Rural Technology Transformation Fund: Allocations to improve health services in rural Wisconsin

Contents

Funding Opportunity Summary

The Rural Health Transformation Program will award an estimated $209 million over five years in technology grants. Grants will be rolled out in two rounds to different types of healthcare organizations. Through these grants, Wisconsin Department of Health Services (DHS) seeks to bolster the state's capacity to provide high-quality care to rural residents via technological innovations. Applicants may apply to multiple Rural Health Transformation Program (RHTP) funding opportunities for which their organizations are eligible.

Key Dates

- Application Release: July 1, 2026
- Application Submission Due: Aug. 1, 2026
- Application Questions Due: July 7, 2026. Responses will be posted within one week.
- Please send questions to: dhsruralhealth@dhs.wisconsin.gov and place Technology Transformation Application Questions in the Subject line.
- Estimated Date for Award Notification: September 2026

Estimated Funding

Funds will be distributed to eligible organizations in two separate funding rounds as outlined below.

Eligible Applicants by Funding Round

Round 1: This funding announcement pertains to Round 1, which includes an estimated $61 million, pending CMS approval, to be allocated over three years beginning in 2026. Round 1 funds will be allocated to healthcare organizations with one or more Rural Health Clinics and healthcare organizations with one or more Federally Qualified Health Centers (FQHC) serving rural and semi-rural communities as defined in Addendum Exhibits 3 and 4. Only organizations listed in Addendum Exhibit 4 are eligible to apply for Round 1 funding.

Round 2: 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. 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. A separate funding opportunity for Round 2 funds will be announced in 2027, along with a list of eligible organizations.

Round 1: Estimated funds for FQHCs

	Year 1	Year 2*	Year 3*
Dates	10/1/2026–7/31/2027	8/1/2027–7/31/2028	8/1/2028–7/31/2029
Total funding available	$15,000,000	$5,000,000	$5,000,000
Average anticipated award per organization	$1,260,000	$420,000	$420,000

*Pending CMS approval

Round 1: Estimated funds for Rural Health Clinics

	Year 1	Year 2*	Year 3*
Dates	10/1/2026–7/31/2027	8/1/2027–7/31/2028	8/1/2028–7/31/2029
Total funding available	$28,000,000	$6,000,000	$2,000,000
Average anticipated award per organization	$1,011,111	$216,667	$72,222

*Pending CMS approval

Award Amount: 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 selected applicants prior to entering into a contract.

Number of Available Awards: The number of available awards will be determined by the number and scope of responses submitted by eligible organizations.

Application submission: All applications must be submitted online through the Rural Technology Transformation Fund 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 RHTP, a federal funding opportunity provided to states through the Centers for Medicare and Medicaid Services (CMS). 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.

As artificial intelligence, interoperability, and cybersecurity shape how care is delivered, rural facilities need to adopt digital tools that meet their unique clinical and operational needs. Health technology solutions have the potential to accelerate improved quality, expanded access, and reduced cost of care for rural residents. Adopting more efficient and effective technologies increases provider satisfaction and lowers turnover, improving the healthcare experience for providers as well as patients. Investing in next-generation technology will enable rural facilities to streamline workflows, improve interoperability, strengthen data security, purchase hardware, and improve patient care.

Purpose

These funds are intended to invest in technology that:

- Removes barriers to care for rural residents.
- Maximizes provider productivity.
- Ensures improved patient or community health outcomes.

Program Requirements

- Successful organizations must use grant funds to:
    - *Benefit rural residents.* A healthcare organization may operate several facilities across the state. In general, funds should be used to benefit rural residents through investments in facilities located outside of metropolitan core areas.
    - *Purchase eligible technologies*. All proposed technologies must be clearly linked to the goals of removing barriers to care, maximizing provider productivity, and improving health outcomes for rural Wisconsinites.

- Examples of eligible program activities include upgrading IT systems, upgrading Electronic Health Records (EHR) systems, subscribing to data analytics or other digital tools, and purchasing patient and provider devices.
    - **Patient devices** could include tools such as Bluetooth-enabled blood-pressure monitors, continuous glucose monitors, and digital weight scales to support patients with chronic disease management.
    - **Provider devices** could include tools such as ambient AI for notetaking to reduce administrative burdens, improve provider well-being, and enhance patient interactions; telehealth-capable computers and tablets to facilitate digital access; and robotic surgical systems to transform in-person care.

