

MEMORANDUM

FROM: Mississippi State Department of Health

DATE: June 23, 2026

RE: Project Language Update: Mississippi State Department of Health
- Notice of Funding Opportunity - Rural Capital Project Care Gap
Closure Grant Program

Regarding Mississippi State Department of Health - Notice of Funding Opportunity - Rural Capital Project Care Gap Closure Grant Program, under Section II Eligibility and Funding: Funding Availability has been updated to reflect a change in funding limits and consistency in application deadlines.

MISSISSIPPI STATE DEPARTMENT OF HEALTH (MSDH) NOTICE OF FUNDING OPPORTUNITY (NOFO) RURAL CAPITAL PROJECT CARE GAP CLOSURE GRANT PROGRAM (RCGC)

I. Scope of Grant Project

Purpose

The State of Mississippi, through the Mississippi State Department of Health (MSDH), invites Eligible Providers (defined as Mississippi-located hospitals, physician practices (including solo practitioners), rural health clinics, federally qualified health centers, local health departments, Native American Sovereign Tribe healthcare facilities, certified community behavioral health clinics, substance use disorder facilities, dental care services, and licensed long-term care facilities located in rural areas or servicing rural populations) to apply for funding through the Rural Capital Project Care Gap Closure Grant Program (RCGC). RCGC is part of the State's Rural Health Transformation Plan (the Plan) and is funded under the Cooperative Agreement with the Federal Rural Health Transformation Program (RHT Program).

Note: Mississippi classifies "rural" as counties with fewer than 50,000 residents, fewer than 500 people per square mile, or municipalities with populations under 15,000. Consistent with Centers for Medicare & Medicaid Services (CMS) guidance, organizations do not need to be physically located in a rural area to be eligible for participation in this initiative. Applicants must demonstrate how proposed activities will provide meaningful benefit to rural communities and rural residents in Mississippi.

RCGC Goal

Provide entities with funds to make necessary facility renovations and/or facilitate infrastructure projects, such as facility upgrades, service delivery optimization, clinic expansion and equipment acquisition, that address care gaps in rural communities. Capital investments are strategically directed toward expanding service capacity for underserved populations, supporting rural hospitals, and improving operational efficiency to reduce barriers to care.

Program Objectives

All grant projects funded under this Notice of Funding Opportunity (NOFO) must align with at least one of the program objectives listed below:

- 1) Increase service capacity
- 2) Improve local access to healthcare services by reducing the travel burden across rural Mississippi
- 3) Support rural hospitals, including, but not limited to, critical access hospitals
- 4) Enhance operational efficiency to reduce barriers to care
- 5) Other activities that address identified healthcare service gaps. Examples may include modernization of healthcare facilities or equipment, patient access enhancements, expansion of specialty or support services, or other activities that strengthen rural healthcare capacity and outcomes.

Projects that do not clearly align with at least one objective and do not present a credible plan for achieving measurable results will not be considered for funding.

Note: Telehealth, cybersecurity, other technology solutions, electronic health record, broadband infrastructure, new construction or major building expansion, lobbying, provider payments, demolition, and other non-allowable uses identified in the Request for Application may not be charged to this program. Funding for telehealth, cybersecurity, other technology solutions and electronic health records will be offered under separate grant programs.



II. Eligibility and Funding

Eligible Applicants

Any Eligible Provider may apply for RCGC funding. An Eligible Provider may submit multiple applications each for a separate capital investment. If awarded, applicants must possess or obtain a Unique Entity Identifier (UEI), Federal Employer Identification Number (FEIN), and MAGIC Vendor Number to participate in the program.

By accepting RHT Program funding from the State of Mississippi, any eligible provider will commit to participating in and supporting the Statewide Health Information Exchange (HIE) developed under the RHT Program.

Funding Availability

The State anticipates an initial round of funding under the RCGC, with the potential for additional opportunities in future years:

Program Year	Amount Available	Application Opens	Application Deadline	Award Announcements (Tentative)	Performance Period
Program Year 1	\$28.5 million	06/15/2026	07/13/2026 07/15/2026	07/31/2026 Early August	Date of Award to 07/31/2027

All awards are subject to the State’s receipt of funds under the RHT Program. The State anticipates that additional funding opportunities may be available in future RHT Program years; however, an Eligible Provider’s receipt of funding in one Program Year does not guarantee funding in subsequent years. The State will provide additional information regarding the structure and requirements of future-year RCGC funding at a later date. RCGC proposals should complement, but not duplicate, other programs included in the State’s Plan.

For Program Year 1, the State expects to announce awardees as early as July 31, 2026. The performance period for Program Year 1 runs from the award through July 31, 2027, meaning all Program Year 1 funds must be spent or incurred by then. Given the compressed window, the State will provide awardees with a strict deadline for final reimbursement submissions before the end of the Performance Period. Per Centers for Medicare & Medicaid Services (CMS) rules, all funds must be obligated by October 30, 2026. The State will provide awardees with more detailed guidance on what is required to show that funds have been obligated.

