Community Health Workers (CHW) Grants: Strengthening the rural health workforce in Wisconsin

Contents

Funding Opportunity Summary

The Wisconsin Department of Health Services (DHS) seeks to strengthen the Wisconsin rural health workforce by developing and expanding high-quality and impactful community health worker (CHW) programs in clinical and community settings. There are three main components to this funding opportunity:

- Hiring and supporting CHWs to carry out services in rural communities
- Training CHWs on core competencies and standards
- Building organizational capacity to sustain quality CHW service provision

Applicants may apply to multiple Rural Health Transformation Program (RHTP) funding opportunities for which their organizations are eligible.

Key Dates

- Application Release: June 15, 2026
- Letter of Intent due: July 1, 2026
- Application Submission Due: Aug. 7, 2026
- Application Questions Due: July 1, 2026. Responses will be posted within one week. Please send questions to: dhsruralhealth@dhs.wisconsin.gov and place CHW Application Questions in the Subject line.
- Estimated Date for Award Notification: Late August 2026

Estimated Funding: The Rural Health Transformation Program will award up to $20 million in Year 1. Additional funds will be available over a five-year period, pending CMS approval, as estimated in the table below. In years 3–5, funding will be reduced as it is expected that many CHW services will be covered by Medicaid.

	Year 1	Year 2	Year 3	Year 4	Year 5
Dates	10/1/2026-7/31/2027	10/1/2027-7/31/2028	10/1/2028-7/31/2029	10/1/2029-7/31/2030	10/1/2030-9/30/2031
CHW Grants	$20,000,000	$20,000,000	$10,000,000	$8,000,000	$8,000,000

Number of available awards: We anticipate selecting approximately 30–50 recipients. We estimate that recipients will expand or start a CHW Program with two or three CHWs each within the designated rural and semi-rural counties (see addendum). However, these are only estimates to help with planning, and the full scope of a given award may be smaller or larger

based on program needs outlined in the applications received, and the overarching needs and goals of the Rural Health Transformation Program (RHTP).

Award amount: We estimate making awards in the range of $400,000–$600,000 per year among programs that include the hiring of new CHWs (based on an estimate of $200,000 per CHW). This includes CHW and CHW supervisor salary and fringe, travel and/or mileage to provide services, phone, computer and supply costs, organizational costs, and training time and resources. CHW Supervisor salary and fringe are calculated at a ratio of one supervisor for every five CHWs.

Smaller awards in the range of $100,000–$300,000 may also be available for rural organizations that already have CHWs on their staff or rural facilities that currently contract with organizations that employ CHWs and CHW supervisors, and are not seeking support for additional CHW staff. These awards would be for organizations only seeking funding to expand the scope of CHW services and support infrastructure development, such as strengthening organizational capacity and CHW professional development, building strong referral and tracking mechanisms, or testing new payment models.

Application submission: All submissions must be made online through the Letter of Intent for Community Health Workers Grants form and the Community Health Workers Grants Application form.

Background

The Wisconsin Rural Health Transformation Program is focused on improving healthcare access and health outcomes in rural communities across Wisconsin. This funding opportunity is part of the RHTP, a federal funding opportunity provided to states through the Centers for Medicare and Medicaid Services (CMS). The DHS received a first-year award from CMS for $203,670,005.21 to invest in rural capacity, sustainability, and innovation. The program aims to improve access to care through three initiatives: strengthening the healthcare workforce, enhancing technology innovation, and cultivating coordinated care partnerships. Through collaboration among healthcare providers, public health agencies, and community-based organizations, the program seeks to improve health and well-being in rural communities.

This funding opportunity is part of the workforce initiative. CHWs serve as trusted connectors and help individuals navigate medical and non-medical services and systems, manage chronic conditions, and overcome barriers such as transportation, food insecurity, and limited access to care. In rural communities, where healthcare provider shortages and geographic isolation are common, CHWs strengthen outreach and promote healthier communities through support and connection to essential services.

Purpose

This grant funding opportunity is intended to strengthen the rural healthcare workforce and linkages between the community and clinics to address the health needs of rural populations. Through this funding, the State of Wisconsin aims to expand the integration and sustainability of CHWs as an evidence-based care model to improve health outcomes in Wisconsin's rural communities. This funding will prioritize CHW services for those who are low-income or underserved living in Wisconsin's rural communities. The goals of this funding opportunity are to:

- Increase the quality and number of the CHW workforce in rural areas of Wisconsin.
- Improve the health of rural Wisconsinites through strong linkages between clinics and communities.
- Strengthen CHW programs through training and technical assistance.
- Build sustainable infrastructure to support the CHW workforce.

Successful applications submitted as part of this funding opportunity must address the following:

- **New or enhanced CHW program**: The program is focused on transformative work that goes beyond existing service provision. Funds awarded under this program must be used to support new or expanded CHW partnerships, services, or activities. Applicants may not use grant funds to maintain existing services or programs. Applicants should clearly describe how the proposed project represents a new program or a substantive expansion of current efforts, including any new CHW position(s), key partnerships, anticipated services, populations served, geographic areas, and service capacity. The CHW scope of practice is determined by the National Council on CHW Core Consensus Standards and services may include patient outreach and program enrollment, patient navigation, chronic disease management, non-medical resource navigation and barrier reduction, data collection and evaluation, and others defined through the grant funding opportunity.
- **Community-clinical linkages across sectors**: Applicants should describe how developing or expanding a CHW program will address specific community needs and how collaboration between community and clinical partners will function to support program goals. Proposal should clearly describe how they will establish strong community-clinical partnerships, workflows, and referral networks between CHW staff and external partners to meet needs.
- **Training and technical assistance**: Applicant agencies and CHWs must participate in training and technical assistance that align with, recognize, and adopt state and national best practices for CHW workforce development. Proposals should clearly describe the agency's capacity to engage in training and technical assistance provided through the Rural Health Transformation Program.

Recipients of this funding will have access to CHW Core Competency training and CHW Supervisor training provided by training entities selected through a separate grant funding opportunity. Recipients will be expected to participate in regional and in-person training and technical assistance offerings provided by the University of Wisconsin Population Health Institute (UWPHI) Envision and other training partners that support RHTP deliverables. RHTP will also make available additional training and professional development opportunities based on applicant and recipient training needs.

- **Sustainability**: Applications must include a clear and feasible plan for sustainability beyond the grant period. Proposals should describe how community health worker infrastructure will be maintained over time through reimbursement, payer mix, operational efficiencies, and other funding sources.

