually (target: minimum 50+ residents beginning Year 3)
- Number and percentage of award recipients who previously received medical school educational awards (Initiative #10) (target: 40% by Year 5)
- Percentage of rural residency positions filled annually in participating programs (baseline: establish in Year 2, target: 70% by Year 5)
- Number of rural zip codes in Kent and Sussex Counties with at least one practicing physician who received educational awards through this initiative (baseline: 0, target: 10+ by end of funding period).

Impacted Counties: Sussex County and Kent County

Estimated Required Funding: $11.5 million

Sustainability plan: By the end of the RHTP funding period, this program will have provided housing and relocation awards to approximately 250 medical residents and/or clinical training program participants who are contractually committed to practicing in Delaware's rural communities for a minimum of five years. The binding service agreements ensure that the initial federal investment creates sustained impact without requiring ongoing program funding. Delaware will monitor compliance with service commitments and track retention rates beyond the initial five-year obligation, as physicians trained in rural settings and with strong community connections are significantly more likely to continue practicing in those communities long-term. Additionally, the state will work with rural health systems and graduate medical education programs to establish employer-sponsored housing assistance programs that support subsequent residents.

12. Training Programs for Clinical Support Roles in Rural Areas

Description: This initiative launches a competitive grant program to fund health systems, facilities, and educational institutions to expand clinical training programs for Non-Physician Practitioners, “physician extenders”, community health workers (CHWs), dental professionals, and clinical support staff in rural Delaware. This competitive grant program will work in tandem with the Rural Health Workforce Education Program (Initiative #13), which provides educational awards to students enrolled in these training programs. Together, these initiatives create a comprehensive support system: this training program initiative builds institutional capacity and training infrastructure, while Initiative #13 addresses financial barriers to participation. During the August 2025 public comment period, the state received compelling proposals from Delaware State University, University of Delaware, Delaware Technical Community College,

Bayhealth, Beebe Healthcare, Westside Family Healthcare, the Sussex Economic Development Action Committee (SEDAC), and others, demonstrating strong institutional interest and capacity to address rural workforce challenges through additional and improved training programs. For example, the University of Delaware proposed a new Physician Assistant program that could train 40 new clinicians per year to staff mobile units and expand community access sites of care envisioned as part of the RHP.

Administered by jointly by Delaware DHSS and the DHCC, this competitive grant program will award funding to organizations that develop and deliver new training programs, apprenticeships, and fellowships to a broad array of healthcare professionals - including physician assistants, nurses, midwives, paramedics, phlebotomists, laboratory technicians, occupational therapists, nutritionists, long-term care staff, dental hygienists, dental assistants, dentists-in-training, and CHWs providing health education, preventive care, and care coordination. The competitively procured program administration and evaluation vendor will oversee initiative operations, collect outcome metrics, and provide regular reporting to DHSS and DHCC. Training programs will focus on critical service gaps in rural communities, including dementia care, substance use disorder outreach and training, emergency medical services, preventative oral health services, community education, and programs to improve nutrition and lifestyle choices. Programs must also demonstrate partnerships with rural healthcare facilities to ensure trainees gain hands-on clinical experience in underserved communities. Expanding training programs will create a sustainable pipeline of qualified clinicians, CHWs, and dental professionals ready to serve rural communities while establishing an efficient delivery system for timely and effective medical, behavioral health and preventive care in underserved areas.

Main Strategic Goal: Workforce Development

Permissible Uses of Funds: E,G,H

Technical Score Factors: B.1, D.1.

Key Stakeholders: Delaware DHSS, DHCC, DPH Office of Healthcare Provider Resources, FQHCs, rural health systems

Outcomes:

- Number of new or expanded clinical training programs (baseline: 0, target: minimum of 7 by Year 3)
- Number of new healthcare professionals, CHWs, and dental professionals trained annually across funded programs, by county of program (baseline: 0, target 125+ in each county, by Year 3)
- Percentage of program participants achieving certification or completion in their respective fields (target: 80% of first cohort by Year 5)
- Number of rural healthcare facilities in Kent and Sussex Counties with new clinical support staff attributable to funded training programs (target: 30+ facilities by Year 5)

Impacted Counties: Sussex County and Kent County

Estimated Required Funding: $132 million

Sustainability plan: Training programs funded through this initiative will be integrated into the ongoing operations of established educational institutions and health systems. Successful grantees will be required to develop sustainability plans through student tuition and fees, partnerships with rural facilities that provide training sites, and other philanthropic support. DHSS and DHCC will work with grantees to link training programs with existing state initiatives

to ensure long-term viability and continued impact on both clinical and community-based services in rural communities.

