

Rural Health Transformation Program Technical Assistance for Rural Hospital Clinical Equipment Funding Opportunity, June 3, 2026

Prepared from presentation slides and speaker notes. This handout is designed as an accessible companion document for participants who may not be able to use slide decks effectively.

1. Agenda

Presenter: Doug McMillan and Anna Johnson

Purpose: To help applications feel confident and prepared, we will review the funding opportunity guidance, highlight key requirements and provide a space for questions.

- Background
- Eligibility and Purpose
- Unallowable costs
- Application, Budget and Review
- Reporting
- Questions
- Resources and Reminders

Information may change based on upon updated federal guidance or upon further consideration by North Dakota Health and Human Services (ND HHS).

2. Rural Health Transformation Program (RHTP)

RHTP was authorized by the One Big Beautiful Bill Act (Section 71401 of Public Law 119-21) providing \$50 billion to all 50 states over five years

- North Dakota Health and Human Services (ND HHS) submitted an application to the Centers for Medicare and Medicaid Services (CMS)
- ND was awarded \$198.9M for year one (12/29/2025 – 10/30/2026)

North Dakota's application identified 4 initiatives

- Make ND healthy again
- Strengthen and stabilize rural health workforce
- Bring high-quality healthcare closer to home
- Connect technology, data and providers for a stronger ND

3. Funding Opportunities

- Funding opportunities will be released in phases, with individual applications announced over time.
- Each funding opportunity will have a unique purpose, eligibility and timeline.
- Future year's funds will be determined by CMS based on the state's progress on the plan submitted in the RHTP application.
 - Use of funds must align with the state's RHTP application or provide justification.
 - Use of funds must follow state and federal guidance.
 - Awarded funds must receive proper state and federal approval.

4. Rural Hospital Clinical Equipment Funding Opportunity

- Funding opportunity solicitation number: 210-312
- Funding: Approximately \$40,000,000; estimated 20 awards for approximately \$2,000,000

5. Eligibility

Eligible

- Rurally located hospital, defined as Critical Access Hospitals, Rural Emergency Hospitals, and Ambulatory Care Units
- Includes non-federally operated Indian Health Service Hospitals meeting the hospital definition of this funding opportunity
- For RHTP funding opportunities, the entities within and the cities of Grand Forks, Fargo, West Fargo and Bismarck are considered urban.

Excludes:

- Clinics, health centers, Behavioral Health or Psychiatric hospitals
- Per CMS requirements, federally operated Indian Health Service hospitals.

Target Populations:

- Must include rural, including rural tribal residents, and Medicaid members

6. Eligible Proposals

- Those for rural hospital clinical equipment
- Including installation and minor renovation costs associated with the requested equipment
- Full list of suggested equipment in the funding opportunity guidance

Clinical Equipment that aligns with this funding opportunity falls in the categories of:

- Diagnostic imaging
- Surgical services
- Emergency department
- Inpatient and medical surgical
- Critical care
- Swing beds and post-acute care
- Cardiology and respiratory
- Laboratory and pharmacy
- Environmental services
- Rehabilitation and ancillary services
- OB and women's way
- Home health and hospice
- Medical and radiation oncology

7. Purpose and Outcomes

Purpose

- Aims to align physical infrastructure with community needs, while improving efficiency and modernizing care
- Must support North Dakota's RHTP

Expected Outcomes:

- Increase telehealth and remote patient monitoring (RPM) encounters for Medicaid members
- Reduce avoidable emergency department visits for Medicaid members
- Improve coordination of care for Medicaid members
- Improve getting care quickly for Medicaid members
- Improve getting appointments with specialists as soon as needed for Medicaid members

8. Timeline

Key Dates

- June 30, 2026, 5:00 PM CT: Applications Due
- July 1 - 30, 2026:
 - Review and scoring

- Communication with applicants for adjustments if needed
- Approvals by CMS and ND HHS leaderships
- Agreement development
- September 2026: All year 1 funds must be awarded
- September 2027: All year one funds must be expended

Operating Period

- Begin: once the agreement has been fully executed
 - Following all required approvals and signatures.
- End: September 30, 2027
 - All funds must be fully expended by that date.
 - All goods purchased under this award must be fully delivered by the end of the operating period.

9. Requirements to Receive Federal Funding

- Register with the Secretary of State to perform business in the state.
- If your organization has not been paid by a state entity before, you must register with vendor registry before you can be paid.
- ND HHS will require a W9 form to set up by your organization within our contract system. If your organization would like to be paid with electronic funds transfer, you need to submit the substitute IRS form W-9.
- Organizations need to register with SAMS.gov and receive a UEI number to receive these funds.

10. Budget Information for the Rural Hospital Clinical Equipment Funding Opportunity

Only costs allowable are those for rural hospital clinical equipment, including installation and minor renovation costs associated with the requested equipment

- Modified total direct administrative/indirect costs are not allowable for this funding opportunity.
- Capital expenditures are allowable but limited to minor renovations for installing requested clinical equipment with this funding opportunity.
- All goods purchased under this award must be fully delivered no later than Sept. 30, 2027.