Program Requirements

Program development or enhancement

- Assess organizational readiness by utilizing the Wisconsin CHW Integration Toolkit Assessment or the Community Health Alignment CHW Healthcare Integration Toolkit.
- Expand or create a CHW program that includes staffing for CHW position(s), CHW Supervisor, anticipated services, data documentation process, key partnerships, and engagement in the Wisconsin CHW workforce landscape.
- Establish strong community-clinical partnerships, workflows, and referral networks between CHW staff and external partners to meet medical and non-medical needs.

Training and Technical Assistance

- Enroll and complete CHW core competency training and CHW supervisor training within six months.
- Complete an assessment to identify specific training needs based on rural community medical and non-medical needs.
- Participate in training and technical assistance for program development including onboarding, team integration, workforce, and financial sustainability provided by RHTP training and technical assistance partners. This training and technical assistance will be made available as part of the Rural Health Transformation Program.
- Support CHW participation, as part of their position, in professional networks to advance and contribute to strengthening the statewide CHW workforce.

Sustainability

- Develop and implement a plan for establishing a comprehensive reimbursement model that includes multiple funding sources such as Medicaid, private, or other public funding to sustain agency CHW model.
- Provide data necessary for reporting deliverables and engage in a CHW impact study for financial sustainability.
- Collaborate with the RHTP grant evaluation team to collect and report qualitative and quantitative data using provided tools and guidance.

- Additionally, funding recipients will be expected to align program development with future reimbursement requirements, such as Medicaid, and participate in CHW-related studies conducted by other RHTP grant partners.

Reporting Requirements: Evaluation

A combination of quantitative and qualitative data will be required quarterly and annually for state and federal evaluation purposes, including: number and location of rural facilities that have hired new CHWs, number of referrals to services (for example, chronic disease management, transportation, and behavioral health services), and number of trainings completed by CHWs and supervisors. In addition, grantees will need to report on their work to expand the reach of CHW services, overall program accomplishments, and other relevant metrics resulting from awarded funds. DHS will provide technical assistance to awarded agencies to collect and report required metrics.

Eligible Applicants

Applicants must be rural facilities in the state of Wisconsin. Facilities in Wisconsin counties defined by the 2020 U.S. Census as either semi-rural or rural (see Addendum Exhibit 1 for a definition of semi-rural and rural counties) will be eligible to apply for these funding opportunities, including but not limited to the following:

- Federally Qualified Health Centers and/or Community health centers
- Free and charitable clinics
- Hospitals
- Local and Tribal health departments
- Rural health clinics
- Tribal clinics
- Community-based organizations
- School-based health providers

Applicant Qualifications

In addition to the program and evaluation requirements, applicants must meet or have a detailed plan to meet the following requirements:

- Ensure CHWs meet the American Public Health Association definition and have or will complete core competency training that meets the National C3 Council Standards.
- Ensure a ratio of one CHW Supervisor per five CHWs, and that the supervisor has or will complete CHW Supervisor training that meets the National C3 Council Standards.
- Have sufficient staff and capacity to plan, implement, and evaluate the proposed approach in alignment with the grant goals.
- Have a history of collaborating with multi-sector partners to achieve sustainable change.

- Have experience collecting quantitative and qualitative data to facilitate evaluation and performance outcome reporting, and/or have a plan to request DHS technical assistance in this area.
- Have fiscal, accounting, management, and information technology staff for the overall project.
- Be in good standing with DHS and able to comply with all DHS reporting, fiscal, and audit requirements.

Funding Availability

Submission does not guarantee funding through this opportunity. This allows DHS to assess capacity of interested parties to conduct the work outlined in the scope of work. DHS reserves the right not to award funding to any applicant, and to award fewer or more grants than initially indicated. DHS also reserves the right to award grants for less than an applicant's proposed amount. DHS may award additional funding if more funding becomes available. Should additional funding become available at any point during the grant period, DHS reserves the right to use the results of this grant funding opportunity to increase funding to the selected agencies, to fund additional agencies that submitted an application but were not selected, or to reallocate unused funds.

DHS uses a cost-based reimbursement model that limits reimbursement to actual allowable incurred costs. If funding is awarded, expenses can be submitted for reimbursement only after they have been incurred.

Allowable Costs

Recipients of this funding will have access to CHW Core Competency training and CHW Supervisor training provided by training entities selected through a separate grant funding opportunity. Applicants will not need to budget for training registration costs but may need to budget for travel and per diem costs for in-person training as applicable. RHTP will also make available additional training and professional development opportunities based on applicant and recipient training needs.

In addition to using this funding opportunity, recipients will be expected to participate in regional and in-person training and technical assistance offerings provided by the University of Wisconsin Population Health Institute (UWPHI) Envision and other training partners that support RHTP deliverables. Additionally, funding recipients will be expected to align program development with future reimbursement requirements, such as Medicaid and studies conducted by other RHTP grant partners.

Allowable Costs and Activities

Grant recipients will be required to comply with the DHS Allowable Cost Policy Manual, all applicable federal requirements, and all applicable award requirements, including those incorporated through Exhibit 2: Federal Compliance Requirements Rural Health Transformation Program. The grant recipient must ensure that any subcontracts also follow allowable and unallowable cost guidance.

Allowable Costs and Activities (Examples)
CHW and CHW Supervisor staff time to coordinate and implement the project, and to provide CHW services to clients not already covered by another funding source or insurance. Services may include: • Health promotion • Health education • Diagnosis-related patient coaching or education • Health system navigation and resource coordination • Cultural facilitation • Screening and assessments • Documentation and administrative work • Assistance with insurance enrollment • Care coordination and case management services • Arranging and providing transportation • Other direct patient care
Meeting expenses related to the project: meeting room, audiovisual (AV) equipment, travel, speakers, etc.
Infrastructure to support a quality CHW program, such as billing and/or fiscal infrastructure, technology for billing and tracking services, and administrative support
Travel related to the project
Program evaluation
Office supplies, postage, copying, etc. related to the project
Consultant and contract services needed to implement the project
Unallowable Costs and Activities (examples)
Pre-award costs
Direct or indirect lobbying activities
Duplicate payments: Funds may not be used to replace payment for clinical services that could be reimbursed by insurance
Clinician salaries or wage supports for facilities that subject clinicians to non-compete contractual limitations
Replacing or duplicating existing funding sources. For example, if funds are used for expanding an existing pilot program or initiative, funds may only be applied to the costs associated with the new population, new activities, new program milestones, etc. The original program's programmatic costs, administrative expenses, and activities must continue to be funded by those original sources.

