

**ALABAMA DEPARTMENT OF ECONOMIC AND COMMUNITY AFFAIRS (ADECA)**  
**NOTICE OF FUNDING OPPORTUNITY (NOFO)**  
**ALABAMA RURAL HEALTH TRANSFORMATION PROGRAM**  
**COLLABORATIVE EHR, IT, AND CYBERSECURITY INITIATIVE**

**I. Program Overview**

**Purpose**

The Centers for Medicare and Medicaid Services (CMS) Rural Health Transformation (RHT) Program was authorized by Public Law 119-21 on July 4, 2025. The RHT Program is a \$50 billion federal initiative planned to establish funding to strengthen rural hospitals and modernize the healthcare ecosystem for all 50 states. The RHT Program is designed to transform the rural healthcare ecosystem along five strategic axes: supporting rural health innovations, improving provider sustainability, developing the local healthcare workforce, expanding care delivery models, and testing technology-based solutions.

The Alabama Rural Health Transformation Program (ARHTP) is Alabama’s broader statewide framework for advancing the goals of the Rural Health Transformation (RHT) Program through coordinated, state-designed strategies, initiatives, and investments intended to improve rural healthcare access, strengthen quality and delivery systems, support innovation, and promote long-term sustainability and accountability in rural communities. ARHTP is focused on transformational, practical approaches that strengthen provider networks, improve access to appropriate services closer to home, and support more resilient models of rural healthcare delivery across Alabama.

The Alabama Department of Economic and Community Affairs (ADECA), on behalf of the ARHTP, invites eligible applicants to apply for funding under the Collaborative EHR, IT, and Cybersecurity Initiative. This initiative is intended to assist rural healthcare facilities and regional partners in upgrading, supporting, and expanding information technology infrastructure and cybersecurity operations; improving electronic health record (EHR) functionality and alignment; increasing connectivity with the Alabama One Health Record (ALOHR) health information exchange; and advancing shared-services models that strengthen collaboration, operational efficiency, and long-term sustainability across rural healthcare systems in Alabama. This NOFO establishes the application requirements, review framework, and award parameters for competitive funding under the ARHTP Collaborative EHR, IT, and Cybersecurity Initiative.

The Collaborative EHR, IT and Cybersecurity Initiative is designed to help rural facilities modernize critical operations infrastructure, including IT systems, cybersecurity safeguards, and interoperable EHR environments. Through this initiative, regional hospitals and other qualified organizations may serve as referral center hubs that provide shared IT, interoperability, and cybersecurity support to participating rural providers, including technical assistance, monitoring and response functions, infrastructure and regulatory compliance assessments, incident response and recovery support, workflow and operational support, and guidance related to EHR upgrades, conversions, and connectivity.

Projects funded under this NOFO must serve rural Alabama, align with at least one of the defined strategy categories identified below, and clearly demonstrate how the proposed project will improve one or more of the initiative goals identified in this section. Applicants do not need to be physically located in a rural area to apply, but each proposal must clearly demonstrate that the project is specifically designed to provide a direct benefit to rural Alabama communities, providers, or patients.

**Defined Strategy Categories**

- 1) **Rural Referral Center Hubs:** Projects that establish or support regional referral center hubs serving as shared IT, interoperability, and cybersecurity resource centers for rural providers. Eligible activities

may include care coordination and referral support functions; provider engagement; shared-services operations; workflow redesign; training and technical assistance; cybersecurity monitoring and response; infrastructure and regulatory compliance assessments; incident response and recovery support; and related operational or technical services that strengthen regional coordination, provider support, and network alignment across rural healthcare systems.

- 2) **EHR Upgrades for Health Information Exchange Connection:** Projects that procure, deploy, configure, convert, implement, upgrade, or support EHR platforms and related interfaces in order to improve interoperability and enable connection with the ALOHR health information exchange. Eligible activities may include software licensing, implementation support, configuration, data migration, interface development, technical assistance, workflow support, and other activities necessary to achieve or support interoperability with ALOHR.
- 3) **Cybersecurity Upgrades:** Projects that strengthen the security, resilience, and operational readiness of rural healthcare technology environments. Eligible activities may include security risk assessments; cybersecurity tools and system hardening; monitoring and alert triage; incident response planning and recovery support; staff training; infrastructure improvements; and other risk mitigation activities designed to protect healthcare systems, support regulatory compliance, and safeguard patient data.