Organizations representing more than one health facility should carefully consider the needs and capacities of the different facilities under the organizational umbrella. 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.

Group purchasing is encouraged for healthcare organizations interested in achieving economies of scale through shared purchases. For example, local public health departments could partner with their association to purchase shared data analytics tools. Alternatively, if multiple rural hospitals want to purchase new software functions or upgrades, this grant could facilitate a shared purchase between the hospitals and vendors. This could include software solutions or infrastructure that enable participation in data exchanges and interoperability, or larger purchases such as robotic surgical systems.

Reporting Requirements: Evaluation

A combination of quantitative and qualitative data will be required quarterly and annually for state and federal evaluation purposes such as improved patient outcomes, number of new or enhanced connections, expanded access or reach, increased interactions, improved productivity and efficiencies as a result of the technology.

Funding Availability

Submission does not guarantee funding with this opportunity. This allows DHS to assess the 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 or to fund additional agencies that submitted an application but were not selected.

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

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. Applicants must clearly describe how grant funds will be used, what technologies will be purchased, and how this will meet community needs. The following allowable and unallowable costs and activities are provided as examples only and are not intended to be exhaustive.

Allowable Costs and Activities (not an exhaustive list)
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.
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.
Meeting expenses related to the project: meeting room, audiovisual (AV) equipment, travel, speakers, etc.
Infrastructure to support a program, such as billing and/or fiscal infrastructure, technology for billing and tracking services, and administrative support
Program implementation and evaluation
Office supplies, postage, copying, etc. related to the project
Consultant and contract services needed to implement the project
Unallowable Costs and Activities (not an exhaustive list)
Funding for current operations, including funds to maintain current technology
Personnel costs that are not directly related to IT investments made through this grant
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 or used for payments to clinical services if they duplicate billable services and/or attempt to change the payment amounts of existing fee schedules.
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 direct cost that materially increases the value or useful life of the capital
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
In addition, the federal government has placed funding restrictions on the amount of money the program may spend to replace existing EHR systems to 5% of the state's total award in a given budget period. DHS will review proposals related to EHR systems to ensure compliance with federal requirements.

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 Addendum Exhibit 5: 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 Addendum Exhibit 2: Federal Compliance Requirements for more information.

Survey Submission

The grant application can be accessed through the Rural Technology Transformation Fund Application form and must be completed by 11:59 p.m. on Aug. 1, 2026. Only applications submitted through this link will be considered.

Applications must include:

- Responses to the statements in the Survey Questions section. Any information beyond the word count limit will not be read, reviewed, or scored.
- Proposed budget and justification. The budget justification does 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 7, 2026, and will be answered through published FAQs.

Survey 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 health facilities benefiting from this project are located.
4. Provide a brief executive summary of your project (maximum 100 words). This section is not scored.
5. A list of partners or facilities that will participate in a shared purchase, including points of contact for each (if applicable).

NARRATIVE RESPONSE

Section 1: Community Needs and Impact (Maximum 1,500 words)

Describe how your project will meet the purpose of this funding opportunity. Include the following in your response:

- The facilities, sites, and locations (site name, city, and zip code) that will use the proposed technologies. Proposed projects that serve rural areas will be prioritized.
- The average number of patients served per month in each facility where the proposed technology will be used.
- The population size of the catchment area for each facility where the proposed technology will be used or for the jurisdiction served.
- What are the specific needs in your clinic, system, or the community served? How will the proposed technology address those needs?

- What are the anticipated outcomes from this technology project? How will you measure results? Please specify outcomes related to provider or organizational capacity, patient experience, and patient or community health.
- Will the technology be used to reach everyone the organization serves, or will there be a target population (e.g. farm workers) or discrete project (e.g. post-partum in-home care support) that will benefit from this technology? If applicable, what is the target population or specific project expected to benefit from this technology?