13. Rural Health Workforce Education Program

Description: Delaware's rural communities face critical shortages across the entire healthcare workforce spectrum - not just physicians. As part of the August 2025 public comment period for RHTP funding, this challenge emerged as a consistent priority. Major Delaware health systems including Highmark, Bayhealth, and TidalHealth, as well as the State Office of Rural Health and the University of Delaware all highlighted acute shortages of clinical staff at every level – from nurse practitioners and physician assistants, community health workers, occupational therapists, emergency medical technicians, skilled long term care workers, and dental professionals such as hygienists, dental assistants, and dentists-in-training. The barrier is clear: the costs of advancing education prevents otherwise qualified candidates from entering or progressing in these essential roles. Beyond tuition and housing, many trainees face additional barriers including childcare costs, transportation challenges, lack of educational supplies, and other essential needs that can derail training completion.

Working in partnership with the competitive grant program for clinical training programs (Initiative #12), this initiative establishes a Rural Healthcare Workforce Education Program administered by the DHCC. While Initiative #12 supports institutions in building and expanding training capacity, this program invests directly in training the next generation of rural healthcare professionals by giving financial awards to those enrolled in clinical training programs who pledge to serve in Delaware's underserved rural communities. This workforce-first approach

ensures that federal investments produce tangible results: more healthcare professionals practicing in rural America, addressing the access crisis that has left rural Delaware behind.

DHCC will establish a streamlined application process for individuals actively enrolled in Delaware-based, accredited programs leading to credentials such as nurse practitioners, physician assistants, community health workers, occupational therapists, emergency medical technicians, skilled long-term care workers, dental professionals, and other critical healthcare roles. Medical residents training in rural Delaware or committed to serving rural Delawareans (Initiative #11) are also eligible for awards through this program. Selection criteria will prioritize Delaware residents and Delaware-based programs, while requiring recipients to commit to five years of employment at a rural Delaware facility upon graduation or program completion. Award recipients enrolled in physician extender training programs and medical residents are also eligible for housing assistance, relocation support, and wraparound services through Initiative #11 to address financial barriers to training completion. This service-for-education model ensures that RHTP investments directly translate to improved access in the communities that need it most. The DHCC will administer the program in collaboration with the Delaware Office of Healthcare Workforce, educational institutions, and rural healthcare stakeholders. The Commission will develop the application process, establish eligibility criteria, create and monitor binding service commitment agreements with participants, and maintain ongoing documentation and compliance tracking. The state will retain external legal services to draft enforceable contracts that clearly define service obligations and repayment terms to ensure program accountability and protect the state's investment in participants. The competitively procured program administration and evaluation vendor will oversee initiative operations, collect outcome

metrics, and provide regular reporting to DHCC. Specific contractors, selection methods, performance periods, scopes of work, accountability measures, and itemized budgets will be determined through an open, competitive procurement process in accordance with federal and state requirements. These processes will be finalized with CMS input upon award.

Main Strategic Goal: Workforce Development

Permissible Uses of Funds: E,G,H

Technical Score Factors: B.1, D.1.

Key Stakeholders: DHCC (lead), DPH Office of Healthcare Provider Resources, Tidal Health, Highmark, Bayhealth, Rural Providers

Outcomes:

- Number of advanced practice clinicians and critical health personnel receiving educational awards annually (target: minimum 40 students per year beginning Year 2)
- Number of award recipients who complete their training programs and enter practice in rural Delaware (target: 60% completion by Year 4)
- Number of award recipients actively practicing in rural Delaware healthcare facilities (target: 150+ by Year 5)
- Number of rural healthcare facilities in Kent and Sussex counties employing award recipients (target: 10+ facilities in Kent and Sussex county each, by Year 5)

Impacted Counties: Sussex County and Kent County

Estimated Required Funding: $19 million

Sustainability plan: By the end of the RHTP funding period, this program will have provided educational support to approximately 500+ healthcare professionals who are contractually committed to practicing in Delaware's rural communities for a minimum of five years. The

binding service agreements ensure that the initial federal investment creates sustained impact without requiring ongoing program funding. Delaware will monitor compliance with service commitments and track retention rates beyond the initial five-year obligation. Additionally, the state will work with rural health systems and educational institutions to establish complementary programs that support subsequent cohorts of rural healthcare professionals, building on the foundation and proven model created through RHTP funding.