#### **Initiative Goals**

- 1) Strengthen rural healthcare technology infrastructure, cybersecurity operations, and shared-services capacity needed to support safe, reliable, and sustainable healthcare delivery in rural Alabama.
- 2) Improve interoperability and information exchange across rural providers, healthcare facilities, and regional partners by supporting EHR upgrades, system alignment, interface development, and connectivity with the ALOHR health information exchange.
- 3) Improve collaboration, communication, care coordination, and network alignment among rural providers and regional referral centers through scalable regional support models, shared technical resources, and more efficient operational structures.
- 4) Reduce operational vulnerabilities, strengthen regulatory compliance readiness, and create greater efficiency and cost savings through modernization of outdated systems, cybersecurity risk mitigation, and regionalized support services.

**Note:** Eligibility requirements, allowable costs and application instructions, are summarized in the sections that follow in this NOFO.

## **II. Eligibility and Funding Structure**

### **Eligible Applicants**

Eligible applicants under this NOFO may include hospitals, critical access hospitals, rural emergency hospitals, rural health clinics, federally qualified health centers, regional health systems, provider networks, and other qualified healthcare organizations that are capable of carrying out an eligible Collaborative EHR, IT, and Cybersecurity Initiative project and complying with all applicable award requirements. To receive a subaward, applicants must have a valid Unique Entity Identifier (UEI) and maintain an active SAM.gov registration throughout the life of the award.

Eligibility may vary depending on the strategy category and proposed activity. Projects involving regional referral center hubs or shared-services models may be most appropriately led by regional hospitals, health systems, or other qualified provider organizations capable of serving as regional IT and cybersecurity resource centers for rural providers. Projects involving EHR upgrades for health information exchange connection or cybersecurity upgrades may be led by rural hospitals, rural health clinics, federally qualified health centers, or other eligible provider organizations that need to modernize technology infrastructure, strengthen cybersecurity, or upgrade EHR platforms in order to support interoperability with the ALOHR

health information exchange and related operational needs.

Applicants may submit more than one application under this NOFO if each application is for a separate and clearly defined project. Each application must independently satisfy eligibility, scope, budget, and documentation requirements.

### **Funding Purpose**

Funding under this NOFO is intended to support eligible projects under the Collaborative EHR, IT, and Cybersecurity Initiative that advance one or more initiative goals and fall within one or more of the strategy categories identified in Section I. Depending on the proposed strategy and scope of work, funding may support regional referral center hub activities, EHR upgrades and related implementation work required to support interoperability with the ALOHR health information exchange, cybersecurity improvements, and other related technology or operational investments that strengthen rural healthcare systems in Alabama.

All funding under this opportunity is expected to be distributed through a competitive subaward process. Selected applicants will be treated as subrecipients and will be required to comply with all applicable federal, state, and programmatic requirements associated with the award.

### **Allowable and Unallowable Costs**

Funds awarded under this NOFO may be used only for costs directly related to the approved project and consistent with the approved application, budget, and scope of work. Depending on the proposed project, allowable costs may include care coordination staffing, referral management and scheduling support, provider engagement activities, workflow redesign, training, technical assistance, and other operational support necessary to establish or operate regional referral center hubs. For projects involving EHR upgrades and health information exchange connectivity, allowable costs may include software licensing, implementation and configuration, data migration, interface development, and related technical support necessary to enable interoperability with health information exchange networks. For projects involving cybersecurity improvements, allowable costs may include security risk assessments, cybersecurity tools, system hardening, staff training, incident response planning, and other targeted activities necessary to strengthen security and reduce operational risk. Other direct project costs may be allowable if they are necessary to carry out the approved scope of work and are consistent with program requirements.

Unallowable costs include costs that are not compliant with Title 2 CFR 200, CMS RHT Program requirements, or the terms and conditions under ADECA's Cooperative Agreement RHTCMS332060, and costs that are not directly related to the approved project, outside the approved scope of work, or incurred outside the approved period of performance. Administrative costs and indirect costs are not allowable under this NOFO and may not be included in the proposed budget or charged to the award.

### **Funding Availability**

ADECA anticipates making approximately \$31,600,000 available under this NOFO, consistent with the approved Collaborative EHR, IT, and Cybersecurity Initiative budget. ADECA intends to make awards under all strategy categories described in Section I. The number, size, and distribution of awards within each strategy category will depend on application quality, applicant readiness, geographic distribution, and other factors identified in this NOFO.

