



North Dakota Health and Human Services | Rural Health Transformation Program

Competitive Funding Opportunity Application Guidance

Funding Opportunity Name: Rightsizing Health Care Delivery Systems for the Future: Rural Federally Qualified Health Centers and Critical Access Hospitals

Funding Opportunity Solicitation Number: 210-311

Table of Contents

Funding Overview:	1
1) Background	2
2) Funding Opportunity	2
3) Eligibility	6
4) Funding.....	7
5) Reporting Requirements	7
6) Application Submission.....	7
7) Technical Assistance.....	8
Application Requirements	8
1) Background Information	9
2) Project Narrative	9
3) Action Plan.....	11
4) Budget	12
5) Application Review and Selection	14
Additional Information	15

Funding Overview:

1) Background

As part of Public Law 119-21, Congress established the \$50 billion [Rural Health Transformation Program \(RHTP\)](#) to help rural communities reimagine their health care delivery systems and improve health outcomes. This program administered by the Centers for Medicare and Medicaid Services (CMS), aims to address longstanding health care challenges facing rural and tribal communities.

North Dakota is taking bold, practical steps to restore health, stability and prosperity to America's heartland. North Dakota Health and Human Services (ND HHS) developed its RHTP to focus on creating new access points, modernizing care delivery and empowering local providers to meet the needs of their communities through sustainable investments. North Dakota's plan, as indicated in the [RHTP application and supporting documents](#), includes four initiatives:

- Initiative 1: Make North Dakota Healthy Again
- Initiative 2: Strengthen and Stabilize Rural Health Workforce
- Initiative 3: Bring High-Quality Health Care Closer to Home
- Initiative 4: Connect Tech, Data and Providers for a Stronger North Dakota

Following approval from CMS, ND HHS is launching multiple funding opportunities as part of North Dakota's five-year RHTP effort. These opportunities are designed to support practical, locally driven solutions that help rural and tribal communities stay healthy and strong. Funding opportunities will be released in phases, with individual applications announced over time. Eligible applicants may apply for more than one funding opportunity; there is no limit to the number of applications that can be submitted.

2) Funding Opportunity

The Rightsizing Health Care Delivery Systems for the Future: Rural Federally Qualified Health Centers (FQHCs) and Critical Access Hospitals (CAHs) funding opportunity provides technical assistance and analysis (technical assistance) for these facilities to plan for rightsizing services or licensure and scope changes that reflect current community needs. This support will guide facilities through compliance requirements and smooth transitions, ensuring that essential services remain available in rural communities. The technical assistance will focus on aligning physical infrastructure and service lines with actual health needs to improve efficiency and prepare for sustainable care models, such as Rural Emergency Hospitals or regional hubs.

In future years of RHTP, additional funding opportunities will be offered to implement recommendations from the technical assistance. The culmination of this work aims to

rightsized North Dakota's rural health care delivery systems and ensure viability, survivability and thriving for the future. This is identified in Initiative 3: Bring High-Quality Health Care Closer to Home in North Dakota's RHTP.

This funding is limited to analysis and planning activities. Funds for additional technical assistance will be available in future RHTP program years.

To comply with state and federal procurement requirements and meet year one timelines, ND HHS has selected Eide Bailly as a preferred vendor to provide technical assistance for this funding opportunity. Each award recipient shall execute an agreement with Eide Bailly. ND HHS is not a party to the award recipient's agreement with Eide Bailly. Technical assistance for awarded applications will be provided by Eide Bailly and will consist of:

- Virtual presentation to introduce technical assistance team, ND HHS team and intervention process.
- Educational presentations for board members, executives, department heads and other facility leaders. These sessions will include a focus on the state of the healthcare industry nationally and locally, current trends, regulations, reimbursement methodologies and workforce.
- Monthly and ongoing communication between the technical assistance provider and ND HHS on the status of ongoing projects with facilities.
- A comprehensive financial and operational assessment with a report and recommendations. The delivery of the report will be provided virtually, with approximately two hours to cover findings and recommendations and two and a half hours of action planning.

