



# Rural Hospital Planning and Transition Grant Program – FY2026

GRANT REQUEST FOR PROPOSAL (RFP)

Minnesota Department of Health  
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To obtain this information in a different format, call: 651-201-3838.

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## RFP Part 1: Overview

### 1.1 General Information

- **Announcement Title:** Rural Hospital Planning & Transition Grant Program FY2026
- **Minnesota Department of Health (MDH) Program Website:** [Rural Hospital Planning and Transition Grant - ORHPC Grants and Funding](#)
- **Application Deadline:** December 12, 2025, 4:30 p.m. Central Time

### 1.2 Program Description

[Minnesota Statutes Sec. 144.147](#) authorizes the Commissioner of Health to award grants to eligible rural hospitals for the development of strategic plans that preserve or enhance access to health services or for the implementation of transition projects to modify the type and extent of services provided, based on an existing strategic plan.

### 1.3 Funding and Project Dates

#### Funding

Funding will be allocated through a competitive process. If selected, you may only incur eligible expenditures when the grant agreement is fully executed, and the grant has reached its effective date.

Any single grant to a hospital, including a grant to a consortium of eligible hospitals, may not exceed \$45,000.

Funding	Estimate
Estimated Amount to Grant	\$300,000
Estimated Number of Awards	10
Estimated Award Maximum	\$45,000
Estimated Award Minimum	\$25,000

#### Match Requirement

Applicant hospitals must certify that at least 50 percent of the grant request amount will be matched from non-state sources.

#### Project Dates

June 1, 2026 – May 31, 2027

## 1.4 Eligible Applicants

An eligible applicant for this grant program is a non-federal, general acute care hospital in Minnesota that:

- Is located in a rural area, as defined in federal Medicare regulations, or in a community with a population of less than 15,000 according to U.S. Census Bureau statistics, outside the seven-county metropolitan area,
- Has 50 or fewer beds (note that this is the total number of beds, **not** the number of beds for which the hospital is staffed), and
- Is not for profit.

Grant funds are not transferrable to any other entity. Applicants that are aware of any upcoming mergers, acquisitions, or any other changes in their organization or legal standing, must disclose this information to MDH in their application, or as soon as they are aware of it.

### Collaboration

Collaborative projects are encouraged. Priority will be given to projects that take a collaborative approach and have additional contributing partners or collaborators.

Eligible hospitals may apply as a network or consortium.

## 1.5 Questions and Answers

All questions regarding this RFP must be submitted by email to Melanie Innes at [health.ruralhospitalgrants@state.mn.us](mailto:health.ruralhospitalgrants@state.mn.us). Answers will be posted within five business days at [Rural Hospital Planning and Transition Grant - ORHPC Grants and Funding](#).

Please submit questions no later than 4:30 p.m. Central Time on November 21, 2025.

To ensure the proper and fair evaluation of all applications, other communications regarding this RFP including verbal, telephone, written or internet initiated by or on behalf of any applicant to any employee of the Department, other than questions submitted to as outlined above, are prohibited. **Any violation of this prohibition may result in the disqualification of the applicant.**

### RFP Information Meeting

An informational webinar will be held on November 6, 2025, at 12:00 p.m. Central Time. [Join the Teams meeting](#). Materials from the meeting, including presentation slides and a questions and answers document, will be posted at [Rural Hospital Planning and Transition Grant - ORHPC Grants and Funding](#).

## 1.6 Additional Resources

Hospitals eligible for the Rural Hospital Planning and Transition Grant Program should also be aware of the following programs that support rural hospitals.

## **Minnesota Medicare Rural Hospital Flexibility Program**

The [Minnesota Medicare Rural Hospital Flexibility Program \(Flex Program\)](#) receives funds from the Health Resources and Services Administration Federal Office of Rural Health Policy to help [Critical Access Hospitals](#) (CAHs), emergency medical services, and rural health professionals work together. Flex Program funding provides training or technical assistance to CAHs to build capacity, encourage innovation, and promote sustainable improvements in the rural health care system.

Minnesota's Flex Program supports rural systems of care with the CAH as the hub. The Flex Program promotes networks and community development, acts as a liaison between communities and federal and state programs, and monitors emergency medical services issues in rural Minnesota, among other activities.

For more information, please contact the Flex Program: [health.flex@state.mn.us](mailto:health.flex@state.mn.us)

## **Small Rural Hospital Improvement Program**

The [Small Rural Hospital Improvement Grant Program \(SHIP\)](#) is also supported by the Health Resources and Services Administration Federal Office of Rural Health Policy. SHIP assists eligible hospitals in meeting value-based payment and care goals through purchases of hardware, software, and training. SHIP supports small rural hospitals in implementing data system requirements and making improvements to health care value and quality. The Office of Rural Health and Primary Care (ORHPC) coordinates a state application to the Health Resources and Services Administration Federal Office of Rural Health Policy on behalf of Minnesota's small rural hospitals.

For more information, please contact the SHIP Program: [health.ruralSHIPgrant@state.mn.us](mailto:health.ruralSHIPgrant@state.mn.us)

## **Health Care Workforce Safety Grant Program**

The [Workplace Safety Grants for Health Care Entities program](#), authorized by [2023 Session Law Chapter 70, Article 4, Section 109](#), awards grants to increase safety measures in health care settings and establish or expand programs to train staff in health care settings on de-escalation and positive support services. The program is focused on preventing workplace violence. The overarching goal of the Workplace Safety Grants for Health Care Entities program is to make long-term improvements in safety and stability for staff and patients in health care settings.

The following health care entities are eligible to apply for funding: Long-term care facilities, acute care hospitals that are staffed for 49 beds or fewer and located in a rural area, critical access hospitals, medical clinics, dental clinics, and community health clinics, including those that provide mental and behavioral health services.