All awards under this NOFO are subject to ADECA's receipt of funds under the RHT Program. ADECA anticipates that additional funding opportunities may be available in future program years; however, an award under this NOFO for the initial funding period does not guarantee the award of funds in future years. ADECA will provide additional information regarding the structure and requirements of any future funding

opportunities at a later time. Applicants should limit the scope and amount of funding requested under this NOFO to activities and expenditures that can be completed or incurred during the period of performance.

Any funding amounts, subaward counts, or average award assumptions described by ADECA are planning estimates only and do not guarantee specific award amounts or numbers of awards. ADECA reserves the right to adjust individual award amounts, make partial awards, or decline to make an award to a particular applicant based on application quality, applicant readiness, geographic distribution, or other considerations identified in this NOFO.

### **Federal Award Information**

Funding under this NOFO is supported by federal funds provided under Cooperative Agreement RHTCMS332060. CMS is the federal awarding agency for the RHT Program, and ADECA is serving as the pass-through entity responsible for administering these funds under this NOFO. Awards made under this NOFO will be subject to applicable federal and state requirements, program guidance, and the terms and conditions of the applicable subaward agreement.

Awards made under this NOFO will be subject to all applicable federal and state laws, regulations, rules, and guidance, including but not limited to 2 CFR Part 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards), the terms and conditions of the applicable federal award, including requirements and guidance issued by CMS for the RHT Program, applicable Alabama law and state procurement requirements, public disclosure of amount and percentage of federal grant funding required by the Steven's Amendment, and the terms and conditions of the subaward agreement issued by ADECA. Applicants will be responsible for ensuring that proposed activities, costs, procurement actions, contracts, and project administration practices comply with all applicable requirements.

### **Period of Performance**

The anticipated period of performance for awards made under this NOFO will begin at the time of award and end on July 31, 2027, unless otherwise specified by ADECA in the award documents or subsequent guidance. Applicants should propose projects that are feasible within this implementation period and should clearly identify any critical dependencies, procurement lead times, staffing needs, or coordination requirements that may affect readiness and completion.

### **Subaward Structure**

Entities selected for funding under this NOFO will receive subawards from ADECA and will be classified as subrecipients. A subrecipient is an entity that receives a subaward to carry out part of a federal program and that is responsible for programmatic decision-making and compliance requirements applicable to its portion of the award.

As subrecipients, awardees will be expected to:

- Carry out the approved scope of work in accordance with the subaward terms and applicable program requirements.
- Use funds only for allowable, properly documented, and award-related costs.
- Maintain appropriate financial management systems, internal controls, and records sufficient to support expenditures, performance, and compliance.
- Comply with applicable federal and state requirements, including procurement, reporting, monitoring, and audit requirements associated with the subaward.
- Provide timely financial, programmatic, and other information requested by ADECA to support oversight, reporting, and compliance activities.

Failure to comply with applicable subrecipient requirements may result in corrective action, disallowance of costs, recoupment of funds, or other remedies permitted under the subaward agreement.

### **Funding Disbursement**

Subrecipients will receive funds on a modified reimbursement basis. To support reimbursement, subrecipients must submit monthly payment requests through the ARHTP portal as Requests for Reimbursement (RFRs), and each request must be based on documented, allowable costs that have been incurred within the approved budget, scope of work, and period of performance under the subaward agreement.

Reimbursement requests must include supporting documentation appropriate to the expenditure type, which may include invoices, receipts, proof of payment, payroll records, contracts, purchase orders, procurement records, or other documentation to demonstrate that the requested costs are allowable, properly obligated where required, and attributable to the approved project. Supporting documentation requirements may vary depending on the nature of the expenditure. ADECA will review reimbursement requests for allowability, completeness, and compliance with applicable award requirements before disbursing funds. Certain expenditures, including procurement-related costs, may be subject to additional procurement procedures or documentation requirements before reimbursement may be requested. Selected applicants will receive additional reimbursement instructions through the ARHTP portal and, where applicable, will receive procurement guidance and training as part of award administration. Subrecipients must maintain records supporting all obligations, expenditures, and reimbursement requests and must provide such records to ADECA upon request.