For rural CAHs, the comprehensive financial and operational assessment will consist of:

- Governance and Leadership Structure
- Review and analyze hospital governance, which includes review of Board of Directors, Board members' occupations, length of time on the Board and facility's assessment of Board Members' knowledge of health care
- Review of organizational chart for adequacy of structure
- Strategic Planning
 - Perform a review of the hospital's recent strategic plan. Summarize which best-practice elements were included and/or omitted, as well as the overall strengths and weaknesses of the strategic plan
- Financial Assessment
 - Financial analysis summary of the last three fiscal year ends audited or non-audited financial statements
 - Provide financial metric dashboard comparison to Flex Monitoring Data for State of North Dakota

- Provide profitability and liquidity analysis
- Environmental and Market Share Analysis
 - Define primary service area based upon client provided patient information
 - Provide key demographic data of the primary service area
 - Provide Medicare market share data for the facility along with competitor market share with outmigration
 - Historical inpatient and outpatient volumes for standardized departments determined by the technical assistance provider to determine opportunities for potential additional market share
 - Provide future demand for inpatient and outpatient services for the primary service area
 - Ascertain population health program engagement, including level of annual wellness visits for the last three fiscal year ends
 - Perform a gap analysis of current service offerings based on what nearby competitor hospitals offer
 - Provider demand analysis
- Productivity Assessment
 - Assess hospital departmental staffing compared to benchmarks for standard hospital departments, to be defined by technical assistance provider
- Medicare Cost Report Review
 - Complete high-level overview of the most recently submitted Medicare cost report to identify potential opportunities to enhance Medicare payment for services. To include review of allocation methodologies, revenue and expense matching, and alternative reimbursement/reporting methodologies.
- Revenue Cycle Assessment
 - Complete a high-level revenue cycle assessment to gain an understanding of the revenue cycle from patient point of contact to the final account resolution for hospital services.
 - Evaluate performance against best practice key performance indicators (KPIs).
 - Assess the aged accounts receivable for opportunities.
 - Review the denials management and analysis processes.
 - Review payer contracting processes.
 - Identify at-risk accounts based on timely filing limits.
- Evaluate the facility's compliance with price transparency.
- Telehealth Assessment
 - High-level assessment of current telehealth services provided by the organization.

- Implementation of Eide Bailly's CAH Analytics Tool
 - This tool assists providers in monitoring productivity, financial indicators, operational indicators revenue cycle metrics with dashboards and drill down capabilities.
- This optional CAH Analytics Tool is only for critical access hospitals and will cover the cost for the implementation and maintenance fees for year one of RHTP (\$42,000 value). Continued maintenance costs of \$2,000 per month may be considered in future years of RHTP; however, a sustainability plan must still be presented.

For rural FQHCs, the comprehensive financial and operational assessment will consist of:

- Governance and Leadership Structure
- Review and analyze FQHC governance, which includes review of Board of Directors, Board members' occupations, length of time on the Board and facility's assessment of Board Members' knowledge of health care.
 - Review of organizational chart for adequacy of structure.
- Strategic Planning
 - Perform a review of the FQHC's recent strategic plan. Summarize which best-practice elements were included and/or omitted, as well as the overall strengths and weaknesses of the strategic plan.
- Financial Assessment
 - Financial analysis summary of the last three fiscal year ends audited or non-audited financial statements for individual clinics, if available
 - Provide profitability and liquidity analysis
- Environmental and Market Share Analysis
 - Define primary service area based upon client provided patient information.
 - Provide key demographic data of the primary service area.
 - Historical for standardized FQHC departments determined by technical assistance provider to determine opportunities for potential additional market share.
 - Provide future demand for clinic visits, lab, radiology and electrocardiogram (EKG) services for the primary service area.
 - Provider demand analysis.
- Productivity Assessment
- Assess departmental staffing compared to benchmarks for standard FQHC patient care departments (clinic, lab, imaging, EKG), to be defined by technical assistance provider. Overhead departments/functions not included in this analysis.

- Revenue Cycle Assessment
 - Complete a high-level revenue cycle assessment to gain an understanding of the revenue cycle from patient point of contact to the final account resolution for FQHC services.
 - Evaluate performance against best practice KPIs.
 - Assess the aged accounts receivable for opportunities.
 - Review the denials management and analysis processes.
 - Review payer contracting processes.
 - Identify at-risk accounts based on timely filing limits.