Costs or activities not directly related to the overall project description and scope of work
Independent research and development, including associated indirect costs in accordance with 2 CFR 300.477
Construction or building expansion, purchasing or significant retrofitting of buildings, cosmetic upgrades, or any other cost that materially increases the value of the capital or useful life as a direct cost
Meals, unless in limited circumstances such as subjects and patients under study, if specifically approved as part of the project or program activity, or as part of a per diem in conjunction with allowable travel
Projects outside of Wisconsin

Administrative Cost Limits and Determinations

- No more than 8% of the award amount may be used for administrative expenses. This is based on CMS requirements: a 10% cap is applied to the cumulative administrative costs for the entire program, including those incurred by both the State and any subrecipients.
- Personnel costs associated with administering RHTP grant activities may be considered administrative costs. In contrast, if staff are directly carrying out program initiatives, the cost may be considered programmatic.
- Administrative costs support the day-to-day operations and general grant oversight. These costs generally include indirect costs, audit expenses, and salary and fringe benefits for personnel whose primary responsibilities involve managing, tracking, and overseeing the grant.
- More information is available in the Addendum Exhibit 3: Budget Instructions.

Allowable Costs for Construction and Renovations

- Under federal grant regulations, alteration and renovation must be necessary and reasonable for performance of the award and directly related to program objectives. Any renovation or alteration costs will require prior approval from CMS. RHTP staff will submit required renovations requests to CMS for approval on behalf of grantees prior to purchase or start of work. Renovations may not proceed until written approval is received. Additionally, no more than 20% of the total award can be spent on minor alterations and renovations.
- See Exhibit 2: Federal Compliance Requirements for more information.

Letter of Intent

We recommend but do not require a letter of intent to submit an application in response to this grant funding. Letters of intent allow DHS to better understand the geographic distribution of interest across Wisconsin's rural areas and helps DHS prepare for application reviews and plan for grantee training and technical assistance.

The letter of intent should be provided through the Letter of Intent for Community Health Workers Grants form by July 1, 2026, and will include the following:

- Name of Applicant Organization
- A short, two-to-four sentence summary, about your CHW program, including the population served and/or intended to be served, and your interest in this funding opportunity
- Primary point of contact name and email address
- List of counties or Tribes where services will be provided

Include answers the following questions:

- Do you currently employ or contract with Community Health Workers (CHW) (yes/no)?
  - If yes, how many?
  - If yes, how long have CHW services been provided by your organization? (number of years)
- Are you currently enrolled as a Medicaid provider? (yes/no)?
  - If no, are you willing to enroll as a Medicaid provider in the future? (yes/no)

Application Submission

The application can be accessed via the Community Health Workers Grants Application form and must be completed by 11:59 p.m. on August 7, 2026. Only complete applications submitted through this link will be considered.

Applications must include:

- Responses to the statements in the Application Questions section. Any information beyond the page limit will not be read, reviewed, or scored.
- Proposed budget and justification
- Letters of support from each partner with an active role in the project, if known and applicable at the time of application.

The budget, justification, and letters of support do not count toward the narrative response word limit.

Organizations may request technical assistance for preparing their applications from the University of Wisconsin-Population Health Institute, Wisconsin Office of Rural Health, and Wisconsin Collaborative for Healthcare Quality. Technical assistance can be requested for describing local health needs using community data, accessing information to quantify the local health context, project evaluation planning, and/or developing performance measures. These partners have no input on funding decisions. To learn more, send a request to RHTP-evaluation@wisc.edu.

Applicants should reach out directly to DHS at DHSRuralHealth@dhs.wisconsin.gov for questions regarding technical difficulties with the application submission process. **Note**:

questions about the funding opportunity, including eligibility requirements, budgets, allowable and unallowable expenses, and related topics, must be submitted by July 1, 2026, and will be answered through published FAQs.

Application Questions

CONTACT AND SUMMARY

1. Name and address of lead organization applying
2. Contact information for the primary point of contact regarding this application.
- First Name
- Last Name
- Email
3. Counties or Tribal Nations where services will be provided for this project
4. Provide a brief executive summary of your project (maximum 100 words). This section is not scored.

NARRATIVE RESPONSE

Section 1: Community needs and impact (Maximum 1000 words)

Describe how the proposed project will meet the purpose of this funding opportunity, including (as applicable):

Alignment with program goals

- Describe the community's medical and non-medical needs or priorities. Include connections to priorities identified in community health needs assessments or related health improvement plans.
- Describe how developing or expanding a CHW program will help support identified community needs.
- Describe collaborations between community and clinical partners and how they will function to support program goals and community needs.
- Describe how developing or expanding a CHW program will impact rural patients in the counties or Tribes you intend to serve for this project. If you identified semi-rural counties, how will you focus your efforts on patients living in rural census tracts?

Section 2: Program design and implementation (Maximum 2500 words)

Describe how the proposed project will meet the goals of this funding opportunity, including:

Proposed initiatives and implementation

- Describe the CHW program, team-based care approaches, and the anticipated workflows, activities, or services that will take place to strengthen community-clinical linkages and

care coordination in community settings. Applicants who plan to hire CHWs within clinical settings should describe their approach for collaboration with community-based organizations. Applicants who plan to hire CHWs within a community-based setting should describe their approach for collaboration with clinical organizations.

- Describe the organization's plan for CHW team integration.
- Describe how the proposed project initiatives align with the full scope of practice for CHWs based on National Council on CHW Core Consensus Standards.
- Include a timeline for proposed implementation. Provide a detailed plan for the first grant period (through Sept. 30, 2027) and a summary for future grant periods (through Sept. 30, 2031). Please include planned deliverables and expected completion dates for Year 1. Examples of deliverables could include:
  - Two rural facilities will hire three new CHWs by December 2026
  - Referral systems established for services (for example, chronic disease management, transportation, and behavioral health services) by January 2027
  - Three CHWs and two existing supervisors trained by February 2027

Sustainability, evaluation plan, and data collection

- Include a sustainability plan describing how the proposed services could be maintained beyond the grant period. As appropriate to the size and scope of the project, applicants may include details such as potential state or federal funding sources such as Medicaid, partnerships, or operational approaches that would support program continuation.
- Describe plan for CHW team members to have access to data and documentation systems to capture both community-based and clinical referrals and outcomes.
- Describe methodology for creating a workflow that supports referral systems among multi-sector partners, such as using technology platforms to track referrals and documenting completed services.
- Describe barriers that may impact how the anticipated program is developed and implemented.
- Describe how you will demonstrate impact to rural patients (for example, number of patients living in rural census tracts served).