11. Unallowable Costs and Limits

- Pre-award costs.
- Meeting matching requirements for any other federal funds or for local entities.

- Services, equipment or supports that are the legal responsibility of another party under federal, state or tribal law.
- Supplanting existing state, local, tribal or private funding of infrastructure or services.
- New construction, building expansion or purchasing of buildings.
 - Renovations or alterations are allowed if they are clearly linked to program goals. Cannot include cosmetic upgrades or significant retrofitting of buildings.
 - Renovation or alternations cannot exceed 20% of total funding in a budget period.
- Replacing payment(s) for clinical services that could be reimbursed by insurance.
 - Direct healthcare services may be funded if not currently reimbursable, will fill a gap in care coverage and/or may transform current care delivery model.
 - Provider payments cannot exceed 15% of total funding in a budget period.

12. Unallowable Costs and Limits

- No more than 5% of total funding in a budget period can support funding the replacement of an electronic health record (EHR) system if a previous HITECH certified EMR is in place as of September 1, 2025.
- Funding toward initiatives similar to the “Rural Tech Catalyst Fund Initiative” cannot exceed the lesser of 10% of total funding or \$20 million of total funding awarded in a budget period.
- Financial assistance to households for installation and monthly broadband internet costs.
- Clinician salaries/wages for facilities that subject clinicians to non-compete clauses.
- Meals and food.

13. Application

- Background
- Narrative
 - Identified Need and Proposed Goals
 - Strategies, Activities, and Measurable Outcomes
- Action Plan
- Budget

14. Application – Background (pages 8-9)

- Organization name and background

- Project lead and contact information
- Project title and brief description of why you're applying
- Upload documentation demonstrating formal approval of the grant application by the governing body

15. Application - Narrative (pages 9-12)

Identified need and proposed goals – Include relevant local data when available

- Identify the need for the proposed project – describe the specific equipment issues impacting the facility and the community.
 - What specific clinical, operational or patient safety problem does new equipment address? What data identifies the need?
 - What equipment is currently in place, and what are its limitations (examples include age, downtime, non-compliance and insufficient capability)?
- Is the facility considering a change of licensure from a Critical Access Hospital (CAH) to a Rural Emergency Hospital (REH)? If yes:
 - What specific challenges are driving consideration of a conversion (examples include low inpatient volumes, financial instability and staffing shortages)?
 - How does a REH align with the long-term mission and service area needs?
 - What alternatives (examples include partnerships or service line reductions) have been evaluated?

16. Application - Narrative (pages 9-12)

Identified need and proposed goals – Include relevant local data when available

- Outline your overarching goal(s) and target population
 - Describe the broad, high-level change(s) your organization seeks to achieve
 - The target population must include rural, which may include rural tribal residents, and Medicaid members, but additional populations may be included.
- Is your project already in progress, currently funded by another source or actively being implemented in your organization or community?
 - Identify current or similar projects and their funding sources.

- Why is the expansion needed? How will your proposed project enhance or expand rather than duplicate existing efforts?

17. Application - Narrative (pages 9-12)

Strategies, Activities and Measurable Outcomes

- Use outcome-focused terms to describe the specific equipment request, including installation and minor renovations for the equipment
 - If there are multiple equipment purchase requests, number in order of priority.
 - Specific, realistic, measurable, and aligned with funding opportunity guidance, metrics, and eligibility
 - For each piece of equipment requested, please identify the strategic purpose, clinical quality value and anticipated return on investment.
 - Outcomes should be specific, measurable, achievable, realistic and time bound (SMART) and directly linked to the equipment requested.
 - Consider what measurable improvements are expected (examples include reduced transfers, faster diagnosis, improved throughput and reduced infection rates).

18. Application - Narrative (pages 9-12)

Strategies, Activities and Measurable Outcomes

- How will this equipment support staff efficiency, reduce burnout or improve recruitment and retention?
- Sustainability
 - Outline the plan for maintenance and continued use after funding ends and detail how this investment strengthens long-term financial stability.
 - Explain how each equipment request will be sustained and address how effective practices will be integrated into ongoing operations.
 - Use priority numbers

19. Application - Narrative (pages 9-12)

Strategies, Activities and Measurable Outcomes

How does your project align with elements of CMS's RHTP?

For the identified elements, briefly explain the connection to the project by responding to the stated questions.

- Improving access
- Improving outcomes

- Technology use
- Partnerships
- Workforce
- Data-driven solutions
- Financial solvency strategies
- Cause identification

20. Application – Action Plan (page 12)

Timeline and Milestones

- Provide the timeline to successfully implement the proposed project
- Identify key milestones and estimated completion dates for each strategy and activity
- Include milestones for the projected timeframe of delivery, installation and implementation.

Metrics

- For each outcome, identify specific metrics that will be used
- How will progress be tracked for reporting

Key Personnel

- Internal
- External

21. Application – Budget

- Must use the “Itemized Subrecipient Budget Template”
 - Cover
 - Budget
 - Lease vs. Purchase
- Submit in Excel Format

RHTP funds are governed by applicable provisions of 2 CFR Part 200 and 2 CFR Part 300, with guidance from the federal RHTP Notice of Funding Opportunity and CMS’s Frequently Asked Questions document.

