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American Pharmacists Association

# Pharmacy Priorities for State Rural Health Transformation Applications

**Purpose**
Provide a ready-to-use menu of pharmacy strategies states can include in their Rural Health Transformation Program (RHTP) applications and implementation plans to protect access, improve chronic disease outcomes, and grow the rural workforce.

**Program background**

- RHTP provides $10B/year for FY 2026–2030 to states with approved applications; funds must be used for at least three authorized uses (e.g., prevention/chronic disease management, provider payments, technology-enabled care, workforce recruitment, OUD/SUD, and mental health access).
- Applications must outline plans to improve access and outcomes, prioritize new technologies, build strategic partnerships, recruit/retain clinicians, and support sustainable operating models for rural providers.
- Funds generally must be obligated/spent by the end of the following fiscal year; annual reporting to CMS is required. CMS has wide discretion over approvals and allotments.

## Priority 1 - Sustain Community Pharmacy Access in Rural & Underserved Areas

**Why this matters**
Rural communities have experienced a disproportionate loss of pharmacies, contributing to “pharmacy deserts,” longer travel times for medications, test-and-treat services, and reduced access to long-acting injectable therapies.

**Menu of state options**

1. **Targeted Supplemental Dispensing Fee (Rural Access Add-On):** Pay an enhanced per-prescription professional dispensing fee add-on for pharmacies located in designated rural areas to stabilize access.
2. **Pharmacy Desert Protection Payment:** Provide an enhanced per-prescription professional dispensing fee for pharmacies where closure would create a pharmacy desert (defined via state drive-time/distance criteria) and for pharmacies re-opening in current deserts.
3. **Rural Pharmacy Startup/Conversion Grants:** Offer time-limited grants or forgivable loans for capital, inventory, e-prescribing, and security/cyber upgrades to re-establish access in communities that lost a pharmacy.
4. **Technology-Enabled Access:** Fund telepharmacy build-outs and remote verification, clinical documentation, and care-coordination tools that keep services available in rural communities.
5. **Injectable/Administration Access:** Support equipment, workflow redesign, and modest facility upgrades so pharmacies can administer long-acting injectables (e.g., antipsychotics, buprenorphine, HIV prevention treatments).

**Implementation notes**

- Use transparent eligibility and time-limited payments tied to access outcomes.

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- Require participation by all Medicaid managed care organizations (MCOs) and encourage alignment by state-regulated commercial plans.
- Pair with pharmacy benefit manager neutrality conditions (no steering; timely, accurate reimbursement; prompt-payment standards) to ensure pass-through of state funds.

**Suggested metrics**
Rural pharmacy count and stability; travel time to nearest pharmacy; on-time dispensing for chronic meds; number of long-acting injections administered.

## Priority 2 - Pay Pharmacists for Patient Care Under the Medical Benefit

**Why this matters**
In many rural communities, pharmacists are the most accessible clinicians. Paying for pharmacist-delivered care expands capacity for chronic disease management, acute test-and-treat, opioid use disorder (OUD) / substance use disorder (SUD) services, harm reduction, and behavioral health, improving outcomes and reducing avoidable utilization.

**Menu of state options**
1. **Medicaid State Plan Amendment (SPA) - Pharmacists as other licensed practitioners (OLPs):** Recognize pharmacists as "other licensed practitioners," enroll them as billing providers, and establish covered services and rates under the medical benefit.
2. **Chronic Disease Management Bundle:** Reimburse comprehensive medication management and disease-specific protocols (e.g., hypertension, diabetes, asthma/COPD, heart failure) using appropriate CPT/HCPCS codes; allow value-based add-ons tied to control rates and avoidable emergency department visits.
3. **Test-and-Treat in Pharmacy:** Cover pharmacist assessment, point-of-care testing, prescribing, and treatment for influenza, strep, COVID-19, and other minor ailments under independent prescriptive authority, statewide protocols, standing orders, or other prescribing allowances.
4. **HIV Prevention Services:** Pay for pharmacist initiation/maintenance of HIV pre-exposure prophylaxis (PrEP) / post-exposure prophylaxis (PEP), associated labs, counseling, and follow-up.
5. **Medication for Opioid Use Disorder (MOUD):** Reimburse pharmacists for initiating and maintaining buprenorphine or other FDA-approved MOUD where authorized under state law, including patient counseling, monitoring, and coordination with behavioral health providers.
6. **Opioid Antagonist Access and Harm Reduction:** Pay pharmacists for dispensing and providing education on naloxone and other opioid antagonists, distributing fentanyl test strips, offering syringe service program referrals, and counseling on overdose prevention strategies.
7. **Medication Administration Fees:** Pay pharmacists for administration of long-acting injectables to all ages permitted by state law; include observation time and care coordination.
8. **Telehealth Parity:** Cover pharmacist services via audio-video or audio-only when clinically appropriate to reach rural areas.

**Implementation notes**
- Use SPA or managed-care contract language to establish provider enrollment, documentation standards, and a fee schedule.
- Set rates at parity with comparable providers for the same covered service; require MCO adoption; reduce prior-auth friction for guideline-concordant services.
- Align with federally qualified health center (FQHC) / rural health clinic (RHC) partners to integrate pharmacists in team-based models.

**Suggested metrics**
Percent of patients with controlled hemoglobin A1c / blood pressure / cholesterol; time-to-treatment for strep / flu / COVID; rate of PrEP/PEP initiation/continuation; SUD/OUD medication persistence; emergency department visits and avoidable admissions.

## Priority 3 - Rural Experiential Education & Workforce Pipeline

**Why this matters**
Rural rotations and training experiences substantially increase the likelihood that clinicians will practice in rural communities.

**Menu of state options**
1. **Housing & Living Stipends:** Provide stipends for student pharmacists on rural APPEs and for pharmacy residents on rural rotations; include travel reimbursement.
2. **Preceptor & Site Support:** Pay rural pharmacies, RHCs, and FQHCs modest preceptor stipends and micro-grants for onboarding, supervision time, and teaching infrastructure.
3. **Rural Rotation Tracks:** Co-fund multi-week rural rotation blocks and resident electives linked to rural health system partners, with optional service-commitment bonuses.
4. **Loan-Repayment Alignment:** Coordinate with state loan-repayment programs to recognize pharmacist service in rural shortage areas.

**Suggested metrics**
Number of rural rotation slots filled; percentage of graduates/residents practicing in rural areas at 1 and 3 years; preceptor retention; student satisfaction; community access gains.

**Sample application language**

**Provider Payments – Rural Pharmacy Access.**
The State will establish a Rural Pharmacy Access Add-On that augments the professional dispensing fee for eligible rural pharmacies and for pharmacies located in areas that would otherwise become pharmacy deserts upon closure. The add-on is time-limited, tied to access metrics (e.g., travel time, inventory fill rates), and applies across fee-for-service and managed care.

**Prevention & Chronic Disease Management – Pharmacist Services.**
The State will recognize pharmacists as billing providers under the medical benefit and reimburse evidence-based services, comprehensive medication management, hypertension and diabetes services, test-and-treat for minor acute conditions, HIV PrEP/PEP initiation and maintenance, long-acting injectable administration, and tobacco-cessation counseling, at parity with comparable providers. The program includes telehealth parity and value-based incentives aligned to control rates and avoidable utilization.

**Workforce Recruitment & Training.**
The State will fund rural experiential education by providing student housing and living stipends, preceptor/site support payments, and rural rotation tracks that create a pipeline of pharmacists prepared to practice in rural communities.