

**As Introduced**

**136th General Assembly  
Regular Session  
2025-2026**

**H. B. No. 772**

**Representatives Barhorst, Moore**

**Cosponsors: Representatives Robb Blasdel, Schmidt, Johnson, Newman, Fischer**

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To enact sections 3701.89, 3701.891, and 3701.892 1  
of the Revised Code to establish the Rural 2  
Health Transformation Program. 3

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That sections 3701.89, 3701.891, and 3701.892 4  
of the Revised Code be enacted to read as follows: 5

**Sec. 3701.89.** (A) As used in sections 3701.89 to 3701.892 6  
of the Revised Code: 7

(1) "Freestanding birthing center" has the same meaning as 8  
in section 3701.503 of the Revised Code. 9

(2) "Health care provider" has the same meaning as in 10  
section 2105(h) (9) of the "Social Security Act," 42 U.S.C. 11  
1397ee(h) (9). 12

(3) "Qualified entity" means a hospital, health care 13  
provider, rural health facility, government agency, or community 14  
partner that demonstrates to the department of health its 15  
ability to administer a component of the rural health 16  
transformation plan submitted by the department and approved by 17  
the United States centers for medicare and medicaid services 18  
under section 2105 of the "Social Security Act," 42 U.S.C. 19

1397ee that also meets any eligibility requirements established 20  
by the department. 21

(4) "Rural health facility" has the same meaning as in 22  
section 2105(h) (3) (D) of the "Social Security Act," 42 U.S.C. 23  
1397ee(h) (3) (D). 24

(5) "Rural hospital" means a hospital located in a county 25  
that is not classified into core based statistical areas as 26  
designated in the inpatient prospective payment system case-mix 27  
and wage index table published by the United States centers for 28  
medicare and medicaid services. 29

(B) The rural health transformation program is established 30  
within the department of health. Under the program, the 31  
department shall distribute funding and implement a rural health 32  
transformation plan for health-related activities as authorized 33  
under section 2105(h) of the "Social Security Act," 42 U.S.C. 34  
1397ee(h) and in accordance with the rural health transformation 35  
plan submitted by the department and approved by the United 36  
States centers for medicare and medicaid services. The 37  
department shall administer the program to the extent that 38  
federal funds are received by the department and are available 39  
for expenditure for the program. 40

(C) In administering the rural health transformation 41  
program, the department shall do all of the following: 42

(1) Allocate and distribute program funding to a qualified 43  
entity through a contract, grant agreement, program payment, 44  
recruitment or retention payment, or other funding mechanism, 45  
including through a request for funding, in the form and manner 46  
prescribed by the department. A qualified entity shall use 47  
program funding distributed under this section in accordance 48

with applicable federal and state law and the rural health 49  
transformation plan submitted by the department and approved by 50  
the United States centers for medicare and medicaid services. 51  
The department shall give preference to qualified entities that 52  
utilize program funding to promote collaboration between rural 53  
freestanding birthing centers and rural hospitals for the 54  
provision of maternity services. 55

(2) Monitor, inspect, and audit the records of a qualified 56  
entity receiving program funding and withhold, recover, or 57  
reduce funding for noncompliance with the federally approved 58  
rural health transformation plan, an agreement governing the 59  
funding, or applicable federal or state law; 60

(3) Prepare and submit an annual report to members of the 61  
legislative task force on rural health established under section 62  
3701.892 of the Revised Code, the president of the senate, the 63  
speaker of the house of representatives, and the governor. The 64  
report shall include all of the following: 65

(a) The total amount of funds expended during the fiscal 66  
year; 67

(b) The total amount of funds expended since the program 68  
began; 69

(c) The amount of funding remaining; 70

(d) The total number of qualified entities receiving 71  
program funding; 72

(e) A description of the program activities completed 73  
during the fiscal year; 74

(f) Identify each qualified entity receiving funding, the 75  
amount awarded, the purpose of the award, and the jurisdiction 76

served. 77

**Sec. 3701.891.** The rural health transformation fund is 78  
created in the state treasury. The fund shall consist of money 79  
received from the federal government under section 2105 of the 80  
"Social Security Act," 42 U.S.C. 1397ee and shall be used by the 81  
department of health for the purpose of implementing the rural 82  
health transformation program established under section 3701.89 83  
of the Revised Code. All money received by the department for 84  
purposes of this section shall be remitted to the state 85  
treasurer and credited to the rural health transformation fund. 86  
Upon expiration of the program, the fund shall be closed as 87  
required by federal law. The department shall not expend, 88  
obligate, encumber, transfer, or otherwise disburse any money 89  
from the fund to do any of the following: 90

(A) Supplant existing state or local medicaid 91  
expenditures or required state match; 92

(B) Duplicate existing programs or services already funded 93  
by the state; 94

(C) Finance the construction of new hospitals. 95

**Sec. 3701.892.** (A) The legislative task force on rural 96  
health is created. The task force shall consist of twelve 97  
members: six members of the senate to be appointed by the senate 98  
president, and six members of the house of representatives to be 99  
appointed by the speaker of the house of representatives. In 100  
making appointments to the task force, the senate president and 101  
speaker of the house of representatives shall appoint members 102  
that represent the most rural areas of the state. 103

(B) Initial appointments to the task force shall be made 104  
not later than forty-five days after the effective date of this 105

section. Thereafter, appointments shall be made within forty- 106  
five days after the commencement of the first regular session of 107  
each general assembly. Members shall serve for the remainder of 108  
the general assembly and until a successor is appointed. 109

(C) Following appointments to the task force, the members 110  
shall elect a chairperson from among its members. Thereafter, 111  
the task force shall meet at the call of the chairperson. 112

(D) The task force shall monitor implementation of the 113  
rural health transformation program established under section 114  
3701.89 of the Revised Code and the use of money from the rural 115  
health transformation fund established under section 3701.891 of 116  
the Revised Code. 117