Section 3: Personnel and institutional capacity (Maximum 1,000 words)

Describe the organization's capacity to implement the proposed project. Applicants must:

- Describe the organizational and/or team structure and institutional environment and resources, specifically as related to program goals.
- Describe the organizational readiness for developing or expanding a CHW program.
- Describe staffing, including new or existing positions and anticipated full-time equivalents.
- Describe the recruitment process and timeline if hiring new staff.

- Explain how the project will continue in the event of staff turnover.
- Describe the role of each partner in achieving project goals.
- Describe the roles, responsibilities, management and monitoring of any subcontractors.

Section 4: Experience and knowledge (Maximum 1,000 words)

Describe the organization's experience with, and/or knowledge relevant to, the proposed project. Applicants must address their experience related to:

- Understanding CHW roles and responsibilities.
- Delivering or coordinating healthcare, behavioral health, or community-based services.
- Working with populations experiencing barriers to care, including rural and semi-rural communities.
- Collecting and using data and evidence to inform service and project improvement.
- Hiring, training, and supervising staff with relevant knowledge or licensure.
- Partnering with other organizations to enhance coordination.

If subcontractors will be used, describe their relevant experience and expertise. If you do not have specific experience with one or more of the above, please outline why your organization is well positioned to carry out this new area of work, how you will gain the necessary expertise to carry out the work, and/or areas where you anticipate requesting additional technical assistance from DHS.

Section 5: Training and technical assistance needs assessment (not scored)

- How interested is your organization or program in receiving training and technical assistance in the following topic areas?
    - General information about the CHW profession (e.g. CHW definition, qualifications, roles, evidence of CHW impact)
    - CHW hiring (e.g. job descriptions, interview questions, identifying trusted CHWs, training, onboarding)
    - CHW supervisor training and professional development
    - Program planning and implementation (e.g. organizational readiness, educating teams about CHWs, developing workflows, referral processes)
    - Program evaluation and impact measurement (e.g. documenting CHW activities and outcomes, data collection, reporting strategies)
    - Sustainable CHW funding strategies (e.g. identifying and securing long-term funding for CHWs, using sustainability tools, Medicare and/or Medicaid)
    - Community engagement and partnership development (e.g. engaging community leaders, collaborating with or supporting CHW groups)
    - Addressing social drivers of health (e.g. screening, assessing community needs and resources)
    - Leadership development for CHWs

- CHW ally leadership development
- Training related to a specific topic(s) based on community needs (please describe) _____

- How interested is your organization/program in participating in the following types of activities?
  - Webinars on CHW-related topics
  - Drop-in office hours with experts on CHW-related topics
  - Individualized coaching to support CHW program goals
  - A CHW learning collaborative with other organizations and/or programs like yours

BUDGET

Section 6: Budget

Complete the budget template with proposed expenditures for year one. For each item include a brief justification for the amount. Applicants will not need to budget for training registration costs but may need to budget for travel and per diem costs for in-person training as applicable. This should include how you arrived at the dollar amount requested for the expense.

Example: Personnel: $10,000; Personnel Justification: Personnel is calculated based on a 0.20 FTE Coordinator at $24.04/hour = $10,000.

- Salary: Describe your personnel expenses for this project. If none, mark N/A.
  - If CHW salaries are included, provide an estimate of client services that will be covered through this funding vs. other funding.
- Fringe: Describe your fringe expenses. If none, mark N/A.
- Travel: Describe travel expenses (transportation, lodging, per diem, etc.) for this project. If none, mark N/A.
- Contractual Services: Describe any contractual partners you will fund for this project. If none, mark N/A.
- Equipment: Describe any equipment purchases that will be made for this project. Equipment is defined as having a per-unit cost that equals or exceeds $10,000 and requires approval from CMS. If none, mark N/A.
- Supplies: Describe your supply costs for this project. If none, mark N/A.
- Other: Describe any other costs associated with this project. If none, mark N/A.
- Indirect: Describe costs incurred for a common or joint purpose benefiting more than one cost objective and readily assignable to the cost objectives specifically benefitted. Limited to 8% of the total award amount. If none, mark N/A.

The budget template and Addendum Exhibits 2 and 3 (Federal Compliance Requirements and Budget Instructions) can be used as a guide when developing your budget and justification.

Application Scoring Rubric and Review Process

Applications will be reviewed and scored by an evaluation team using the 100-point scale below. Those organizations located **and** providing services for this project in rural counties (rather than semi-rural *alone*) will receive an additional weight of 0.15 on the total scale score. All programs must benefit people living in rural and semi-rural areas of Wisconsin, outside of metropolitan hubs. See the map in the addendum for a definition of rural counties. For sections with high point values, more detail may be required.

Point Allocation

- Community Need and Impact: 15 points
- Program Design and Implementation: 40 points
- Personnel and Institutional Capacity: 20 points
- Experience and Knowledge: 20 points
- Budget: 5 points

Total: 100 points

All on-time proposals that include all required documentation will be eligible for review. A committee of subject matter experts and knowledgeable stakeholders will review proposals and make recommendations for funding applications. In addition to rubric scoring, contextual factors such as past performance and spending history, geographic coverage and program reach, and project feasibility will be considered when making final award decisions, if applicable.