The limits and unallowable costs detailed in this section come from federal guidance and are non-negotiable.

22. Application – Budget

- Create a copied “budget” tab for each priority
- The first priority must be within a reasonable amount of the estimated award amount
- Budget Period indicates this is year one RHTP funding. This will be different than the period of performance/operating period.
- Priority Area: Rightsizing Rural Health Care Delivery Systems for the Future
- Appropriate justification must be included for each cost category.
 - Connect the cost to the scope of work and purpose of the funding opportunity.
 - Detail how the number was calculated, when appropriate.

23. Application Submission

Applications must be submitted through [Qualtrics](#)

- Your progress is automatically saved every time you click the Next button at the bottom of a page.
- If you need to stop, simply close your browser and you can resume within 1 week.
- To resume, click the original survey link again from the same device and browser.
- This feature will not work if you are using a Private or Incognito browser window.
- Submit early to avoid technical issues

Reminder:

- Applications due by 5:00 PM CT on June 30
- Applications not received by the submission date and time will be considered non-responsive and not reviewed
- Required attachments
 - Budget template
 - Board approval

24. Application Review

July 1 – 30, 2026

- Review and scoring by a committee
- Communication with applicants for adjustments, if needed
- Approvals by CMS and NDHHS leadership
- Agreement development

Scoring Criteria on Funding Opportunity Webpage

25. Reporting

Quarterly and annual reports

- Reimbursement requests
- Impact stories
- Progress reports
 - Metrics
 - Use of funds

26. Questions

- Review of questions received
- Submit questions via chat
- Funding opportunity FAQ and resources will be added to website
- We may not be able to answer all questions today.

27. Submitted Questions and Answers

- Can you specify what is considered an ambulatory clinic? In the RFP it says it excludes clinics, but does include ambulatory clinics.
 - Answer: The funding opportunity states that applicants must be a rurally located hospital, which are defined for this funding opportunity as Critical Access Hospitals, Rural Emergency Hospitals and Ambulatory Care Units. Ambulatory Care Unit is a hospital licensure classification.
- The funding opportunity states "If the proposed project serves additional populations or is located in an urban area, describe how rural, including rural tribal residents, will be served", does that mean Fargo, West Fargo, Grand Forks and Bismarck may apply if the proposed equipment will benefit rural patients?
 - Answer: No, the funding opportunity states that applicants must be a rurally located hospital and that the entities within and the cities of Grand Forks, Fargo, West Fargo and Bismarck are considered urban. Therefore, entities considered urban are not eligible.

28. Submitted Questions and Answers

- Why was grant award set at \$2,000,000?
 - Answer: The award amount was set at \$2,000,000 due to the high cost of clinical capital equipment recognizing that the cost to purchase a CT, MRI, Surgery Robotics, and other needed rural hospital capital equipment exceeds one million dollars.

- Will the grant pay for installation?
 - Answer: Yes, the grant funding will pay for cost of equipment, added peripheral devices included with equipment, installation, delivery, calibration and minor remodeling. RHTP funds may also be used for minor renovations and retrofitting of existing areas for the equipment, but cannot be used for construction, cosmetic upgrades, or if it would materially increase the value or useful life as a direct cost.

29. Submitted Questions and Answers

- Will the clinical equipment grant pay for service fee of equipment?
 - Answer: The grant will cover equipment service fees for the first RHTP program year if not included with purchase of equipment. All service fees extended beyond the first RHTP year are excluded from grant award.
- Will additional clinical equipment funds be available to hospitals to those that do not receive a sub-award of \$2,000,000?
 - Answer: At this time, this is the only hospital equipment grant application. If additional funds become available in year one, additional equipment funding opportunities may be considered. ND HHS anticipates additional clinical equipment grant funding in future RHTP years.

30. Submitted Questions and Answers

- Can clinical equipment be requested that is not included in grant application?
 - Answer: Yes, hospitals can request clinical hospital equipment not included in the application. This will be reviewed during the application scoring process. A detailed list of clinical equipment broken out by department was provided in the funding opportunity guidance to demonstrate what is allowable.
- We are not a hospital, but our needs align with the equipment detailed in this funding opportunity. Can we apply, or will there be something similar available to us?
 - Answer: At this time, this funding is only for the eligible rural hospitals outlined in the guidance. If additional funds become available in year one, additional equipment funding opportunities may be considered. ND HHS anticipates additional clinical equipment grant funding in future RHTP years.

31. Resources and Reminders

- Visit the [Rural Health Transformation Program webpage](#)
- [Sign up](#) to receive email updates

- [Funding Guidance](#) resource
- Submit questions: [FAQ Survey](#)

32. Rural Health Transformation Program

This presentation is supported by the Centers for Medicare & Medicaid Services (CMS) of the U.S. Department of Health and Human Services as part of a financial assistance award totaling \$198,936,969.55 with 100% funded by CMS/U.S. Department of Health and Human Services. The contents are those of ND HHS and do not necessarily represent the official views of, nor an endorsement, by CMS/U.S. Department of Health and Human Services, or the U.S. Government.