

**ALABAMA DEPARTMENT OF ECONOMIC AND COMMUNITY AFFAIRS (ADECA)
NOTICE OF FUNDING OPPORTUNITY (NOFO)
ALABAMA RURAL HEALTH TRANSFORMATION PROGRAM
RURAL HEALTH PRACTICE 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 Rural Health Practice Initiative. This initiative is intended to support the establishment, expansion, and strengthening of networked rural health clinic capacity in rural, underserved areas of Alabama through projects that improve service availability, operational readiness, workforce capacity, and coordinated access to care.

The Rural Health Practice Initiative is designed to support comprehensive, patient-centered rural practice models that improve access to physical and behavioral health services, emphasize preventive care and chronic disease management, and strengthen local care delivery capacity. Depending on the proposed project, funding may support clinic establishment or service expansion, workforce recruitment and training, shared services implementation, telehealth and remote patient monitoring equipment, and school-based dental or healthcare clinic development in partnership with educational institutions.

This NOFO establishes the application requirements, review framework, and award parameters for competitive funding under the ARHTP Rural Health Practice Initiative. Projects funded under this NOFO must serve rural Alabama, align with one or more of the eligible activities described below, and clearly demonstrate how the proposed project advances one or more of the initiative goals identified in this section. Applicants must also clearly demonstrate that the project is specifically designed to provide a direct benefit to rural Alabama communities, providers, or patients.

Eligible Activities

Projects funded under this initiative may include one or more of the following activity types:

- 1) Clinic establishment and service expansion.
- 2) Workforce recruitment and training.
- 3) Shared services model development and implementation.
- 4) Telehealth and remote patient monitoring equipment acquisition and deployment.
- 5) School-based dental and healthcare clinic establishment.

Initiative Goals

- 1) Expand access to coordinated, patient-centered healthcare services in rural, underserved areas of Alabama.
- 2) Strengthen rural clinic capacity, service delivery readiness, and operational infrastructure needed to support sustainable care access.
- 3) Support workforce recruitment, training, and related capacity-building efforts that increase rural clinical service availability.
- 4) Promote innovative and efficient rural care models, including shared services, telehealth, remote patient monitoring, and school-based clinic partnerships where appropriate.

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 rural health clinics, federally qualified health centers, hospitals, critical access hospitals, rural emergency hospitals, healthcare provider organizations, provider networks, and other rural healthcare provider organizations capable of carrying out a Rural Health Practice 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 this award.

Applicant fit may vary depending on the proposed eligible activity or combination of activities, but funded projects under this initiative must be centered on rural provider sites or rural service locations. Projects involving clinic establishment or service expansion, workforce recruitment and training, telehealth and remote patient monitoring equipment, school-based clinic development, or shared services implementation should be proposed by eligible rural providers, rural provider organizations, or rural provider networks with the operational role and capacity to carry out the proposed work.

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 the implementation, expansion, or operationalization of eligible Rural Health Practice Initiative projects that advance one or more initiative goals and align with one or more of the eligible activities identified in Section I. Depending on the proposed activity and scope of work, funding may support clinic establishment or service expansion, workforce recruitment and training, shared services model implementation, telehealth and remote patient monitoring equipment acquisition and deployment, school-based dental or healthcare clinic development, and related facility readiness, equipment, or minor renovation needs necessary to carry out the proposed project.

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 that are necessary to carry out an approved

Rural Health Practice Initiative project and that are consistent with the approved application, budget, and scope of work. Depending on the proposed project, allowable costs may include expenses related to clinic establishment or expansion of services; facility readiness and limited setup needs; workforce recruitment, training, and pipeline development activities; implementation of shared services models and related coordination or operational support; community engagement, outreach, and partnership development activities; acquisition and setup of telehealth and remote patient monitoring equipment; and costs associated with establishing school-based dental and healthcare clinics, including clinic setup, equipment, staffing, and other operational support necessary to implement the approved project.

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 \$6,935,000 available under this NOFO, consistent with the approved Rural Health Practice Initiative budget. The number, size, and distribution of awards 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 Rural Health Practice 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.

Report Type	Reporting Period	Due Date
Quarter 1 Progress Report	First reporting quarter	01/10/2027
Quarter 2 Progress Report	Second reporting quarter	04/10/2027
Quarter 3 Progress Report	Third reporting quarter	07/10/2027
Quarter 4 Progress Report	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 ARHTTP portal, which will become available on or about June 3, 2026, and can be accessed through the ARHTTP 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.

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

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 regularly for program updates, announcements, and additional guidance. Any questions regarding the program or application process should be submitted to 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.