~~During Program Year 1, the State anticipates awarding approximately 20 to 30 proposals, with individual awards of up to \$3 million each. The State is not imposing a limit on individual award amounts. Applicants are encouraged to apply for all funds required to complete activities proposed in the grant application within Performance Period.~~

Awardee Classification

Selected applicants chosen to receive funding will be classified as ‘subrecipients’. A subrecipient is an entity that receives a subaward from a pass-through entity (MSDH) to carry out part of a Federal program and is responsible for programmatic decision-making (not just providing goods/services) and compliance requirements applicable to its portion of the Federal award.

A subrecipient:

- Carries out part of the Federal program
- Uses judgment/discretion in delivering program activities
- Is accountable for program compliance for its portion of the award

Subrecipients are responsible for carrying out the approved work as planned and using grant funds only for allowable, well-documented program costs. They must maintain appropriate financial and internal controls, keep accurate records, and submit complete and timely financial and progress reports to MSDH.

They are also required to retain records, comply with monitoring and audit requirements (including Single Audit¹ requirements when applicable), and provide documentation for oversight. When procuring goods or services with grant funds, subrecipients must follow applicable federal procurement standards², including maintaining documentation to support purchasing decisions.

All awards are subject to applicable federal and state laws, regulations, and guidance, including 2 CFR Part 200 and 2 CFR Part 300, the terms and conditions of the federal award (including CMS requirements for the RHT Program), state procurement rules, and the subaward agreement issued by MSDH, and any subsequent changes and/or updates to applicable state and federal law, regulations, and guidance. Applicants are responsible for ensuring that all activities, costs, procurement actions, contracts, and project management practices comply with these requirements.

Failure to comply with these requirements may result in disallowed costs or corrective action, including recoupment.

Funding Disbursement

Subrecipients will receive funds on a reimbursement basis. MSDH will execute and maintain the subrecipient agreements and the State will drawdown funds from CMS for disbursement to subrecipients in accordance with the CMS award terms and applicable requirements (including 2 CFR Part 200). To support the drawdown, subrecipients must submit payment requests on an agreed-upon cadence using a prescribed request form, and each request must be based on documented incurrence of cost and expenditure for allowable program purposes (e.g., executed contracts with invoiced goods or services, purchase orders, payroll obligations and subsequent check or ACH) that are within the approved budget, scope of work, and period of performance. MSDH and the State will review requests for allowability and compliance with all applicable procurement requirements and, upon approval and drawdown from CMS, will work with the Mississippi Department of Finance and Administration (MS DFA) to disburse funds to the subrecipient. Subrecipients must maintain documentation supporting the obligations and expenditures and provide such records upon request.

Subrecipients may apply for advance funding if they are able to prove the reimbursement model would detrimentally impact their ability to succeed in the timely implementation and completion of their proposed capital project. A separate request form, detailing the evidence necessary for a subrecipient to receive funding in advance, can be provided to awarded subrecipients upon request. If approved, such advanced funding will be capped as a percentage of the subrecipient's total award.

¹ A Single Audit is an organization-wide audit that includes review of financial statements and compliance with federal award requirements (2 CFR Part 200, Subpart F).

² Subrecipients are required to comply with Federal procurement requirements in 2 CFR Part 200 when purchasing goods or services under a Federal Award.

³ Please note that CMS' final definition of provider payments includes (1) payments to providers for performance in alternative payment models tied to outcomes, and (2) payments to providers for services that are not paid by insurers but support the strategic goals of the RHTP and tie to a specific initiative.

Funding Restrictions

RCGC funds cannot be used for any purpose for which the CMS prohibits the use of RHT Program funds. Funding restrictions include, but are not limited to:

- Total indirect and administrative costs may not exceed 5% of the award amount
- Funds may not replace existing funding and must support new or expanded activities
- Per employee, salaries charged to the award may not exceed the federal salary cap (\$225,700)
- Clinician salaries or wage support for clinicians subject to non-compete contractual limitations
- Funds may not support ongoing costs without a sustainability plan
- Provider payments³ are not an allowable use of funds under this award
- Broadband infrastructure is not an allowable use of funds
- New construction or major building expansion is not an allowable use of funds
- Lobbying or advocacy activities are not an allowable use of funds
- Investment vehicles or endowments that generate profit are not an allowable use of funds
- Demolition of buildings is not an allowable use of funds
- Funding for telehealth, cybersecurity, other technology solutions and electronic health records will be offered under separate grant programs.

Please refer to the National RHT Program [Notice of Funding Opportunity](#) released by CMS and CMS' [Frequently Asked Questions](#) regarding the RHT Program for detailed information regarding federal funding restrictions imposed by CMS on the RHT Program.