This funding opportunity aims to support improvement in the metrics identified for Initiative 3: Bring High Quality Health Care Closer to Home, found on pages 55-56 of the [project narrative](#) and pages 17-18 of the project [appendices](#). Please note, not all metrics apply directly to the Rightsizing Health Care Delivery Systems for the Future: Rural FQHCs and CAHs funding opportunity. The metrics for this and related projects are:

- 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

3) Eligibility

For RHTP funding opportunities, the entities within and the cities of Grand Forks, Fargo, West Fargo, and Bismarck are considered urban and do not qualify for RHTP funding opportunities unless the population served by the grant applicant is at least 50% North Dakota rural residents or the focus of the grant funding will be used for North Dakota rural residents. RHTP funding must be used to support rural North Dakotans.

Eligible entities are:

- Rurally located critical access hospitals (CAHs) and their owned and operated clinics
- Rurally located federally qualified health centers (FQHCs) and their owned and operated clinics

One application per system can be submitted.

4) Funding

This is a competitive application process for year one RHTP funding; an additional application process to rightsize the rural health care delivery system is expected to be offered in future years of the RHTP.

The operating period will start upon execution of the agreement, with all required approvals and signatures. The operating period will end on September 30, 2027, and all funds must be expended by this date.

Approximately \$2,310,000 in total federal funds is available in year one for the Rightsizing Health Care Delivery Systems for the Future: Rural FQHCs and CAHs funding opportunity. A total of 42 awards of \$40,000 will be available in year one. Facilities identifying interest in the Eide Bailly CAH Analytics Tool may be eligible to receive an additional \$42,000.

ND HHS reserves the right to negotiate the applicant's budget based on the number of applications received, the content of the proposed project work plan and total budget of the Rightsizing Health Care Delivery Systems for the Future: Rural FQHCs and CAHs funding opportunity prior to issuing the award.

Refer to the [Budget section](#) for details on allowable and unallowable costs.

Additional funding opportunities will be available for other RHTP activities and initiatives. Eligible applicants may apply for more than one funding opportunity; there is no limit to the number of applications that can be submitted.

5) Reporting Requirements

The successful applicant(s) will be required to submit reimbursement requests and supporting information, progress reports and impact stories to ND HHS. Templates will be provided for reporting requirements. Due dates and additional information will be provided in the agreement.

Successful applicants may be required to report for up to five years or as otherwise required by CMS.

Additional reporting requirements may be required based upon updated federal guidance.

6) Application Submission

Applications for this funding opportunity are due by May 22, 2026, at 5 p.m. CT. Applications must be submitted to ND HHS through [Qualtrics](#).

Applications not received by the submission date and time will be considered non-responsive and not reviewed.

7) Technical Assistance

A technical assistance conference call has been scheduled for the following date and time:

- Thursday, May 7 at 11:00 – 11:45 a.m. CT
- [Register to Attend](#)

The technical assistance call will be recorded and posted on the RHTP webpage for later viewing. Additional resources related to this funding announcement, including Frequently Asked Questions (FAQ), will also be published on the RHTP webpage after the call.

We strongly encourage you to submit questions for this funding opportunity to [RHTP FAQ Survey](#) prior to 7 days of the submission deadline. As time allows, questions submitted prior to the technical assistance call will be addressed during the session and added to a FAQ resource. Questions submitted following the call will be answered and added to the published FAQ resource on the webpage. Questions submitted within 7 days of the submission deadline may not be addressed due to the volume of questions and staff members working on other RHTP funding opportunities.

Application Requirements

Interested entities are required to submit an application to be considered for the Rightsizing Health Care Delivery Systems for the Future: Rural FQHCs and CAHs funding opportunity. Do not include any proprietary or confidential information in application materials as the application will become an open record.

Below is the outline and related details for the application. ND HHS will provide a budget template. All application components will be submitted through [Qualtrics](#).

- Background Information
- Project Narrative
- Identified Need and Proposed Goals
- Strategies, Activities and Measurable Outcomes
- Action Plan
- Timeline and Milestones
- Metrics
- Key Personnel
- Budget

1) Background Information

Provide the following background information:

- Organization Name and Background – Provide the organization name, location, additional facilities and the estimated population served.
- Project Lead and Contact Information – Identify the project lead who will serve as the primary point of contact to receive communications about the application. Provide first and last name, title, phone number and email.
- Project Title and Reason – State the project name and a brief description of why the organization is applying.
- Documentation demonstrating formal approval of the grant application by the organization's governing body. This should include either:
 - A copy of the board of trustees, board of directors or similar governing body meeting minutes showing approval of the grant application
 - A letter of approval signed by the chair of the board of trustees, board of directors or similar governing body.

