Rural Technology Transformation Fund

Grant application questions and answers

Question 1: We are currently in the process of upgrading our EHR technology and went live this spring. Does the new grant fund cover this EHR program upgrade if already in motion? It will need to be upgraded each year so is that considered fundable? As long as it is not maintenance for the EHR is it considered fundable?

Answer 1: In general, upgrades to existing electronic health records (EHR) systems are allowable. However, this funding cannot supplant or duplicate existing funding sources and government financing streams that were either planned or already paying for healthcare items and services. Investments must also be sustainable. Survey responses should include a description of how your organization will maintain and sustain the technology after the funding period.

Question 2: We have a main hospital facility in a rural area that serves rural health clinics in Door County. If items such a new robotic surgical system or new MRI are purchased, but the location of the equipment is in the main hospital that serves the rural health clinic, is that considered an eligible project? If not, can you provide an example of what might be fundable for projects like these?

Answer 2: For the current grant round, funds are allocated for Rural Health Clinics (RHCs) and Federally Qualified Health Centers (FQHCs). Proposals should fund IT investments at RHCs and FQHCs. In addition, organizations must use grant funds to benefit rural residents. Applications should clearly outline how the organization will use and distribute the technology to ensure benefit to rural residents and healthcare providers, and which facilities under the organizational umbrella will be included in or benefit from the project. Examples of eligible projects are included in the funding opportunity under "allowable costs and activities." There is not an exhaustive list of eligible projects. Hospital facilities are not eligible for the current grant round. Hospital facilities will be included in the second round of funds. The second round of funds, estimated at $148 million pending CMS approval, will be allocated over three to four years beginning in the summer or fall of 2027.

Question 3: If the grant for year 1 is successful, how long does our hospital have to spend the grant funding?

Answer 3: For Year 1, RHCs and FQHCs have from approximately Oct. 1, 2026, until July 31, 2027 to spend funds. Additional funds for years 2 and 3 for successful RHCs and FQHCs will be made available and must be spent within the dates specified in the tables on page 3 of the funding opportunity. There is no carryover for each year's grant funding. Please note, Round 1 funds are allocated for RHCs and FQHCs, and a subsequent grant round will allocate funding to hospitals.

Question 4: Some of the digital tools, such as an MRI Unit, or an item like a Robotic Surgery System, cost well over $1 million. Can the budget reflect the cost of just one item, such as one of these mentioned earlier?

Answer 4: Yes, a budget may reflect the cost of a single item. Alternatively, group purchasing is also encouraged for healthcare organizations interested in achieving economies of scale through shared purchases. This could include larger purchases such as robotic surgical systems. Group purchasing will require clear legal agreement on ownership and equipment management.

Question 5: If a hospital can ask for an item that is, for example, $2 million, should we request for the entire amount or do we need to stay close to the "average anticipated award" figure, mentioned in the application, of $1,011,111? Will you just award an equal amount to all who request funding no matter the size of the project?

Answer 5: RHCs and FQHCs may submit budget requests above or below the average anticipated award per organization. Award amounts will vary based on the total number of requests received and the scope of the projects submitted. Award amounts will account for differences in organizational size and need. Please note, Round 1 funds are allocated for RHCs and FQHCs, and a subsequent grant round will allocate funding to hospitals. The application process will account for differences in organizational size and need.

Question 6: If a large piece of equipment is purchased, such as a robotic surgery system, it will be beyond the equipment approval threshold of $10,000. How do we get approval for that purchase?

Answer 6: RHTP staff will submit required renovations and/or equipment requests to the Centers for Medicare & Medicaid Services (CMS) for approval on behalf of grantees prior to purchase or start of work. Survey responses should include details on proposed equipment purchases.

Question 7: Are ambulance services serving the zip codes in Exhibit 4 and serving rural drug and alcohol recovery eligible to apply? Specifically, for developing an ALS access program and technology improvements to protect our rural healthcare workers.

