

As Introduced

136th General Assembly

Regular Session

2025-2026

H. B. No. 772

Representatives Barhorst, Moore

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

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

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

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

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

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

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

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

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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