2) Project Narrative

The project narrative must address the identified need and planned strategies and activities, being as specific and concise as possible. Keep the narrative clear and focused on how it will make a difference for rural health care delivery systems.

a. Identified Need and Proposed Goals

a.1. Identify the need for the proposed project.

- Discuss the challenges the proposed project aims to address, including the specific physical infrastructure, service line, licensure or scope issues impacting the organization and community.
- When available, include relevant local data to demonstrate the scope and urgency of the need.

a.2. Outline the overarching goal(s) of the proposed project, including the target population who will benefit from the rightsizing efforts.

- The goal(s) should describe the broad, high-level change(s) the organization seeks to achieve.
- The target population must include rural or tribal residents and Medicaid members, but additional populations may be included.
- If the proposed project serves additional populations or is located in an urban area, describe how rural or tribal residents and Medicaid members will be served.

a.3. RHTP funds cannot be used to duplicate or replace existing funding (supplanting). Funds can be used to expand or enhance an existing project (see [Budget](#) section for

details). Is this project already in progress, currently funded by another source or actively being implemented in the organization or community? If yes:

- Identify current or similar projects and their funding sources.
- Explain why the expansion or enhancement is needed. Describe how the proposed project will enhance, rather than duplicate, existing efforts, including how the organization plans to coordinate with partners to prevent duplication.

b. Strategies, Activities and Measurable Outcomes

b.1. Describe in outcome-focused terms the specific strategy and activities that will be implemented to address the previously identified needs.

- Outcomes should be specific, realistic, measurable and directly linked to the strategies, services, tasks or activities described. Provide sufficient detail to ensure the outcome is measurable and aligned with program goals.
- Each strategy, service, task or activity must include sufficient detail to ensure the scope is measurable and aligned with the eligible projects, metrics* and requirements identified in this guidance.

*Applicants must propose strategies, activities, and measurable outcomes that align with the RHTP evaluation plan and metrics. The Initiative 3: Bring High Quality Health Care Closer to Home evaluation plan and metrics are identified in the funding opportunity section of this guidance. Projects should support some or all of the identified metrics.

b.2. If the facility is a CAH, is the facility interested in implementing Eide Bailly's CAH Analytics Tool? If yes, outline the sustainability plan, including details for coverage of maintenance costs of \$2,000 per month, and continued use after funding ends.

b.3. Explain how the technical assistance provided will lead to sustainability and address how effective practices will be integrated into ongoing operations. Applicants may consider the following questions when assessing sustainability:

- Does the proposed project generate revenue?
- Does the projected need or utilization of a service generate revenue to cover the cost of the staff once the service is fully established?
- Does the proposed project help create savings in other health care costs that could be used to make up gaps in revenue?
- Is there a business plan?
- Is there a fundraising strategy?

b.4. [CMS's Notice of Funding Opportunity](#) identified elements to be addressed by RHTP projects. As it relates to the strategies, activities and measurable outcomes, identify which elements could be used in, or affected by, efforts to rightsize the rural health care

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

- **Improving access:**
How will rightsizing improve rural residents' access to care?
- **Improving outcomes:**
What health care outcomes of rural residents will be targeted by rightsizing efforts? How will the project improve outcomes listed in the [funding opportunity section](#) of this guidance?
- **Technology use:**
How could new and emerging technologies that emphasize prevention and chronic disease management be used to rightsize operations?
- **Partnerships:**
How could local and regional partnerships support rightsizing efforts? What partnerships will be leveraged to support rightsizing efforts?
- **Workforce:**
How will rightsizing support the workforce?
- **Data-driven solutions:**
How will data be used to rightsize and provide high-quality health care services as close to a rural patient's home as possible?
- **Financial solvency strategies:**
How will rightsizing ensure the financial stability of the facility?
- **Cause identification:**
How do you anticipate technical assistance will address the specific physical infrastructure, service line, licensure or scope issues impacting the organization and community?

3) Action Plan

Complete a comprehensive action plan detailing how the applicant will carry out the proposed strategies, activities and measurable outcomes. Being as concise as possible, the action plan must include timeline and milestones, metrics and key personnel.

As a reminder, the operating period will start upon execution of the agreement, with all required approvals and signatures. The operating period will end on September 30, 2027, and all funds must be expended by this date.

a. Timeline and Milestones:

- Eide Bailly will work with the facility to schedule technical assistance; facilities will receive additional information on this process during execution of the agreement with ND HHS.