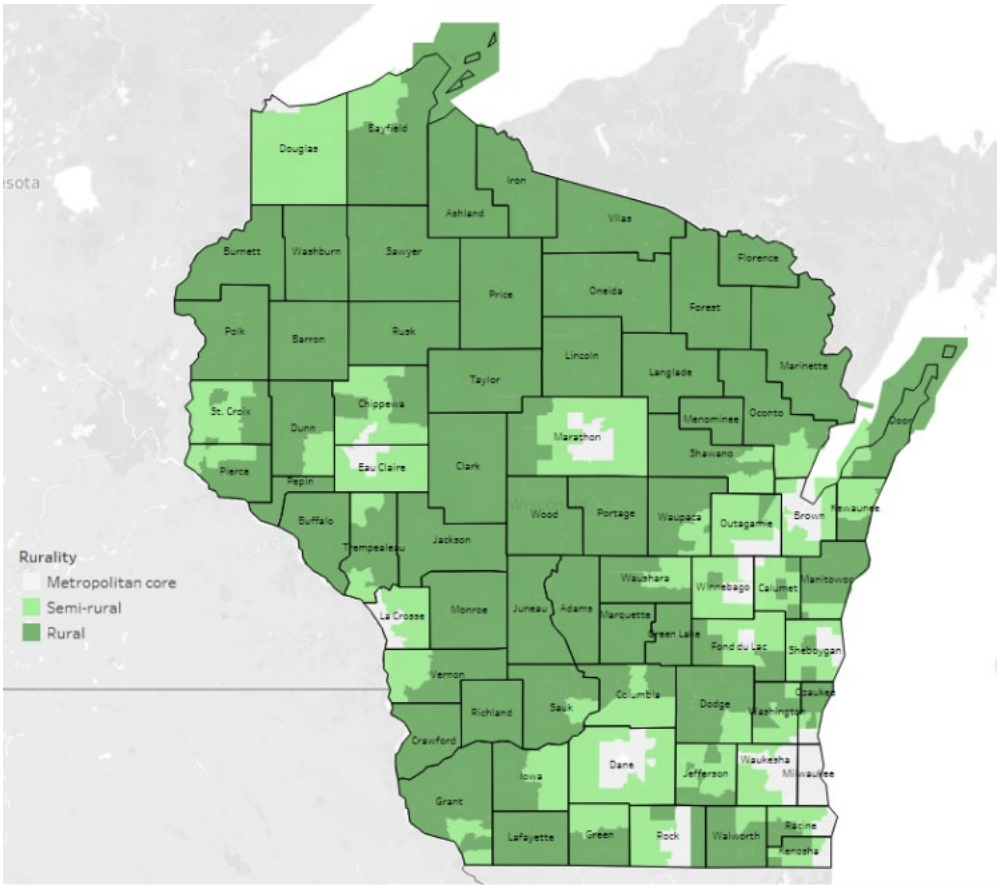
Submission Deadlines

Questions are due by 11:59 p.m. on July 1, 2026. DHS will post responses within one week.
Responses must be submitted by 11:59 p.m. on Aug. 7, 2026.

Addendum

Exhibit 1: Target Areas of Wisconsin

Wisconsin applied to the federal Centers for Medicare and Medicaid Services (CMS) to participate in the Rural Health Transformation Program from 2026 to 2030. The program will improve rural health in rural and semi-rural counties, as defined by the 2020 U.S. Census.



Rural Counties	Semi-Rural Counties
Adams, Ashland, Barron, Buffalo, Burnett, Clark, Crawford, Florence, Forest, Green Lake, Iron, Jackson, Juneau, Lafayette, Langlade, Lincoln, Marinette, Marquette, Menominee, Monroe, Oneida, Pepin, Polk, Portage, Price, Richland, Rusk, Sawyer, Taylor, Vilas, Washburn, Wood	Bayfield, Brown, Calumet, Chippewa, Columbia, Dane, Dodge, Door, Douglas, Dunn, Eau Claire, Fond du Lac, Grant, Green, Iowa, Jefferson, Kenosha, Kewaunee, La Crosse, Manitowoc, Marathon, Oconto, Outagamie, Ozaukee, Pierce, Racine, Rock, Sauk, Shawano, Sheboygan, St. Croix, Trempealeau, Vernon, Walworth, Washington, Waukesha, Waupaca, Waushara, Winnebago

Exhibit 2: Federal Compliance Requirements
Rural Health Transformation Program

This document sets forth federal funding requirements applicable to federal funds under the Rural Health Transformation Program, authorized by Public Law 119-21 (The One Big Beautiful Bill Act), Section 71401. Subgrantees agree to comply with the federal regulations applicable to this award listed below and all other applicable federal statutes, regulations, executive orders, and requirements applicable to this agreement not described in this document. Awards are also subject to applicable provisions of 2 CFR Part 200 and 2 CFR Part 300. Awards are also subject to CMS reporting requirements.

Limitations - the following costs are not allowed, unless otherwise noted:

1. Pre-award costs.
2. Meeting matching requirements for any other federal funds or local entities.
3. Services, equipment, or supports that are the legal responsibility of another party under federal, state, or tribal law, such as vocational rehabilitation or education services.
4. Services, equipment, or supports that are the legal responsibility of another party under any civil rights law, such as modifying a workplace or providing accommodations that are obligations under law.
5. Goods or services not allocable to the project.
6. Supplanting existing state, local, tribal, or private funding of infrastructure or services, such as staff salaries.
7. Construction or building expansion, purchasing or significant retrofitting of buildings, cosmetic upgrades, or any other cost that materially increases the value of the capital or useful life as a direct cost.
8. The cost of independent research and development, including their proportionate share of indirect costs. See 2 CFR 300.477.
9. Funds related to any activity designed to influence the enactment of legislation, appropriations, regulation, administrative action, or executive order.
10. Purchase of covered telecommunications and video surveillance equipment (See 2 CFR 200.216) as well as financial assistance to households for installation and monthly broadband internet costs.
11. Meals, unless in limited circumstances such as:
    a. Subjects and patients under study.
    b. Where specifically approved as part of the project or program activity, such as in programs providing children's services.
    c. As part of a per diem or subsistence allowance provided in conjunction with allowable travel.
12. Activities prohibited under 2 CFR 200.450 and the HHS Grants Policy Statement, including but not limited to: Paying the salary or expenses of any grant recipient, or

agent acting for such recipient, related to any activity designed to influence the enactment of legislation, appropriations, regulation, administrative action, or executive order proposed or pending before the Congress or any state government, state legislature, or local legislature or legislative body.

13. Lobbying. Awardees can lobby at their own expense if they can segregate federal funds from other financial resources used for lobbying.
14. New construction is unallowable. Supplanting funding for in-process or planned construction projects or directing funding towards new construction builds is unallowable. Renovations or alterations, as described in Category J of the program requirements and expectations use of funds section, are allowed if they are clearly linked to program goals.
    a. Minor alterations and renovations projects include small modifications aimed at enhancing the functionality of the facility where the project will take place. In general, minor modifications to an existing building footprint, existing infrastructure, and existing rooms within a facility would be considered minor building alterations or renovations.
    b. Hypothetical, illustrative examples include but are not limited to:
        i. Interior modifications: Installing or relocating interior walls and partitions to create new offices or meeting rooms.
        ii. Lighting and electrical: Upgrading light fixtures to more energy-efficient systems.
        iii. HVAC and plumbing: Replacing vents and thermostats for better climate control.
        iv. Accessibility improvements: Installing automatic door openers to enhance accessibility.
        v. Security and safety: Installing or upgrading security cameras or access control panels.
        vi. Workspace reconfiguration: Creating open office layouts or converting private offices to better suit needs.
    c. Category J funding cannot exceed 20% of the total funding CMS awards states in a given budget period.
15. To replace payment for clinical services that could be reimbursed by insurance. We will not accept payments to clinical services if they duplicate billable services and/or attempt to change payment amounts of existing fee schedules.
    a. If you plan to fund direct healthcare services, you must justify why they are not already reimbursable, how the payment will fill a gap in care coverage (such as uncompensated care or services not covered by insurance), and/or how they transform the current care delivery model.

b. Funding for provider payments, as described in Category B of the program requirements and expectations use of funds section, cannot exceed 15% of the total funding CMS awards states in a given budget period.
c. Funding cannot be used for initiatives that fund certain cosmetic and experimental procedures that fall within the definition of a specified sex-trait modification procedure at 45 CFR 156.400 because that is beyond the scope of this program.

