

The Rural Health Transformation Program

Workforce Challenges and Policy Implications

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“ Rural health financing is not abstract. It shows up in empty clinics, delayed emergencies, exhausted health workers, and lives lost too soon.”

- Jeremy Cannon, Kalkaska Memorial Health

Rural Healthcare Workforce Development Challenges

Economic and Financial Pressures

- 44 to 50% of rural hospitals operating at a loss
- Lower Medicare & Medicaid reimbursement limits wages
- Heavy reliance on costly short-term staffing

Geographic & Lifestyle Barriers

- Remote locations reduce recruitment appeal
- Limited spousal employment, childcare, schooling
- Approximately 40% lack adequate broadband, limiting telehealth

Professional & Educational Constraints

- Urban-centric training pipelines
- High burnout from small teams & on-call burden
- Fewer advancement & professional growth pathways

Growing Patient Demand

- Higher share of adults 65+ (19% vs. 15% urban)
- Elevated chronic disease burden
- Rising acuity strains limited workforce capacity

RHTP: Intentional Policy and Program Opportunity

1. Train Providers in Rural Communities

- Expand rural clinical training sites, residencies, and rotations
- Anchor education where care is needed most

2. Shift to Retention from Retention

- Replace short service obligations with place-based pipelines
- Support mentorship, career ladders, and long-term community integration

3. Strengthen Team- Based Rural Care

- Expand the roles of NPs, PAs, behavioral health professionals, and CHWs
- Maximize workforce capacity with foreign-educated healthcare professionals

4. Address Non- Clinical Barriers to Workforce Stability

- Align RHTP with housing, broadband, childcare, and spousal employment strategies
- Treat community infrastructure as workforce infrastructure

5. Build Durable Workforce Governance

- Coordinate health, education, labor, and Medicaid agencies
- Create sustained capacity to manage long-term pipelines

Alignment and Sustainability for Future Success

RHTP can address workforce gaps, but only if states prioritize long-term system design.

It is most effective when states:

- Train providers in rural communities and have long-term, stable staffing solutions
- Expand team-based care shovel-ready solutions that allows the state to show immediate results to CMS, justify continued funding, and that allows planning for the long-term
- Have partners that can help navigate highlighting the ROI and outcome metrics that will be scrutinized to award continued funding
- Plan now for post-2030 sustainability