- The facility will be required to execute an agreement with Eide Bailly. What is your anticipated initiation timeline to execute an agreement with Eide Bailly? Reminder: all work must be completed by September 30, 2027.

b. Metrics:

- For each measurable outcome, identify specific metrics that will be used to measure progress. Identify how progress will be tracked and reported to meet requirements.
- As a reminder, templates will be provided for reporting requirements. Due dates and additional information will be provided in the agreement.

c. Key Personnel:

- Identify key personnel, including a project lead. Describe the type of work each person will perform in carrying out the project. Include relevant credentials and experience managing funds and special projects.
- If the applicant plans to use external sources, such as consultants, please identify them, describe their experience, and outline their role in the project. These external sources must also be identified in the budget.

4) Budget

Using the ND HHS provided “Itemized Subrecipient Budget Template,” provide an itemized budget with appropriate justification for each cost category. If applicable, include any indirect cost paid under the subrecipient and the indirect cost rate used.

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.

Modified total direct administrative costs are allowable but limited to 10% for RHTP agreements.

RHTP funding is designed to support expansion and scale to better serve rural communities, not to replace or duplicate existing funding sources. When using funds to expand an existing pilot program or initiative or to develop a new training program with existing partners, the funds may only be applied to the costs associated with the new population, activities, program milestones or expansion.

Capital Expenditures and Remodeling

Capital expenditures are not allowable in this funding opportunity.

Capital expenditures are expenditures to acquire capital assets or expenditures to make additions, improvements, modifications, replacements, rearrangements, reinstallations,

renovations or alterations to capital assets that materially increase their value or useful life. Capital expenditures are limited by the federal guidance identified above.

Unallowable capital expenditures include:

- New construction
- Building expansion
- Purchasing of buildings
- Supplanting funding for in-process or planned construction projects
- Significant retrofitting of buildings
- Cosmetic updates
- Any other cost that materially (significantly or substantially) increases the value of the capital
- Minor renovations or alternations
- Equipment upgrades
- Vehicle or equipment purchases

Additional Unallowable and Limited Costs

- 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, tribal or civil rights law.
- Supplanting existing state, local, tribal or private funding of infrastructure or services (example: staff salaries).
- The cost of independent research and development.
- Funds related to any activity designed to influence the enactment of legislation, appropriations, regulation, administrative action or executive order.
- Financial assistance to households for installation and monthly broadband internet costs.
- Meals, unless in limited circumstances such as:
 - Subjects and patients under study.
 - Where specifically approved as part of the project or program activity, such as in programs providing children’s services.
 - As part of a per diem or subsistence allowance provided in conjunction with allowable travel in accordance with the U.S. General Services Administration (GSA) established rates.
- Replacing payment(s) for clinical services that could be reimbursed by insurance.
- Direct health care 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.*

- No more than 5% of total funding in a budget period can support funding the replacement of an Electronic Medical Record (EMR) system if a previous Health Information Technology for Economic and Clinical Health (HITECH) Act certified EMR is in place as of September 1, 2025.* Upgrades, enhancements, added modules, interfaces or functionality to existing EMR systems are allowable and not subject to the 5% limitation.
- Funding toward projects 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.*
- Clinician salaries/wages for facilities that subject clinicians to non-compete clauses.
- Demolition of aged buildings.

*Limits apply to ND HHS’s spending of RHTP funds. Individual agreements may be considered for costs exceeding the budget limitations.

5) Application Review and Selection

Applications will be reviewed and scored solely on what is presented within the application materials. The reviewing committee will score applications based on criteria in the scoring tool.

ND HHS aims to notify applicants about their award in a timely manner. ND HHS reserves the right to support applicants with changes to their project proposals to ensure ND HHS’s RHTP commitments are upheld; additionally, ND HHS may require applicants to supplement responses. ND HHS is in a cooperative agreement with CMS for RHTP and is subject to substantial CMS project involvement. This may impact funding timelines.

The awarded applicant(s) will be sent an agreement to sign and return to ND HHS. The awarded applicant(s) shall comply with the agreement provisions set out in the sample documents. Due to the limited timeframe associated with the funding source for this funding opportunity, ND HHS will not entertain any changes to the agreement terms and conditions.

Additional Information

Information may change based upon updated federal guidance or upon further consideration by ND HHS.

This RHTP funding opportunity is supported by 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.

Learn More: [Rural Health Transformation | Health and Human Services North Dakota](#)