16. No more than 5% of total funding CMS awards to a state in a given budget period can support funding the replacement of an EMR system if a previous HITECH certified EMR system is already in place as of September 1, 2025.
    a. Upgrades, enhancements, and added modules, interfaces, or functionality to existing EMR/EHR systems are allowable uses of funds and are not subject to the 5% limitation.
17. Funding towards initiatives similar to the Rural Tech Catalyst Fund Initiative (as described in the appendix) cannot exceed the lesser of (1) 10% of total funding awarded to a state in a given budget period or (2) $20M of total funding awarded to a state in a given budget period, and funding is subject to all restrictions and requirements described in the example initiative.
18. Clinician salaries or wage supports for facilities that subject clinicians to non-compete contractual limitations.
19. None of the funding shall be used by the state for an expenditure that is attributable to an intergovernmental transfer, certified public expenditure, or any other expenditure to finance the non-federal share of expenditures required under any provision of law.
20. SSA Section 2105(c), paragraphs (1), (7), and (9) apply as funding limitations. These limitations are related to general limitations, limitations on payment for abortions, and citizenship documentation requirements for payments made with respect to an individual.

Examples of allowable costs:

21. States must focus funding on the following categories as described in Section 71401 of Public Law 119-21:
    a. **Prevention and chronic disease:** Promoting evidence-based, measurable interventions to improve prevention and chronic disease management.
    b. **Provider payments:** Providing payments to healthcare providers for the provision of healthcare items or services, subject to restrictions described in the funding policies and limitations.
    c. **Consumer tech solutions:** Promoting consumer-facing, technology-driven solutions for the prevention and management of chronic diseases.
    d. **Training and technical assistance:** Providing training and technical assistance for the development and adoption of technology-enabled solutions

that improve care delivery in rural hospitals, including remote monitoring, robotics, artificial intelligence, and other advanced technologies.

e. **Workforce:** Recruiting and retaining clinical workforce talent to rural areas, with commitments to serve rural communities for at least 5 years.
f. **IT advances:** Providing technical assistance, software, and hardware for significant information technology advances designed to improve efficiency, enhance cybersecurity capability development, and improve patient health outcomes.
g. **Appropriate care availability:** Assisting rural communities to right-size their healthcare delivery systems by identifying needed preventative, ambulatory, pre-hospital, emergency, acute inpatient care, outpatient care, and post-acute care service lines.
h. **Behavioral health:** Supporting access to opioid use disorder treatment services, other substance use disorder treatment services, and mental health services.
i. **Innovative care:** Developing projects that support innovative models of care that include value-based care arrangements and alternative payment models, as appropriate.

22. Additional uses designed to promote sustainable access to high quality rural healthcare services, as determined by the CMS Administrator, including:
    a. **Capital expenditures and infrastructure:** Investing in existing rural healthcare facility buildings and infrastructure, including minor building alterations or renovations and equipment upgrades to ensure long-term overhead and upkeep costs are commensurate with patient volume, subject to restrictions in the funding policies and limitations.
    b. **Fostering collaboration:** Initiating, fostering, and strengthening local and regional strategic partnerships between rural facilities and other healthcare providers to promote quality improvement, improve financial stability of rural facilities, and expand access to care.
23. Specific examples provided in the Notice of Funding Opportunity include:
    a. States can offer certain incentives to attract clinical workforce to work in rural areas provided the recipient of the incentive commits to working in rural areas for a minimum of 5 years. Funding for local housing for students or trainees in rural areas may be allowable if included as part of an approved initiative within the scope of the RHT Program. Note that payment for student or trainee housing is limited to short-term (less than 6 months) housing for rotations.
    b. Targeted technical assistance and training to help clinicians, medical coders, and other personnel better understand and use existing payment mechanisms already in place for care coordination services via Medicare and Medicaid or other payers.

c. Creating, implementing, or enhancing IT systems, software, or data sharing infrastructure to streamline population health management and care coordination by sharing resources, making referrals, and ensuring the completion of the referral process that help with coordinating amongst stakeholders and/or population health management. Promoting community engagement, awareness of programs, and community input on program development, structure, and oversight.
d. Training and integrating community health workers, care coordinators, peer support specialists, community paramedics, other auxiliary personnel, and behavioral health specialists into the care delivery system. Such personnel can then launch and support targeted outreach programs to engage and educate rural populations.
e. Developing multidisciplinary frameworks to formally integrate non-physician providers such as paramedics, community paramedics, emergency medical technicians, community health workers, and pharmacists into care teams, in collaboration with rural facilities.
f. Developing community-based programs to promote health literacy and healthy behaviors within a population, such as tobacco cessation programs, diabetes management education, or nutrition education.
g. Improving access to primary care and preventative services in innovative sites of care, such as schools, retail centers, public libraries, and home-based visits, and/or via mobile care delivery, such as use of mobile screening vans, community paramedicine, and mobile clinics.
h. Assistance in setting up the legal and organizational framework to create and operate a rural health network including, but not limited to, articles of incorporation, network operating practices, dues structure, and network decision making procedures.
i. Technical assistance to organizations developing or enhancing integrated rural health networks.
j. Technical assistance with restarting closed service lines, such as with recruitment, compliance, or infrastructure.
k. Technical assistance on legal and regulatory issues, such as antitrust navigation and contracting and data sharing between members.
l. Needs assessments for rural communities related to strategic planning of services, including maternity care.
m. Start-up funding to cover providers' initial staffing and equipment to support strategically targeted service line expansion linked to local need until enough volume develops to reach sustainability.
n. IT systems, software, or data sharing infrastructure, such as health information exchanges or frameworks like The Trusted Exchange Framework and Common

Agreement (TEFCA), that help with coordinating amongst providers and supporting population health management.