Answer 7: Only Rural Health Clinics and Federally Qualified Health Centers serving rural and semi-rural communities are eligible for this funding opportunity. Other grant funding opportunities are available to support projects outside of this scope. In particular, the Coordinating Care Across Wisconsin: Innovating Healthcare Through Partnership Grants and the Workforce Innovation Grant: Healthcare Employment, Access, and Rural Transformation (WIG:HEART) might be able to fund this type of project. Please visit our website for additional information.

Question 8: The Forest County Potawatomi Community recently reviewed the Rural Health Technology Transformation RFP. It is our understanding that we are not eligible for Round 1, but will be eligible for Round 2. Could you please advise if Round 2 will have a similar focus and priorities?

Answer 8: Yes, we anticipate that Round 2 funds will have a similar focus and priorities. Round 2 funds will be available to other types of health organizations as outlined in Exhibit 3: hospital organizations with one or more locations, local health departments, Tribal clinics, healthcare organizations with one or more free and charitable clinics, and healthcare organizations with one or more opioid treatment facilities serving rural and semi-rural communities.

Question 9: Could DHS clarify whether the following technology investments would be eligible under the Rural Technology Transformation Fund?

- **A CT scanner located on a hospital campus that is adjacent to and supports an eligible Rural Health Clinic and its rural patient population.**
- **A diagnostic imaging system (e.g. digital X-ray) located directly within an eligible Rural Health Clinic.**

Answer 9: In this example, a CT scanner located on a hospital campus would **not** be eligible while a diagnostic imaging system located directly within a Rural Health Clinics (RHC) would be eligible. For the current grant round, funds are allocated for RHC and FQHC facilities. Applications should clearly outline which facilities under the organizational umbrella will be included in or benefit from the project. Hospitals are not eligible for the current grant round. Hospitals will be included in the second round of funds. The second round of funds, estimated at $148 million pending CMS approval, will be allocated over three to four years beginning in the summer or fall of 2027.

Question 10: Could you expand on the award estimates for listed entities with more than one RHC? Is the estimated award of $1 million per organization for our entire organization or would that be per RHC we operate?

Answer 10: The average anticipated award of $1.3 million for RHCs is per organization, not per facility. The survey process will account for differences in organizational size and need.

Organizations may submit budget requests above or below the average anticipated award per organization. Survey responses should clearly outline which facilities under the organizational umbrella will be included in or benefit from the project. Award amounts will vary based on the total number of requests received and the scope of the projects submitted.

Question 11: Should applicant budgets reflect allocations for 3-year spending higher in Year 1, with lower amounts in years 2 and 3, or can community health centers submit 3-year budgets with front-loaded, back-loaded, or even budgets across all 3 years?

Answer 11: The program has allocated $15 million in total for FQHCs (also referred to as community health centers) in Year one, $5 million in Year two, and $5 million in Year three. This distribution is intended to support larger technology investments. The funds must be spent within the budget year as outlined in the funding announcement. There is no carryover period. The requested amount should generally be highest in Year 1 and lower in years 2 and 3. DHS will negotiate the terms of the award, including the award amount, with applicants prior to entering into a contract.

Question 12: This grant only invites eligible organizations, and yet is still scored and graded as a competitive opportunity. Is there a minimum threshold for scoring that eligible applicants must meet to be awarded funds? If an applicant scores low, will that funding be converted to a different applicant type instead?

Answer 12: Eligible organizations are invited to submit a survey requesting a portion of reserved funds. The survey process will account for differences in organizational size and need. RHCs and FQHCs may submit budget requests above or below the average anticipated award per organization. Award amounts will vary based on the total number of requests received and the scope of the projects submitted. DHS will negotiate the terms of the award, including the award amount, with applicants prior to entering into a contract.

Question 13: Is an allowable use of funding recovering lost revenue (clinic downtime) and/or staff time (salaries) from a clinic closure for training, implementation, and/or other allowable activities included in the grant? These are costs incurred to the applicant above and beyond the actual registration fees, consulting time, etc. for the technology and are often a major limiting factor in adoption.