III. Reporting Requirements

The State will monitor a subrecipients' performance, including, but not limited to, through review of financial and programmatic reports and performance measures, under any Grant Agreement awarded as a result of this NOFO.

The State is required to submit detailed reports to CMS regarding activities and expenditures under the RHT Program. The State will require each subrecipient to submit quarterly progress reports and a final evaluation report to permit the State to fulfill its RHT Program requirements. Subrecipients may be required to respond to questions from or submit additional reporting to the State's RHT Program team as deemed necessary by the State.

Quarterly Progress Reports

- Expenditures to date, reported by approved budget category and performance period, with explanations for any material variances
- Progress against approved workplan milestones, including identification of delays, risks, or implementation challenges
- Preliminary performance or outcome metrics, as applicable, aligned with approved project objectives

Quarterly reports must be submitted following the schedule below for first 4 quarters of Program Year 1 with similar cadence expected in future periods.

Quarter	Reporting Period	Due Date
Quarter 1	Initial Awarding – September 30, 2026	10/15/2027
Quarter 2	October 1 – February 28, 2027	1/15/2027
Quarter 3	January 1 – March 30, 2027	4/15/2027
Quarter 4	April 1 – June 31, 2027	7/15/2027



Annual Evaluation and Final Reporting

To support the State's required annual CMS progress report due August 30th of each year, subrecipients will be required to submit:

- A cumulative evaluation report summarizing activities, expenditures, and progress toward intended outcomes for the reporting year
- Updated outcome and performance data, including both quantitative measures and qualitative findings
- An assessment of implementation challenges, lessons learned, and implications for sustainability

Subrecipients shall provide all applicable reports in the format specified in an accurate, complete, and timely manner and shall maintain appropriate supporting backup documentation. Failure to meet submission deadlines for required reports or other requested information may result in the State, in its sole discretion, placing the Grantee on financial hold without first requiring a corrective action plan, in addition to pursuing any other corrective or remedial actions under the Grant Agreement.

IV. Application Information

Application Instructions

- Applications must be submitted through the online portal. Required attachments must be uploaded as PDF files and Microsoft Excel budget template. Please ensure all required documentation is included at the time of submission.
- **Submission Deadline: 12PM CT on July 15, 2026**

Application Review

- Each application received by the deadline will be reviewed for completeness and responsiveness. Incomplete or unresponsive submissions will not be moved to the merit review phase.
- For the merit review phase, a review panel will employ grant-specific criteria and scoring, considering program objectives and readiness factors, as explained below under Application Criteria. As noted above, the review panel also will consider how to best distribute RCGC funds to ensure statewide impact and to avoid duplication with other plan programs. Based on the merit review, the review panel will make RCGC award decisions.

Application Criteria

Section	Description	Points
Project description	Overview of the proposed project	47
Needs and intended outcomes	Identify a quantifiable need or problem that is being addressed? What are the intended outcomes to be achieved by this project?	10
How the investment addresses needs	What investments are to be made and how will they relate to the needs and outcomes identified above?	15
Communities and populations impacted	Describe the rural population that will benefit and what indicators will the project rely upon to demonstrate impact? (validation of rural population will be required)	17
Challenges, risks and barriers	Does the project address mitigation of challenges, obstacles or risks that may affect the project along with mitigation steps?	5
Implementation	How will the project be carried out, including timeline, key activities, readiness to execute, and a sustainability plan outlining how activities and outcomes will be sustained beyond grant period?	33
Implementation workplan and timeline	Can the project provide a detailed workplan with tasks, milestone steps, procurement considerations, approvals and anticipated dates?	20
Project management and readiness	Does the project have a designated owner for major areas of project management? If external party involvement is anticipated, are their roles clearly defined?	8
Sustainability	How are major points of sustainability addressed? Does the project have a designated sustainability owner?	5
Budget	Are proposed costs reasonable, non-duplicative, and clearly aligned to project scope and activities? Is the budget complete, compliant, and properly obligated?	5
Evaluation	Through what metrics will you measure success and how will you track and report results to MSDH?	15
Total		100

V. Questions

Applicant Questions and Requests for Clarification

- Questions about this Grant Application, including requests for clarification or additional information, must be made in writing and submitted via email to info@mississippirhtp.com no later than 11:59 PM CT on Monday, July 22.
- **Deadline for Questions and Requests for Clarification: 11:59 PM CT on Monday, July 22.**

The recording of the RCGC NOFO webinar is available on the [state website](#).

Potential applicants should not communicate in any other manner with State officials or State agents regarding RCGC. Any attempts by a potential applicant – either directly or indirectly - to influence or otherwise impact the outcome of the RCGC application process will disqualify such potential applicant from any RCGC award.

VI. FAQs

We encourage applicants to review the State's [RHT Program FAQs](#) before submitting your application. The FAQs provide further guidance and clarification on program requirements, eligibility, application expectations, and other common questions. As we continue to receive stakeholder questions and feedback, MSDH will publish updated FAQs.