14. Healthcare Workforce Data Center Initiative

Description: According to the US Department of Health and Human Services (HHS) and the Kaiser Family Foundation's report from 2025, Delaware ranked last among all states in meeting its need for primary care professionals, with only 14.85% of need met[27]. Understanding and addressing this crisis, and tracking all outcomes related to Delaware's RHTP, requires comprehensive, real-time data on Delaware's healthcare workforce, particularly in the rural areas of Kent and Sussex Counties and in FQHC's that serve as critical safety nets for underserved populations. Currently, the Delaware Health Force, in partnerships with the Delaware Academy of Medicine and Delaware Public Health Association, has developed three data tools tracking licensed and employed workforce in Delaware by county, as well as key access metrics for rural areas in the state. While valuable, these tools represent only the beginning of what's needed to effectively monitor workforce trends, measure program impact, and inform evidence-based policymaking. In September of 2025, the Governor signed Senate Bill 122 into law[28], which empowers DPH and the DHCC to access comprehensive workforce data collected by the Division of Professional Regulation, and use it to track supply, demand, distribution, Health

Professional Shortage Areas (HPSAs), maternity care targets, and medically underserved populations.

Building on this foundation, this initiative establishes a dedicated Health Care Workforce Data Center that leverages the expanded authority granted in SB122 to develop robust database infrastructure capable of tracking granular health workforce insights. The Center will monitor employment status and activity, practice settings and payment types, Medicaid and Medicare acceptance, time spent seeing patients, and other critical indicators that reveal that true state of healthcare across Delaware. Data will be collected from all licensed healthcare providers. Insights derived from this database will inform dashboards and annual reports that focus on identifying where workforce shortages remain, which specialties are underrepresented, and how demographic or geographic disparities impact access to care. In turn, policymakers and healthcare institutions can use this information to better target recruitment, funding, and training efforts, ultimately supporting a more responsive and equitable healthcare system.

Main strategic goal: Tech Innovation

Permissible Uses of funds: E, F, G, K

Technical score factors: A.2, B.1, B.2, C.1, D.1, D.2, D.3, F.2, F.3

Key stakeholders: Delaware Health Force, Delaware Academy of Medicine, Delaware Public Health Association, Division of Professional Regulation, DHIN

Outcomes:

- Establish and staff Health Care Workforce Data Center, building on work currently underway through the Delaware Health Force Initiative, by Year 1
- Develop survey tools to embed in the healthcare licensure application process, by Year 1

- Develop dashboards that track priority topics to inform state policy efforts (target: add between 5 and 10 dashboards to Delaware Health Force Data Tools by Year 3)
- Develop comprehensive, publicly available registry of active providers, by Year 4

Impacted Counties: Sussex County and Kent County

Estimated Required Funding: $16.25 million

Sustainability plan: By Year 3, the state will pursue formal legislation building on SB 122 to establish authority and funding for the Health Care Workforce Data Center for ongoing operational and analytic support.

15. Statewide Health Information Technology Infrastructure for Real-Time Insurance Verification and Prior Authorizations

Description: Nationally, insurance verification and prior authorization requirements delay treatment for 89% of patients,[29] causing unnecessary stress, administrative delays, and, in some cases, poor health outcomes – with rural providers facing particularly severe impacts due to limited staff and resources. Rural patients face compounded challenges from prior authorization delays when treatment requires specialist referrals, or transportation barriers mean multiple trips for authorization-related appointments, leading some patients to abandon treatment entirely.
In August 2025, Delaware enacted the Pre-Authorization Reform Act (SB 12) to reduce administrative burdens, improve patient access to timely care and increase transparency in the pre-authorization process. The law establishes processing time limits (2-48 hours), requires electronic provider portals by 2027, limits prior authorizations to one per care episode, and mandates that denials are made by qualified, non-financially incentivized physicians with detailed justifications reported to the Delaware Health Information Network (DHIN). To fully

realize SB12's promise and address persistent connectivity gaps in rural Delaware, this initiative creates comprehensive digital infrastructure connecting all rural providers, payers, hospital systems, and patients through the Smart Health Network (SHN) and the DHIN. This electronic health information exchange will dramatically accelerate prior authorization processing by allowing providers to exchange data electronically and allowing payers to report faster authorization decisions. Cloud-based infrastructure will minimize maintenance and operations management, while vendor-neutral standards will prevent vendor lock-in and stakeholder councils will ensure fair governance. By building streamlined conduits for data transmission, physicians, non-physician providers, and other support staff's time will be freed up for direct patient care. This unified system will also directly improve rural health by eliminating geographic barriers to specialist consultations, reducing the need for multiple trips, and supporting telehealth and remote patient monitoring that depend on seamless data exchange. The state will track key health metrics including reduced readmissions, increased preventive care utilization, improved chronic disease management, enhanced behavioral health coordination, reduced provider burnout, increased value-based care participation, and lower total cost of care.