Additional Resources

- Notice of Funding Opportunity (NOFO)
  - Pages 11-12, 18-20, 97-118
- Rural Health Transformation FAQ
  - Section V. Use of Funds, pages 34-53

Exhibit 3: Budget Instructions

Applicants must submit a detailed Year 1 budget using the required budget template provided with this application. The completed budget template must be uploaded in Excel format as part of the application submission.

The budget should clearly demonstrate how grant funds will be used to support proposed activities and must be consistent with the program design.

This information will be shared with the federal government as part of cooperative agreement oversight. Non-state entities should adapt as necessary to comply with their budget policies. See CMS's website for additional guidance.

Completing the Budget Template

- Use the provided budget template. Please do not modify the format or formulas. Add additional rows as necessary to provide a detailed description of the budget.
- Locate Row 3 and type your organization's name in the designated field.
- Complete columns A through F in the budget table for each line item of your proposed expenses. Provide a detailed line-item breakdown for each cost category, including a description and justification for every budgeted expense.
- Navigate to Column G for every line item. Use this column to ensure your administrative and programmatic funding percentages are properly defined and sum up to 100%.
- Complete all applicable budget categories. When all line items are added, locate cell C54 to verify that your total administrative costs do not exceed the funding limits.
- Ensure all costs are reasonable, necessary, and directly related to the proposed project.
- Submit a budget for Year 1 only. This applies to funds allocated from 10/1/2026-7/31/2027.
- The completed budget template must be:
    - Submitted in Excel format (.xlsx).
    - Uploaded under Section 6: Budget with the remainder of the application materials.
    - Included at the time of application submission.

Applications submitted without a completed budget template may be considered incomplete.

Line-item Breakdown

Budgets must be broken down into specific line-items and assigned to a cost category. For example, salary costs should identify individual positions, and associated salary amounts rather than a single salary total. Similarly, travel costs should be separated into specific expenses such as mileage, lodging, registration fees, or other anticipated travel-related costs. Supplies, contractual services, and other expenses should also be itemized. Providing detailed line-item information allows for a complete review of proposed expenditures and supports the development of funding agreements, reporting requirements, and grant monitoring activities. Line-items must be rounded to the nearest dollar.

Budget Description and Justification

For each line-item, applicants must provide sufficient detail to explain:

- What the expense is.
- How the cost was calculated.
- Why the expense is necessary for the project.
- How the expense supports project goals and activities.

Examples include:

- Position title, percentage of time devoted to the project, and fringe percentage for personnel costs.
- Number of units and unit cost for supplies and materials.
- Number of trips, travelers, mileage, lodging, or registration costs for travel.
- Scope of work and estimated cost for consultants or contractors.
- Budget descriptions should provide enough information for reviewers to understand and evaluate the proposed expenditure without requiring additional clarification.

Administrative Cost Limits and Determinations

Administrative costs are limited to 8% of the total amount allocated to a subrecipient during a budget year. Administrative costs for your budget includes indirect and direct costs that are considered administrative costs. Applicants should explicitly show that administrative expenses are less than or equal to 8%. **Note**: In the budget template, applicants will identify which line items count as administrative expenses (such as program management salaries) and show that their sum is 8% or less of the total.

The administrative cap is based on CMS requirements that no more than 10% of the amount allotted to a state for a fiscal year may be used by the state for administrative expenses (Public Law 119-21). This cap applies to the cumulative administrative costs for the entire program, including those incurred by both the state and any subrecipients. Therefore, DHS has determined an 8% allowable administrative cap for this grant funding opportunity. See CMS's RHTP Frequently Asked Questions (FAQ) (October 31, 2025), Sec. II, No. 91, and Sec. V, No. 8 and No. 9, for additional guidance.

The FAQ provides the following further guidance:

- Personnel costs *for administering RHTP grant activities* may be considered administrative costs (FAQ Sec. III, No. 91 and Sec. III, No. 92). If staff are *directly carrying out program initiatives*, the cost may be considered programmatic (FAQ Sec. III No. 92, Sec. III, No. 109).
- Determinations about whether a cost is "programmatic" or "administrative" depends on the nature of the activities performed (FAQ Sec. III, No. 101, Sec. V, No. 62, Sec. V, No. 63).

- Final determinations on costs will be made by CMS. Detailed justifications for requested expenses are necessary to ensure they are approved (FAQ Sec. III, No. 101 and 103).

Examples of costs that are **administrative** (See FAQ):

- General oversight and expenses "such as director's office, accounting, administrative personnel, and other types of expenditures classified as administrative" (FAQ Sec. V, No. 67)
- Salaries for program management staff (FAQ Sec. III, No. 62)
- State personnel costs administering the grant (FAQ Sec. III, No. 92)
- Staff "managing or overseeing the grant itself" (FAQ Sec. III, No. 109)
- Hiring an independent evaluator to collect data and evaluate the program (FAQ Sec. V, No. 62)
- Hiring an accountant to keep track of RHT program funds (FAQ Sec. V, No. 63)
- Hiring staff to train faculty on program or project management (FAQ Sec. V, No. 63)

Examples of costs that are likely programmatic (See FAQ):

- Costs are **programmatic** if they are "directly related to implementing, executing, and/or delivering activities described within specific initiatives in the state's application and the state provides sufficient detail in their application to justify their initiatives budget." (FAQ Sec. III, No. 103)
    - Costs directly related to implementing, executing, or delivering activities specifically identified in the state's application are presumed to be programmatic in nature.
    - Any programmatic costs must "support expansion and scale to better serve rural communities, not to replace or duplicate existing funding sources" (FAQ Sec. III, No. 61). If funds are used to expand a pre-existing pilot or program, RHT funds shall only apply "to the costs associated with the new population, new activities, new program milestones" and *not* to supplement costs previously funded by the state or existing fiduciaries.
- Directly carrying out program activities, such as providing technical services, technical assistance, or supporting program operations like expanding programs to rural areas or implementing new initiatives (FAQ Sec. III, No. 109)
- Hiring and training new community health workers to serve residents in a clinical workforce area. (FAQ Sec. V, No. 6)
- Purchasing new patient monitoring devices and educational materials to specifically serve populations in the clinical workforce area. (FAQ Sec. V, No. 6)
- Startup costs to establish new contracts or agreements for service delivery in the counties (FAQ Sec. V, No. 6)
- Hiring preceptors or equipment to facilitate training residents on how to access RHT services or programs. (FAQ Sec. III, No. 103)

- Community colleges using funds to create "a structured, certifiable pathway to a new degree, new certification, or to a career and/or new job opportunity in the clinical workforce area." (FAQ Sec. III, No. 105; note the 5-year commitment requirements)
- Hiring an independent evaluator to conduct a needs assessment in rural areas related to a core component one of the state's initiatives. (FAQ Sec. V, No. 62)

Program-Specific Use of Funds Categories

CMS requires RHTP funds are assigned toward at least three of the specified statutory use categories described in the Notice of Funding Opportunity (NOFO) program requirements and Expectations. The survey form, applicants will be asked to estimate how much of Year 1 budget category totals will be allocated to the use of funds categories below. If a cost category applies to more than one use of funds, please estimate the category it primarily falls into.