Answer 13: Yes. Personnel costs are allowable to directly support purchasing, maintenance, or training on the set up and use of technology that supports the goals of these funds. For example: IT consultants, technology evaluation committees, implementation specialists, trainers or adoption coaches, technical support staff, clinical informaticists, and solution or reporting analysts are eligible personnel expenditures when they are directly tied to

transformative investments made through this grant. At no time may these funds be used to pay for clinical provider salaries or services covered by other funding or insurance mechanisms. Grant recipients will be required to comply with the DHS Allowable Cost Policy Manual and all applicable state and federal reporting, fiscal, and audit requirements, including those incorporated through Addendum Exhibit 2: Federal Compliance Requirements Rural Health Transformation Program.

Question 14: Regarding the non-compete prohibition, what is the definition of a non-compete for this funding opportunity? If a clinic currently has a non-compete but eliminates it prior to the award receipt or funding obligation and/or contracting, would they qualify for RHTP funding?

Answer 14: Facilities with clinician non-competes are not precluded from receiving RHTP funding. RHTP funds may go towards clinician salaries and wage supports if the clinician is not subject to a non-compete agreement and the salary or wage support is being funded as part of an approved initiative. We recommend that you obtain guidance from your organization regarding non-compete contracts in place.

Question 15: Is using the budget template required?

Answer 15: Yes, 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.

Question 16: Is submitting the same information in multiple sections (e.g. sustainability plan in both sections 2 and 3) required?

Answer 16: We acknowledge the duplication of the information requested in sections 2 and 3. Applicants should respond to all questions included in the survey. Section 2: Program Design and Implementation includes a question about sustainability that may be repeated in Section 3: Sustainability Plan. Please feel free to copy and paste where it is appropriate. Please also note that the scope of the question in sections 2 and 3 is somewhat different. In Section 2, the focus is more on how the technology itself will be maintained *during* and beyond the grant funding period, including years 1-3. Section 3 is focused on how the investments made through this funding will be sustained after the grant ends, which can include how the benefits of the technology are sustained after the grant funding.

Question 17: Regarding the statement, "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." Define and/or clarify. What does "applicants will not need to budget for training registration costs" mean or please provide examples of allowable and unallowable expenses relative to this provision.

Answer 17: This statement is not applicable for this funding opportunity and was included in error. The statement has now been removed from the published grant funding opportunity.

Question 18: Will review of applicant proposals be an iterative process? For example, if a component is deemed ineligible, will the applicant have an opportunity to remedy that ineligible component? Will applications be approved in all/none, or partially?

Answer 18: All applications will be reviewed using the same process after the submission deadline. DHS will negotiate the terms of the award, including the award amount, with applicants prior to entering into a contract. Examples of eligible projects are included in the funding opportunity under Allowable Costs and Activities, located on page 6 of the application. There is not an exhaustive list of eligible projects. Applicants should provide an implementation plan that includes a list of the technology or technologies to be purchased, as well as the sites and locations that will use the proposed technologies.

Question 19: Will applications for this program be considered totally separately from other RHTP grant opportunities, and if so, how should applicants explain inter-connected applications and dependencies (e.g., application for CHW funding that also relies on new EHR module for social drivers in HIT application)?

Answer 19: Organizations may apply for more than one Rural Health Transformation Program (RHTP) funding opportunity. Applicants can describe how the funding opportunities are connected as part of their narrative application responses in both applications. We cannot guarantee that both funding applications will be successful, as awards will be reviewed independently. However, we will give consideration to the strength of the broader plan to braid funds to achieve program goals. Programs that cannot be successful without another RHTP funding stream are discouraged.

Question 20: Regarding the statement, "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." Understanding this applies to the statewide RHTP budget, are applicants expected not to submit expenses for EHR replacement in excess of 5% of their grant request budget?

Answer 20: Applicants may submit requests related to EHR projects in excess of 5% of their budget. DHS will review proposals related to EHR systems to ensure compliance with federal requirements.

Question 21: If an applicant adds a new module to their existing EHR and is required to make a downpayment prior to 10/1/26, but the go-live isn't until after 10/1/26, can these HIT grant funds be used for those expenses?

Answer 21: DHS may not cover costs incurred prior to the date on which DHS issues awards. Year 1 is expected to cover costs between Oct. 1, 2026, and July 31, 2027. 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.