Main strategic goal: Tech Innovation

Permissible Uses of funds: A, D, F, H, I, K

Technical score factors: B.1, C.1, E.1, E.2, F.1, F.2, F.3

Key stakeholders: SMART Health Network, DHIN, DHSS, DPH Office of Provider Resources, Provider Organizations, payers, Medicare, Health Systems, VA

Outcomes:

- Reduction in elapsed time for response to prior authorization request (Target: 75% reduction by Year 3)

- Reduction in first pass denials related to coverage errors (Target: 90% reduction, initially 15-20% to less than 2% by Year 3 for enrolled payers)
- Rural healthcare provider adoption (Target: Year 1 at 30%+, Year 2 at 55%+, Year 3 at 70%+, Year 4 at 80%+, Year 5 at 90%+)
- Clean claims rate (Target: Year 3 at 85%, Year 5 at 90%+)
- Patient portal launch by year 3 (Target: patient adoption of 30% by Year 5)

Impacted Counties: All three counties, with targeted focus on Sussex and Kent Counties

Estimated Required Funding: $50 million

Sustainability plan: After initial implementation, the model will break even in Year 4 and become fully self-sustaining in Year 5 through a utility fee model of 0.05% of revenue equally applicable for all payer and provider participants – including state agencies, state Medicaid programs, rural and non-rural healthcare providers, and public (including Medicare) and private insurers.

Governance and Project Management Structure for RHTP

The Delaware DHSS will serve as the lead agency for the RHTP, with the Director of the Division of Public Health serving as the primary contact for the entire Program. The Director will dedicate 20% of his time to RHTP oversight and will report directly to the DHSS Secretary and the Governor's Office. Point people from DPH, DHSS, and the Governor's Office will participate in all calls with CMS and dedicate substantive effort to support the operation and coordination of the RHTP. As the lead on several initiatives, the DHCC will participate in meetings as well. Additionally, by Year 2, DHSS will establish an administrative coordinator position to provide support to the core state team as the program scales and matures. The core

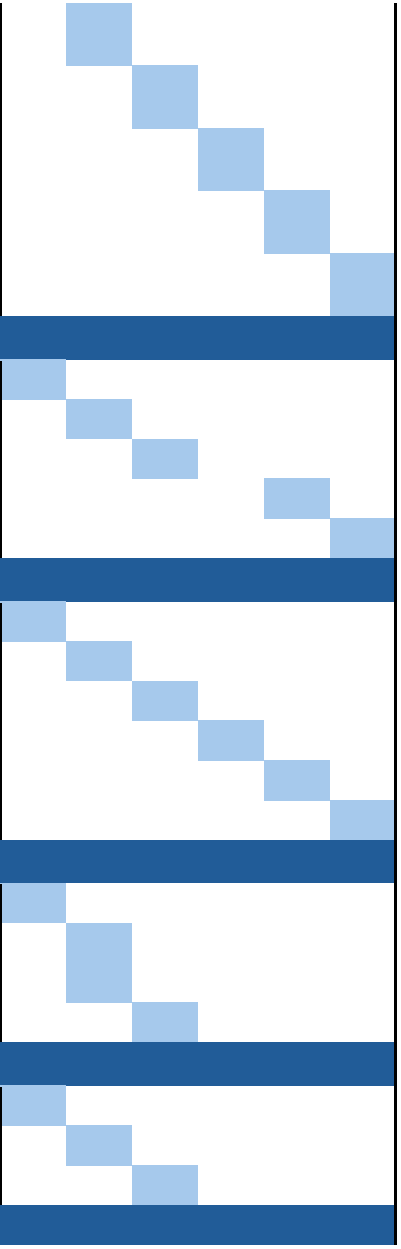
state team will continuously monitor program demands and staffing needs, adding resources as necessary to ensure effective program management and compliance. Delaware will competitively procure a program administration and evaluation vendor to ensure rigorous oversight and accountability across all RHTP initiatives. This vendor will oversee implementation of several initiatives (see Proposed Initiatives section for more detail), manage all awardees (where applicable), collect and analyze performance data, provide regular reporting to DHSS leadership and CMS, and facilitate stakeholder engagement meetings. The vendor will ensure adherence to all federal requirements and CMS compliance standards while serving as a liaison between grantees and RHTP state leadership.