- **Prevention and chronic disease**: Promoting evidence-based, measurable interventions to improve prevention and chronic disease management.
- **Provider payments**: Providing payments to health care providers for the provision of health care items or services, subject to restrictions described in the funding policies and limitations.
- **Consumer tech solutions**: Promoting consumer-facing, technology-driven solutions for the prevention and management of chronic diseases.
- **Training and technical assistance**: Providing training and technical assistance for the development and adoption of technology-enabled solutions that improve care delivery in rural hospitals, including remote monitoring, robotics, artificial intelligence, and other advanced technologies.
- **Workforce**: Recruiting and retaining clinical workforce talent to rural areas, with commitments to serve rural communities for a minimum of 5 years.
- **IT advances**: Providing technical assistance, software, and hardware for significant information technology advances designed to improve efficiency, enhance cybersecurity capability development, and improve patient health outcomes.
- **Appropriate care availability**: Assisting rural communities to right size their health care delivery systems by identifying needed preventative, ambulatory, pre-hospital, emergency, acute inpatient care, outpatient care, and post-acute care service lines.
- **Behavioral health**: Supporting access to opioid use disorder treatment services (as defined in section 1861(jjj)(1) of the Social Security Act), other substance use disorder treatment services, and mental health services.
- **Innovative care**: Developing projects that support innovative models of care that include value-based care arrangements and alternative payment models, as appropriate.
- **Capital expenditures and infrastructure**: Investing in existing rural health care facility buildings and infrastructure, including minor building alterations or renovations and equipment upgrades to ensure long-term overhead and upkeep costs are

commensurate with patient volume, subject to restrictions in the NOFO funding policies and limitations. Under federal grant regulations, alteration and renovation must be necessary and reasonable for performance of the award and directly related to program objectives. Any renovation or alteration costs will require prior approval from CMS. RHTP staff will submit required renovations requests to CMS for approval on behalf of grantees prior to purchase or start of work. Renovations may not proceed until written approval is received. Additionally, no more than 20% of the total award can be spent on minor alterations and renovations. See Addendum Exhibit 2: Federal Compliance Requirements for more information.

- **Fostering collaboration**: Initiating, fostering, and strengthening local and regional strategic partnerships between rural facilities and other health care providers to promote quality improvement, improve financial stability of rural facilities, and expand access to care.

Cost Category Definitions

Term	Definition	Budget line-item specificity	Budget line-item descriptions should include the following:
Contractual Services	Legal instruments for purchasing professional services or property needed for the project. Includes consultants and vendors providing specific expertise rather than performing a significant part of the program scope.	One line item per contract	Vendor, method of selection (RFP, piggyback on existing contract, etc.), contract end date, scope of work, monitoring agency, notes, and budget justification.
Equipment	Tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost that equals or exceeds $10,000.	One line item per equipment type	
Fringe	Employer-paid benefits provided as compensation in addition to regular salaries. This typically includes Social Security, retirement (WRS), health insurance, and worker's compensation, allocated equitably to all project activities.	One line item per fringe benefits for each individual employee	Fringe rate calculations used by your agency.

Term	Definition	Budget line-item specificity	Budget line-item descriptions should include the following:
Indirect Costs	2 CFR 200.1 defines an "indirect cost" as "costs incurred for a common or joint purpose benefiting more than one cost objective and readily assignable to the cost objectives specifically benefitted. Includes "overhead" or general operating expenses of an organization required to operationalize a grant (also known as Facilities and Administrative [F&A] costs). Indirect costs are typically calculated through an indirect cost rate. Note administrative expenses are limited to 8% of the total award amount. Most indirect cost will meet the definition of an "administrative cost" and subrecipients should use an 8% indirect rate. This applies to Modified Total Direct Cost (MTDC) - all direct salaries and wages, applicable fringe benefits, materials and supplies, services, and travel. MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, and participant support costs. Federally negotiated indirect cost rates should not be used. A subrecipient who believes they have an indirect cost that is not administrative should provide more information and a justification for DHS review.	All indirect costs may be grouped into a single line item	

Term	Definition	Budget line-item specificity	Budget line-item descriptions should include the following:
Salary	Compensation for personal services, including all remuneration, paid currently or accrued, for services of employees rendered during the period of performance, including but not necessarily limited to wages and salaries. **Note**: The salary rate limitation in the current federal appropriations act applies to this program. As of January 2025, the salary rate limitation is $225,700. In addition, funds cannot be used to supplant existing state, local, tribal, or private funding.	One line item per individual employee salary	Hourly salary, time %, annual salary, months of time
Supplies	All tangible personal property other than equipment. This includes "computing devices" (laptops/tablets) if the unit cost is below the $10,000 threshold. Includes basic office tools such as pens, pencils, notepads, staples, paper clips, print cartridges and toners. This may also include services like telecommunications and IT subscriptions.	One line per supply type	
Other	A "catch-all" category for direct costs not fitting elsewhere.	One line per other type	

Term	Definition	Budget line-item specificity	Budget line-item descriptions should include the following:
Travel	Reimbursable expenses for transportation, lodging, and meals incurred by employees on official project business. Please use the uniform travel schedule amounts (UTSAs) in estimating travel costs. In accordance with Wisconsin State Statute, the Division of Personnel Management Administrator, with the approval of the Joint Committee on Employment Relations, establishes the UTSAs. These amounts include mileage reimbursement rates, airfare costs, porterage tips, moving expenses, temporary lodging allowances, and meal and lodging rates. The approved travel schedule amounts are incorporated into the state employee compensation plan and are used by state agencies for budgeting purposes.	One line per type of travel and specify in-state or out-of-state travel (e.g. in-state transportation, in-state parking, in-state lodging, in-state per diem, out-of-state airfare, out-of-state baggage fees, out-of-state conference registration, out-of-state taxi/ground transportation, out-of-state lodging, out-of-state per diem)	Purpose, locations, and frequency of travel.