Section 2: Program Design and Implementation (Maximum 1,500 words)

- Provide an implementation plan that includes the following:
  - A list of the technology or technologies to be purchased
  - The sites and locations (site name, city, and zip code) that will use the proposed technologies. Proposed projects that serve rural areas will be prioritized.
  - A timeline and strategy for purchasing the technology, training staff on use (as appropriate), and integrating into routine operations. Grantees must spend funds allocated in the current grant round between Oct. 1, 2026, and Sept. 30, 2029.
  - How your organization will maintain and sustain the technology. If the technology purchased requires continued maintenance or upgrades to remain functional, describe what resources will be used to support this technological investment after the funding period.
  - How your organization will measure and report on outcomes, with a focus on outcomes for rural residents.
  - Your anticipated reach (e.g. number of people served), segmented by rurality if feasible to demonstrate reach in rural areas.

- Briefly describe how each technology will further the Rural Technology Transformation Fund's three goals:
  - Removing barriers to care for rural residents
  - Maximizing provider productivity
  - Ensuring improved patient or community health outcomes

- Describe the organization's technical assistance needs and/or resources relevant to the proposed project. Include the following information:
  - What technical assistance or external resources does your organization need to implement technology projects?
  - What technical assistance or resources could your organization offer other healthcare organizations to help implement technology projects?

Section 3: Sustainability Plan (Maximum 1,000 words)

- Include a sustainability plan describing how the proposed technology will be maintained beyond the grant period.

BUDGET

Section 4: Budget

Please fill out the budget form with detailed proposed expenditures for Year 1: Oct. 1, 2026–July 31, 2027.

For the following two years, please provide an overall estimate and proposed technology expenditures:

- Year 2: Aug. 1, 2027–July 31, 2028
- Year 3: Aug. 1, 2028–July 31, 2029

Complete the budget template with proposed expenditures for Year 1. For each item include a brief justification for the amount. This should include how you arrived at the dollar amount requested for the expense. 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. *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.
- **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 5 (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 Addendum Exhibit 1 for a definition of rural counties. For sections with high point values, more detail may be required.

- Community Needs and Impact: 25 points
- Program Design and Implementation: 45 points
- Sustainability Plan: 10 points
- Budget: 20 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 partners 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 Deadline

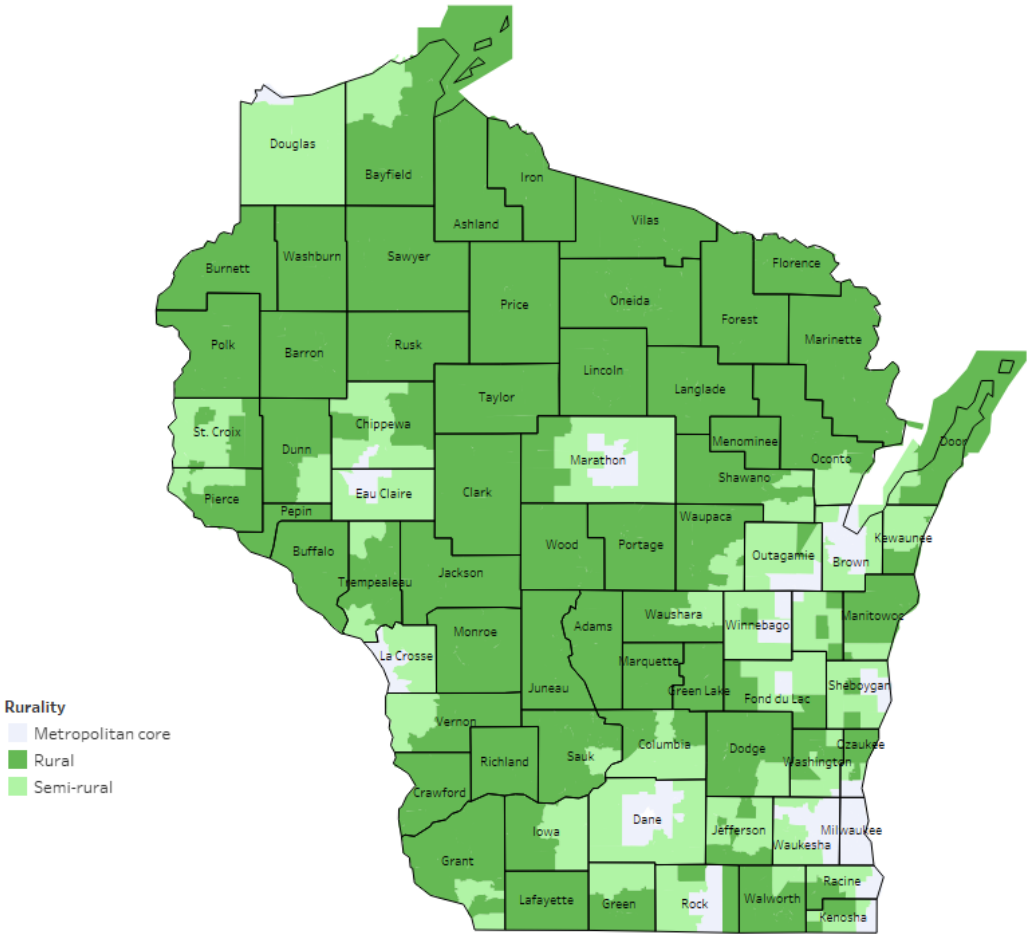
Questions are due by 11:59 p.m. on July 7, 2026. DHS will post responses within one week.