Metrics and Evaluation Plan for RHTP: Delaware will leverage existing state data resources to produce annual progress reports, including the Health Care Claims Database, DOI tracking of value-based payments and affordability metrics, and workforce data collection standards established by 2025 legislation. All RHTP contracts and grants will include mandatory reporting schedules to monitor progress and enable timely course corrections. Delaware will competitively procure a program administration and evaluation vendor to provide rigorous oversight and accountability. Following grant award, the program administration and evaluation vendor will develop a comprehensive evaluation, reporting, and analytics infrastructure for stakeholder review and approval – based on each initiative's specific outcome metrics and implementation milestones. The RHTP team will publish annual public reports detailing program activities, lessons learned, and accomplishments.

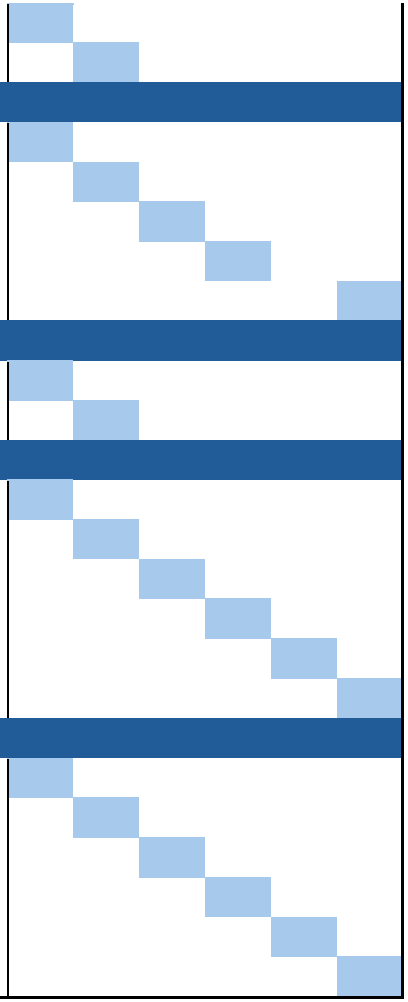
Milestones and Implementation Timeline

Initiative Name/ Milestone	Date	Stg 0	Stg 1	Stg 2	Stg 3	Stg 4	Stg 5
#1. Rural "Hope Center" Initiative							
Complete community needs assessments in Sussex and Kent to identify optimal locations	3/31/2026						
Secure site location for first Hope Center and execute contract	6/30/2026						
Launch first Hope Center location with initial resident admissions	9/30/2026						
Launch second Hope Center location with initial resident admissions	9/30/2027						
First Regular Quarterly Reporting of Outcomes (both centers) b	3/31/2028						
Sustainability plan operational with both Centers fully integrated into state healthcare delivery system	9/30/2029						
#2. Rural Community Health Hubs							
Finalize RFP and select vendors	9/30/2026						
Four New Mobile Units Deployed and Operational	9/30/2027						
First Regular Quarterly Reporting of Outcomes due to DHSS	12/31/2027						
#3. School-Based Health Centers Expansion Initiative							
Finalize RFP and select school partners	9/30/2026						
Renovations to establish new SBHCs completed - SBHCs operational	9/30/2027						
First Annual Reporting of Outcomes due to DPH	9/30/2028						
Develop sustainability plan for funding SBHCs	9/30/2030						
#4. Food is Medicine Infrastructure Initiative							
Issue competitive procurements for vendors	9/30/2026						
Vendors and partners complete needs assessment, hire workforce, and deploy billing toolbox	9/30/2027						
Certify 15 Culinary Medicine Teachers and begin training rural practitioners; launch pilot program	9/30/2028						
#5. Rural Libraries Health Access Initiative							
Identify nine library locations based on needs assessment and develop implementation plan	9/30/2026						
Recruit and hire necessary staff and launch expanded services	6/30/2027						
First annual outcomes reporting by library, establish MOU's with local provider and community orgs	9/30/2028						
Secure sustainable operational funding through state and local appropriations	9/30/2031						
#6. Rural Provider and FQHC Value-Based Care Readiness Initiative							
Issue competitive procurements for provider awards; Recruit stakeholders for VBP workgroup	9/30/2026						