### **III. Reporting Requirements**

ADECA will monitor subrecipient performance through review of financial and programmatic reports, performance information, reimbursement documentation, and other materials related to the approved project. ADECA will use the results of pre-award risk assessment, together with project-specific and performance-related considerations, to inform the level and type of monitoring, oversight, and follow-up applied to a particular subrecipient or project. Monitoring may include desk-based review, follow-up requests for additional information, and on-site monitoring activities to assess programmatic performance, financial management, compliance, and progress toward approved objectives. As part of ADECA's oversight responsibilities, subrecipients may also be required to participate in monthly status meetings, monitoring calls, or in-person or virtual presentations regarding project implementation, expenditures, performance, and other matters related to the award pursuant to the subaward's scope of work. Reporting requirements under this NOFO are intended to support ADECA's oversight responsibilities, subrecipient monitoring, and any reporting obligations associated with the RHT Program.

Subrecipients will be required to submit quarterly progress reports and a final report in a format and on a schedule prescribed by ADECA. In addition, subrecipients may be required to respond to follow-up questions or provide supplemental information requested by ADECA to support oversight, compliance review, performance monitoring, or other program administration needs.

#### **Quarterly Progress Reports**

Quarterly progress reports must provide sufficient information for ADECA to assess project implementation status, use of funds, and progress toward approved objectives. Subrecipients will be expected to track and report performance information relevant to the approved project, including project-specific outputs, implementation status, service delivery progress, and other indicators demonstrating progress toward the approved objectives and the Collaborative EHR, IT, and Cybersecurity Initiative goals. Performance reporting must be tied to the scope of work and approved measures, and sufficiently detailed,

as deemed by ADECA, to assess whether the project is being implemented as proposed and achieving meaningful progress. Quarterly reports must be submitted according to the reporting schedule below for the first 4 quarters with similar cadence in future periods.

<b>Report Type</b>	<b>Reporting Period</b>	<b>Due Date</b>
<b>Quarter 1 Progress Report</b>	First reporting quarter	01/10/2027
<b>Quarter 2 Progress Report</b>	Second reporting quarter	04/10/2027
<b>Quarter 3 Progress Report</b>	Third reporting quarter	07/10/2027
<b>Quarter 4 Progress Report</b>	Fourth reporting quarter	10/10/2027

At a minimum, quarterly reports will include, as applicable:

- Expenditures to date by approved budget category.
- Progress against the approved scope of work, workplan milestones, and implementation timeline, including any delays, risks, or challenges affecting project execution.
- All performance information, output measures, or outcome indicators relevant to the approved project and the initiative goals it is intended to advance.
- Updates regarding staffing issues, procurement delays, partner participation issues, or other developments that may affect performance, sustainability, or compliance.

### **Final Report**

At the conclusion of the period of performance, each subrecipient will be required to submit a final report and any related closeout materials necessary for ADECA to complete subaward closeout. Final reporting and closeout requirements will include but are not limited to, as applicable:

- A summary of activities completed under the approved project, including the status of major deliverables and implementation milestones.
- A cumulative summary of expenditures and use of funds.
- All performance and outcome information associated with the project.
- A discussion of implementation challenges, lessons learned, and sustainability considerations, as applicable.
- Information regarding equipment, inventory, or other funded assets acquired under the subaward.
- Any required certifications, attestations, reconciliations, or supporting documentation related to final financial reconciliation, use of funds, completion of the approved project, equipment or asset reporting, and compliance with applicable award requirements.
- Information needed to resolve any outstanding monitoring, compliance, audit, or other administrative matters related to the subaward.

ADECA will provide final report and closeout instructions, including applicable submission requirements and deadlines, as part of award administration. Subrecipients may also be required to submit closeout materials in advance of the overall program end date in order to allow adequate time for review, reconciliation and final fund administration.

### **Report Format and Timeliness**

All reports and requested supporting information must be submitted in the format prescribed by ADECA and must be accurate, complete, and timely. Subrecipients must maintain documentation sufficient to support reported expenditures, activities, performance information, and other matters addressed in required reports.

### **Failure to Report**

Failure to submit required reports or supporting information in an accurate, complete, and timely manner may result in delayed reimbursements, corrective action, additional monitoring, or other remedies permitted under the subaward agreement.

## **IV. Application Information**

### **Application Submission**

Applications must be submitted through the ARHTP portal, which will become available on or about June 3, 2026, and can be accessed through the ARHTP website. The portal will contain instructions as to how applicants should complete the application process. During the application period, applicants are encouraged to review the program website for FAQs, updates, announcements, and other guidance related to this NOFO and the application process.