Responses must be submitted through the Rural Technology Transformation Fund Application form by 11:59 p.m. on Aug. 1, 2026. Following the deadline, DHS will review responses and announce awards to selected recipients.

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: Allocation Methodology
Rural Technology Transformation Fund

Eligible types of health organizations are based on the rural health facility information provided to CMS as part of Wisconsin's Rural Health Transformation Program application. We define a health organization as an entity that represents one or more health facilities (e.g. a health system, a network of FQHCs, or a stand-alone local health department).

To be eligible for Rural Technology Transformation funds, a healthcare organization must operate outside of a metropolitan core area (i.e. RUCA 1 in the following list), according to the 2020 U.S. Census, or be categorically eligible through service to rural residents. Rural health clinics, Tribal clinics, and countywide health departments are categorically eligible, while U.S. Census data determines eligibility for hospitals, free and charitable clinics, opioid treatment facilities, federally qualified health centers, and community health centers. In total, Wisconsin has around 200 eligible healthcare organizations that operate over 500 facilities in RUCA codes 2–10.

2020 U.S. Census, Rural-Urban Commuting Area (RUCA) Codes

1. Metropolitan core (*urban, ineligible*)
2. Metropolitan high commuting (*semi-rural, eligible*)
3. Metropolitan low commuting (*semi-rural, eligible*)
4. Micropolitan core (*rural, eligible*)
5. Micropolitan high commuting (*rural, eligible*)
6. Micropolitan low commuting (*rural, eligible*)
7. Small town core (*rural, eligible*)
8. Small town high commuting (*rural, eligible*)
9. Small town low commuting (*rural, eligible*)
10. Rural area (*rural, eligible*)

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. Within each category, individual organizations will submit a survey requesting a portion of reserved funds. This two-step allocation process helps account for differences in organizational size and need within each category.

Grants will be rolled out in rounds that are strategically timed to support larger technology investments and ensure alignment across other RHTP projects. For example, Wisconsin Medicaid is revising payment methodologies for rural health clinics, so those organizations will

receive funds starting in Year 1 to align with that project. Anticipated allocations are shown below.

Round 1 Eligible Organizations	Year 1 Total: 10/1/2026 – 7/31/2027	Years 2-3 Estimated Total*: 8/1/2027 – 7/31/2029	Years 1–3 Estimated Total
28 Rural Health Clinics	$28,000,000	$8,000,000	$36,000,000
12 FQHCs	$15,000,000	$10,000,000	$25,000,000
Total	**$43,000,000**	**$18,000,000**	**$61,000,000**

*Pending CMS approval

Round 2 Eligible Organizations	Years 2–5 Estimated Total*: 8/1/2027 – 9/30/2031
44 Hospital systems	$48,000,000
69 Local health departments	$56,000,000
14 Tribal clinics	$14,000,000
26 Free and charitable clinics and/or opioid treatment facilities	$28,000,000
Reserve for adjustments	$2,000,000
Total	**$148,000,000**

*Pending CMS approval

Exhibit 4: Eligible Organizations

For the current grant round, the following organizations are eligible to request funds:

- **Organizations of Federally Qualified Health Centers**
  - Access Community Health Centers, Inc.
  - Family Health Center
  - Kenosha Community Health Center, Inc.
  - La Clinica De Los Campesinos, Inc. (DBA Noble Community Clinics)
  - Lake Superior Community Health Center
  - Lakes Community Health Center, Inc. (DBA NorthLakes)
  - N.E.W. Community Clinic, Ltd.
  - Partnership Community Health Center Inc.
  - Primary Connection Healthcare, Inc (DBA Bridge Community Health Clinic)
  - Rock River Community Clinic, Inc.
  - Scenic Bluffs Health Center Inc.
- **Organizations of Rural Health Clinics**
  - Aspirus, Inc.
  - Black River Health
  - Burnett Medical Center
  - Cumberland Healthcare
  - Door County Medical Center
  - Emplify
  - Essentia Health
  - Fort HealthCare
  - Grant Regional Health Center
  - HealthPartners
  - Hospital Sisters Health System
  - Indianhead Medical Center
  - Lafayette Hospital and Clinics
  - Marshfield Clinic Health System
  - Mayo Clinic
  - Mile Bluff Medical Center
  - Osceola Medical Center
  - Reedsburg Area Medical Center
  - Sauk Prairie Healthcare
  - Southwest Health
  - SSM Health
  - St. Croix Health
  - Tamarack Health
  - The Richland Hospital Inc.

- ThedaCare, Inc.
- Upland Hills Health Inc.
- Vernon Memorial Healthcare
- Western Wisconsin Health

Funds should be used to benefit rural residents through investments in facilities located outside of metropolitan core areas. For the current grant round, that includes the FQHC and Rural Health Clinic facilities located in the following zip codes:

Adams	**Columbia**	**Grant Cont.**	**Langlade**	**Oneida**	**Sawyer**	**Washburn**
53910	53555	53812	54409	54501	54843	54801
53934	53901	53813	54428	54548	54896	54817
Ashland	**Crawford**	53818	54491	54568	**Shawano**	54859
54806	53821	53820	**Lincoln**	**Polk**	54166	54871
Barron	54655	**Iowa**	54452	54001	54414	**Washington**
54728	**Dane**	53507	54487	54004	54499	53090
54762	53560	53533	**Manitowoc**	54005	**Sheboygan**	53095
54805	**Dodge**	53543	53015	54020	53013	**Waupaca**
54812	53916	53565	54220	54024	53020	54929
54822	**Door**	**Iron**	**Marathon**	54810	53070	54945
54829	54234	54534	54411	54829	53073	54981
54868	54235	**Jackson**	54421	54837	53075	**Waushara**
54889	54246	54615	54484	54853	**St. Croix**	54982
Bayfield	**Douglas**	**Jefferson**	**Marinette**	**Portage**	54002	**Wood**
54832	54854	53038	54114	54406	54023	54449
54847	54864	53094	54143	54467	**Taylor**	54494
54891	54873	53538	54157	54473	54433	
Buffalo	**Dunn**	53549	**Marquette**	54481	54451	
54610	54751	**Juneau**	53952	54482	**Trempealeau**	
54755	54763	53929	53964	**Price**	54612	
Burnett	**Eau Claire**	53948	**Monroe**	54552	54616	
54840	54722	53950	54619	54555	54758	
54872	**Florence**	53968	54648	54556	54773	
54893	54121	54646	54651	**Richland**	**Vernon**	
Chippewa	**Forest**	**Kenosha**	54656	53581	54634	
54724	54520	53170	**Oconto**	**Rusk**	54639	
54732	54566	**Kewaunee**	54124	54848	54664	
Clark	**Grant**	54201	54138	**Sauk**	54665	
54437	53569	54216	54139	53577	54667	
54456	53573	**Lafayette**	54149	53578	**Vilas**	
54457	53805	53504	54153	53588	54521	
54460	53806	53530	54154	53941	**Walworth**	
54768	53807	53586	54174	53959	53190	
54771	53809			53965		

Exhibit 5: 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 their 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 funds to be assigned toward at least three of the specified statutory use categories described in the Notice of Funding Opportunity (NOFO) program requirements and Expectations. In 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 healthcare providers for the provision of healthcare 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 healthcare 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 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 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 healthcare 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: 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	

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: 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
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
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: include the following
Supplies	All tangible personal property other than equipment. This includes "computing devices" (laptops and tablets) if the unit cost is below the $10,000 threshold. It 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	
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. 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 or ground transportation, out-of-state lodging, out-of-state per diem)	Purpose, locations, and frequency of travel