Question 22: Could an applicant use the funding to purchase consulting or staff time to optimize existing health information technology? For example, a quality platform was purchased in 2025 but has never been fully utilized due to capacity limitations, lack of training, no subject matter expertise within the organization, etc.?

Answer 22: Yes. Personnel costs are allowable to directly support purchasing, maintenance, or training on the set up and use of technology that supports the goals of these funds. For example: IT consultants, technology evaluation committees, implementation specialists, trainers or adoption coaches, technical support staff, clinical informaticists, and solution or reporting analysts are eligible personnel expenditures when they are directly tied to transformative investments made through this grant. At no time may these funds be used to pay for clinical provider salaries or services covered by other funding or insurance mechanisms. Grant recipients will be required to comply with the DHS Allowable Cost Policy Manual and all applicable state and federal reporting, fiscal, and audit requirements, including those incorporated through Addendum Exhibit 2: Federal Compliance Requirements Rural Health Transformation Program.

Question 23: If an applicant is interested in participating in the statewide EHR backbone, should the applicant include any costs related to that project in this HIT grant proposal? If yes, understanding that additional details on the EHR backbone are forthcoming, could the applicant include a placeholder for those current unknown expenses in their HIT proposal (e.g., $500K for any costs related to participating in the state EHR backbone project, as yet to be defined)?

Answer 23: Yes, applicants may include costs related to participating in the statewide EHR backbone, and may include a placeholder for current unknown expenses. This placeholder request should include some description of the types of technology-related costs the applicant expects to incur in preparing for and implementing the EHR backbone at their organization. Please note that a separate allocation from the Rural Health Transformation Program will cover many of the up-front costs of building and maintaining the system. However, participating organizations may need to cover other costs such as hardware, integration with other systems, data migration, and staff time to support

system implementation. Further information regarding the EHR will be released soon. **Note:** approval for technology-related costs does not guarantee approval or a timeframe for EHR backbone implementation.

Question 24: Does absorbing costs within the existing organization budget in future years meet the requirements for a sustainability plan?

Answer 24: Yes. If the technology purchased requires continued maintenance or upgrades to remain functional, please describe what resources will be used to support this technological investment after the funding period.

Question 24: Does eligibility depend on the location of the organization's headquarters, or on the geographic areas and populations served?

Answer 24: Exhibit 3 of the funding opportunity includes detailed information on the allocation methodology. To be eligible for Rural Technology Transformation funds, a healthcare organization must operate outside of a metropolitan core area or be categorically eligible through service to rural residents. The allocation of funds is based on the approximate share of rural healthcare provided by each organization. To approximate the share of care provided, 80% of funding is allocated proportionally to the number of eligible organizations, while 20% is proportional to the number of eligible facilities. This was calculated through a directory of healthcare organizations and facilities that met the geographic criteria. Applications will be reviewed and scored by an evaluation team. 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.

Question 25: As a statewide community-based organization that delivers and coordinates services across rural Wisconsin, are we eligible to apply for the current Rural Health Transformation grant opportunity?

Answer 25: Only Rural Health Clinics and Federally Qualified Health Centers serving rural and semi-rural communities are eligible for this funding opportunity.

Question 26: Are we eligible to apply for any of the other Rural Health Transformation funding opportunities, either as a lead applicant or as a community-based partner?

Answer 26: Only Rural Health Clinics and Federally Qualified Health Centers serving rural and semi-rural communities are eligible for this funding opportunity. The Rural Health Transformation Program has several other grant opportunities available, including care coordination grants. Please visit the Current Grant Funding Opportunities webpage for additional information.

Question 27: Can you please clarify: is it allowable to use grant funds to 1) replace aging equipment that has reached its end of life and no longer meets the needs of patients and providers, and 2) expand and enhance existing services using current technology, with grant funds used only for the expansion and enhancements?

Answer 27: Yes, grant funds may be used to purchase and integrate technologies that remove barriers to care, maximize provider productivity, and improve health outcomes for rural Wisconsinites. 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.

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