MISSISSIPPI
RURAL HEALTH TRANSFORMATION

MISSISSIPPI STATE DEPARTMENT OF HEALTH (MSDH)

NOTICE OF FUNDING OPPORTUNITY (NOFO)

HEALTH TECHNOLOGY ADVANCEMENT & MODERNIZATION (HTAM) INITIATIVE

ELECTRONIC HEALTH RECORDS (EHR) REPLACEMENT FOR SMALL RURAL PROVIDERS PROGRAM (EHR PROGRAM)

I. Scope of Grant Project

Purpose

The Small Rural Health Provider EHR Replacement Grant Fund (EHR Program) provides financial assistance to rural health and mental health providers seeking to adopt electronic health record (EHR) systems or replace outdated or non-interoperable EHR systems. By promoting the implementation of interoperable, modernized systems, the initiative enables seamless exchange of clinical information, improves care delivery, supports quality reporting, and strengthens participation in value-based care.

The State of Mississippi, through the Mississippi State Department of Health (MSDH), invites Eligible Providers (defined as Mississippi-located licensed rural hospitals and critical access hospitals, independent pharmacies, skilled nursing facilities, long term care facilities, home health services, hospice care providers, independent rural health clinics, solo/small group physician and dental practices, independent behavioral health clinics, Tribal or Indian Health Services (IHS)-operated clinics where eligible, and other community-based rural clinics) to apply for funding through the EHR Program. These entities must not be owned, managed, or financially controlled by a hospital system, integrated delivery network, FQHC parent network, or similar enterprise and must be located in rural areas or servicing rural populations. The EHR Program is part of the Health Technology Advancement and Modernization (HTAM) Initiative within the State's Rural Health Transformation 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.

EHR Program Goal

The goal of the State's Rural Health Transformation Plan is to support healthcare in rural communities by expanding access and improving outcomes in rural settings. The EHR Program is intended to assist independent rural healthcare facilities and providers in adopting and/or upgrading EHR systems to modernize clinical workflows; advance patient care options (telehealth

or remote patient monitoring operability); meet standard levels required for participation in value-base care models; and expand health information exchange (HIE) connectivity and utilization.

Potential uses of funds could include:

- Discovery related to system adoption or upgrades
- Replacement or modernization of EMR/EHR systems and related IT infrastructure, subject to applicable RHTP requirements and funding limitations
- Upgrades, enhancements, modules, interfaces, or added functionality to existing EMR/EHR systems, subject to applicable RHTP requirements and funding limitations
- Implementation of new EHR systems
- Data migration, interoperability testing, and system customization
- User training in new or upgraded systems
- Workflow redesign to optimize EHR utilization
- Purchasing add-on software modules
- Purchasing hardware infrastructure necessary to modernize EHR
- Integrating workflows to allow for ingestion of remote patient monitoring data
- Create or connect to an existing Shared Technology Network

Under the RHT Program, "discovery" expenses—such as exploratory research, feasibility studies, or early-stage development activities, may be allowable when they fall within an eligible use of funds category, comply with applicable RHT Program requirements and federal cost principles, and are directly tied to an approved initiative, included within a defined initiative scope, and supported by documentation demonstrating that the expense is necessary, reasonable, and allocable to the approved initiative, such as feasibility work related to a proposed system upgrade.

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. Expand adoption and modernization of EHR systems for independent rural healthcare facilities and providers to improve clinical workflows, operational efficiency, and care delivery.
2. Strengthen interoperability and connectivity to enable more seamless, secure exchange of clinical information across care settings.
3. Improve care delivery capabilities through technology-enabled services, including support for telehealth, remote patient monitoring, and related workflow integration.
4. Enhance quality reporting and data utilization to support performance improvement, regulatory compliance, and better patient outcomes.
5. Advance readiness for and participation in value-based care models by helping rural providers meet standard technical, reporting, and care coordination requirements.
6. Build sustainable rural health technology infrastructure and user capacity through system upgrades, training, workflow redesign, and shared technology network participation.

Program Outcomes

- Increased adoption of interoperable EHRs among rural and critical access providers
- Upgraded capacity supporting EHR systems
- Reduction in downtime or technical barriers to care delivery
- Enhanced ability to track patient outcomes and manage chronic conditions through shared data
- Reduction in duplicative tests, errors, and administrative inefficiencies
- Increased technical literacy and workforce readiness among rural health staff
- Established the foundation for future participation in value-based care and population health initiatives

II. Eligibility and Funding

Any Eligible Provider may apply for EHR Program funding. 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 supporting the Statewide Health Information Exchange (HIE) developed under the RHT Program.