### **Application Preparation and Technical Assistance**

ADECA may provide additional technical assistance to support applicants' understanding of this NOFO and general application expectations. Technical assistance may include website-posted guidance, FAQs, responses to submitted questions, or other forms of applicant support identified by ADECA. The program website will also include a form for reporting technical issues related to application access or use of the application system. Any clarifications or additional guidance provided during the application period will be shared through the program website so that all applicants have access to the same information. Neither technical assistance nor compliance with instructions received in connection with technical assistance guarantee funding or modify the terms of this NOFO.

### **Submission Deadline:** June 26, 2026, at 5:00 PM Central Time

Each application must be complete at the time of submission and must include all required information, attachments, certifications, and supporting documentation. Incomplete applications may be deemed non-responsive and may not be considered for funding.

### **Award Timeline and Post-Selection Process**

Following the application submission deadline, ADECA will conduct eligibility and completeness review, substantive review, and award determinations. Applicants should plan for awards to be announced approximately 3–4 weeks after the submission deadline, subject to the volume of applications received, review needs, and any required approvals. After selection, applicants may be required to complete additional award administration steps before funds are available, such as responding to follow-up requests, submitting final documentation, completing any required risk assessment or pre-award review materials, and executing a subaward agreement with ADECA. Selected applicants will also receive further instructions regarding project start-up, reporting, reimbursement procedures, and other award administration requirements. This timeline is provided for planning purposes only and may be adjusted by ADECA.

### **Required Documentation**

Applicants must submit all required documentation. Required documentation will include, as applicable:

- Current Certificate of Existence from the Alabama Secretary of State dated within 30 days of the application.
- Current SAM.gov registration information.
- Completed and signed IRS Form W-9.
- Alabama Vendor Disclosure Statement.

- Written policies and procedures related to conflicts of interest, financial management, internal controls, procurement, and written standards of conduct required by applicable federal requirements.
- Financial statements for the last three completed fiscal years. If audited financial statements are unavailable, the applicant must provide the most recent internally prepared, compiled, or reviewed annual financial statements and explain why audited statements are unavailable.
- Single Audit or program-specific audit reports for the last three complete fiscal years.
- Any audit findings, questioned costs, management letters, or corrective action plans related to the financial statements or audit materials submitted.
- Project plan completed using the template provided by ADECA.
- Completed grant budget workbook template and budget narrative, including any required supplemental schedules.
- Documentation supporting any matching funds or in-kind contributions identified in the application.
- Any initiative- or project-specific documentation required by ADECA, such as participation agreements, partner commitments, or other supporting materials necessary to evaluate the proposed project.

ADECA may require additional documentation, clarifications, or corrections as part of the application review process.

#### **Application Review**

Applications received by the submission deadline will be reviewed for completeness, responsiveness, and eligibility. Applications determined to be incomplete, non-responsive, or ineligible may be removed from further consideration.

Applications that satisfy threshold review requirements will proceed to substantive review using the criteria summarized below.

<b>Section</b>	<b>Subsection</b>	<b>Points</b>
<b>Design</b>	Need, Rurality, and Service Gaps	15
	Project Design and Strategy Alignment	20
	Comparative Long-Term Viability	10
	Budget Narrative	5
	Total	<b>50</b>
<b>Execution</b>	Implementation Plan and Readiness	30
	Management Capacity and Organizational Readiness	5
	Outputs and Outcomes	15
	Total	<b>50</b>
<b>Total</b>		<b>100</b>

As part of the application review and pre-award process, ADECA will conduct a risk assessment for applicants being considered for funding. The risk assessment will be based on factors such as the applicant's financial stability, prior experience managing federal or other public funds, audit history, internal controls, procurement and financial management systems, history of performance, and other information relevant to the applicant's capacity to carry out the proposed project in compliance with applicable requirements.

In making award decisions, ADECA may also consider overall availability of funds and geographic distribution.

#### **V. Questions**

Applicants should check [www.alabamarhtp.com](http://www.alabamarhtp.com) regularly for program updates, announcements, and additional guidance. Any questions regarding the program or application process should be submitted to [info@alabamarhtp.com](mailto:info@alabamarhtp.com).

#### **VI. FAQs**

We encourage applicants to review the RHT Program FAQs before submitting applications. The FAQs provide further guidance and clarification on program requirements, eligibility, application expectations, and other common questions. Upon publication, applicants may access FAQs here: [Rural Health Transformation Program FAQs](#).

As we continue to receive stakeholder questions and feedback, ADECA will publish state-specific FAQs, expected to be released in June 2026.