Awardees complete needs assessment and submit final implementation plans; Care team expansion (cohort 1) begin hiring key positions; VBP workgroup releases plan for rural health VBP barriers	9/30/2027
Awardees implement tech upgrade; Care team expansion (cohort 2) begin hiring key positions; Awardees enrolled in VBP TA. VBP workgroup engage at least one payer and provider in VBP adoption strategy	6/30/2028
Providers complete assessment of provider/patient satisfaction with tech upgrades; VBP workgroup supports at least one payer and provider in implementing VBP adoption among rural providers	6/30/2029
Providers complete sustainability plan; VBP workgroup supports at least one payer and provider in implementing strategy to expand VBP adoption among rural providers	6/30/2030
VBP workgroup supports at least three payers and five providers in implementing strategy to expand VBP adoption among rural providers; Outcome metrics demonstrate targeted improvements	9/30/2031
#7. Catalyst Fund for Telehealth and Remote Monitoring	
Issue competitive procurement for backbone organization, award funds	9/30/2026
Backbone organization completes survey to identify consumer/provider needs for wearables and tech	6/30/2027
Awards to at least 10 consumer health technology devices, reaching at least 1,000 Delawareans	6/30/2028
Backbone organization completes sustainability plan	6/30/2030
Catalyst Fund identifies one to three consumer tech innovations it will fund through sustainability model	6/30/2031
#8. Rural Delaware Diabetes Wellness Pilot Program	
Issue competitive procurement for technology lead, award funds	9/30/2026
Providers and at least 500 patients enrolled in the research study	6/30/2027
Providers enrolled in program receive routine analytic reports to inform care plans	6/30/2028
At least 400 patients remain enrolled in the study at the two-year mark	6/30/2029
Technology lead develops sustainability plan to expand pilot post grant period	6/30/2030
Technology lead releases analysis based on pilot study	6/30/2031
#9. Delaware Medical School	
Issue expedited competitive procurement and award contract	9/30/2026
Form Steering Committee and appoint Dean	12/31/2026
Faculty appointments for first medical school class completed	9/30/2027
Curriculum developed, first class admitted and classes begin in fall 2028.	6/30/2028
#10. Medical School Rural Workforce Development Program	
Program established and application process complete	9/30/2026
Develop application process, contractual agreements, oversight methods	9/30/2027
First class enrolled, with binding 5-year service commitments	9/30/2028
#11. Rural Medical Residency Recruitment Program	



Program established and application process complete, Program opens for applications.	9/30/2026
First awards distributed, with five year binding service commitments	9/30/2027
#12. Training Programs for Clinical Support Roles in Rural Areas	
Develop requirements, issue competitive procurement and award contract(s) or grants	9/30/2026
Program(s) enroll first cohort of new trainees	6/30/2027
First Regular Annual Reporting of program outcomes to DHSS	6/30/2028
Enroll 50 students per program year across diverse roles and professions	9/30/2029
Ongoing enrollment of 50 students per year	9/30/2031
#13. Rural Health Workforce Education Program	
Program established and application process complete, Program opens for applications.	9/30/2026
First awards distributed, with five-year binding service commitments	9/30/2027
#14. Healthcare Workforce Data Center Initiative	
Develop requirements, staff Data Center	9/30/2026
Legislation to establish authority and funding; Engage stakeholders to determine key metrics	3/30/2027
Finalize data collection fields, develop data governance requirements, begin database infrastructure	4/30/2028
Finalize database infrastructure and initial data intake and cleaning	3/30/2029
Develop 5-10 initial workforce dashboards and develop registry of active providers	12/31/2029
Ongoing data intake and data center updates	7/30/2030
#15. Statewide Health Information Technology Infrastructure for Prior Authorizations	
Develop requirements, issue competitive procurement and award contract(s) or grants	9/30/2026
Establish governance structure, stakeholder engagement plan, pilot site selection and baseline assessment	3/30/2027
Deploy core infrastructure, engage 5 hospital pilot, and integrate with Medicaid	9/30/2027
Connect 10 facilities, process 10,000 prior authorizations, and engage 25,000 patients	3/31/2028
Connect Sussex and Kent County rural facilities, connect all commercial payers, and launch patient portal	12/31/2029
Connect rural facilities and integrate all payers, with 95% provider adoption and self-sustained operations	12/31/2030



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