Eligible Applicants Include:

Eligible applicants are limited to small providers serving rural populations in Mississippi. These eligible applicants are listed on page 1 of this NOFO.

For purposes of this program, a small provider means an independent rural healthcare practice or facility that is not owned or controlled by a large health system and meets at least one (1) of the following criteria:

- Licensed for 60 or fewer in-patient beds
- Has 50 or fewer licensed, full-time healthcare professionals
- Demonstrates limited existing health IT capacity, including use of outdated or minimally interoperable EHR technology

The MSDH may request documentation to verify eligibility, including ownership information, staffing levels, and current health IT environment.

Note: Independent pharmacists are eligible only if they operate as an independent, rural patient-care provider site and furnish reimbursable clinical services supported by health IT/EHR functionality.

Standalone dispensing pharmacies, and pharmacies owned by, affiliated with, or operationally supported by a hospital system, chain, PBM, FQHC network, or other larger parent organization, are not eligible.

Priority Funding and Funding Limitations

Under the RHT Program, CMS limits funding on replacing Health Information Technology for Economic and Clinical Health (HITECH)-certified EHRs, but encourages the funding of upgrades, enhancements, and module additions to existing EHR systems.

An EHR HITECH-certified system is an electronic health record system that has been tested and approved to meet federal standards for securely managing and sharing patient health information. Organizations can verify with vendors or check whether their EHR system is certified through the Certified Health IT Product List (CHPL).

As such, MS RHTP will prioritize funding based on the following criteria:

1. Those without any EHR system.
2. Those with an existing EHR system converting to HITECH-certified EHR system.
3. Those with an existing EHR system in need of an upgrade.
4. Those with an existing HITECH-certified EHR system in need of an upgrade.

Funding Availability

Program Year	Amount Available	Application Opens	Application Deadline	Anticipated Award Announcements	Performance Period
Program Year 1	$9.5 million	10/21/2026	11/23/2026	February 2027	Execution Date through July 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 EHR Program funding at a later date. EHR Program 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 mid-February. 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.

The State is not imposing a maximum individual award amount under this funding opportunity. Applicants should request only those funds reasonably necessary to carry out the proposed project during the Performance Period. The State reserves the right to limit award amounts, make awards in an amount less than requested, or otherwise allocate available funding in a manner that best supports program objectives, taking into consideration the number of applications received, applicant demand, available funding, and other programmatic considerations.

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 Audit[1] requirements when applicable), and provide documentation for oversight. When procuring goods or services with grant funds, subrecipients must follow applicable federal procurement standards[2], 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 draw down 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 draw down, 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.

[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.

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 through MSDH 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.

Funding Restrictions

EHR Program 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 payments[3] 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 of vehicles or endowments that generate profit is not an allowable use of funds.
- Demolition of buildings is not an allowable use of funds.
- New vehicles are not an allowable use of funds.
- Telehealth systems and cybersecurity are not allowable use of funds under this award.
- Subrecipients may not subgrant award funds, but contractual and vendor services are allowed.

Note: Funding for telehealth systems, cybersecurity, and other technology solutions were 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

[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.

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 monthly/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.

Monthly/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

Annual Evaluation and Final Reporting

To support the State's required annual CMS progress report due August 30 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 by the State in an accurate, complete, and timely manner and shall maintain appropriate supporting 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 that all required documentation is included at the time of submission.
- **Submission Deadline: 5PM CT on November 23, 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 HTAM funds to ensure statewide impact and to avoid duplication with other plan programs. Based on the merit review, the review panel will make HTAM award decisions.

Application Criteria

Section	Description	Points
Project description	**Overview of the proposed project**	**45**
2A 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?	15
2B How the investment addresses the needs	What investments are to be made and how will they relate to the needs and outcomes identified above?	10
2C 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.	15
2D Challenges, risks, and barriers	Does the project address mitigation of challenges, obstacles, or risks that may affect the project, along with mitigation steps?	5
Project 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 the grant period?**	**30**
Implementation of workplan and timeline	Can the project provide a detailed workplan with tasks, milestone steps, procurement considerations, approvals, and anticipated dates?	15
Project management and readiness	Does the project have a designated owner for major areas of project management? Are the roles of team members clearly defined? 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?	7
Budget	**Are proposed costs allowable, reasonable, non-duplicative, and clearly aligned to project scope and activities? Is the budget complete, compliant, and properly obligated?**	**15**
Evaluation	**What key performance metrics will be used to measure success and how will you track and report results to MSDH?**	**10**
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 **5:00 PM CT on Wednesday, October 28**.

The recording of the EHR Program NOFO webinar is available on the state website.

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