For more information, please contact the Workplace Safety Grant Program: [health.orhpc.workforcegrants@state.mn.us](mailto:health.orhpc.workforcegrants@state.mn.us)

## RFP Part 2: Program Details

### 2.1 Priorities

#### Health Equity Priorities

It is the policy of the State of Minnesota to ensure fairness, precision, equity and consistency in competitive grant awards. This includes implementing diversity and inclusion in grant-making. [The Policy 08-02 on Rating Criteria for Competitive Grant Review \(PDF\)](#) establishes the expectation that grant programs intentionally identify how the grant serves diverse populations, especially populations experiencing inequities and/or disparities.

This program serves diverse, underserved communities in rural areas of Minnesota and promotes equitable access to health care. Grants support hospitals in developing strategic plans to preserve or enhance access to health services and implementing transition projects to modify their services according to their strategic plans.

In determining which hospitals will receive grants, the following criteria will be considered:

- Improving community access to hospital or health services,
- Changes in service populations,
- Availability and upgrading of ambulatory and emergency services,
- The extent that the health needs of the community are not currently being met by other providers in the service area,
- The need to recruit and retain health professionals,
- The extent of community support,
- The integration of health care services and the coordination with local community organizations, such as community development and public health agencies, and
- The financial condition of the hospital.

This grant will serve:

- Small, nonprofit, rural hospitals needing to create strategic plans for future success or implement transition projects to ensure longevity of services.
- The communities served by these hospitals, which partner with the hospitals on strategic planning and benefit from the services resulting from transition projects.

Grant outcomes will include:

- Hospitals establish sustainable strategic plans to preserve or enhance access to health services for rural communities.
- Hospitals implement transition projects to modify the type and extent of services provided as necessary to meet the needs of their rural communities as reflected in their strategic plans.

## Other Competitive Priorities

Please see **Attachment A: Application Evaluation Criteria** for details on how applications will be evaluated and scored.

## 2.2 Eligible Projects

Grants may be used by hospitals and their communities to (1) develop strategic plans for preserving or enhancing access to health services, or (2) implement transition projects to modify the type and extent of services provided, based on an existing strategic plan.

**A key component of this grant program is the requirement of a 30-day period for the local Community Health Board (CHB) to review the proposal and submit comments to MDH. It is the responsibility of the applicant hospital to send a copy of the application to any relevant CHB and CC [health.ruralhospitalgrants@state.mn.us](mailto:health.ruralhospitalgrants@state.mn.us) in the correspondence. When sending your proposal to the CHB, request that the CHB submit their comments to [health.ruralhospitalgrants@state.mn.us](mailto:health.ruralhospitalgrants@state.mn.us) no later than January 12, 2026.**

The proposed project must have been approved by the hospital's governing board. As part of the application, applicants will submit a Governing Board Resolution form or provide copies of board-certified meeting minutes reflecting the applicable movement.

### Strategic Plan

At a minimum, a strategic plan must consist of:

- A needs assessment to determine what health services are needed and desired by the community. The assessment must include interviews with or surveys of area health professionals, local community leaders, and public hearings. Please note that this component will not be grant-funded. Hospitals must use other funding sources to complete the needs assessment.
- An assessment of the feasibility of providing needed health services that identifies priorities and timeliness for potential changes.
- An implementation plan.

The strategic plan must be developed by a committee that includes representatives from the hospital, local public health agencies, other health providers, and consumers from the community.

### Transition Project

Hospitals that have developed strategic plans may implement transition projects to modify the type and extent of services provided, to meet the needs of their community as reflected in their strategic plan.

Examples of transition projects include, but are not limited to:

- Developing hospital-based physician practices that integrate hospital and existing medical practice facilities that agree to transfer their practices, equipment, staffing, and administration to the hospital.

- Establishing a health provider cooperative, a telehealth system, an electronic health records system, or a rural health care system.
- Seeking designation as a critical access hospital for the Medicare rural hospital flexibility program.
- Assessing and preserving at-risk health care service lines.
- Supporting access to remote care, improving data sharing, and strengthening cybersecurity.
- Supporting workforce development to meet community needs.
- Developing innovative models of care that include value-based care arrangements and alternative payment models.

Not more than one-third of any grant shall be used to offset losses incurred by physicians agreeing to transfer their practices to hospitals.

The project proposed in the application and awarded funding through the competitive review process must be the project that is completed. MDH will not approve a change in project except in extraordinary cases when unavoidable extenuating circumstances prevent the original project from being completed.

Projects will be evaluated on their likelihood of success. As they develop a proposal, applicants should think through all aspects of their project and any related needs. For example, if seeking to preserve an at-risk service line, the hospital should consider all components required, such as staffing and facilities, and ensure that resources beyond this grant funding are secured to fully support the project.

### **Ineligible Expenses**

Ineligible expenses include but are not limited to:

- Community needs assessments, including those conducted as a required component of developing a strategic plan.
- Capital purchases, especially for specialized equipment, are unlikely to be approved.
- Paying off debt incurred due to capital expenditures prior to the grant period.
- Indirect expenses.
- Fundraising.
- Taxes, except sales tax on goods and services.
- Lobbyists, political contributions.
- Bad debts, late payment fees, finance charges, or contingency funds.

## **2.3 Grant Management Responsibilities**

### **Grant Agreement**

Each grantee must formally enter into a grant agreement. The grant agreement will address the conditions of the award, including implementation for the project. The grantee is expected to

read the grant agreement, sign, and comply with all conditions of the grant agreement. Grantee should provide a copy of the grant agreement to all grantee staff working on the grant.

No work on grant activities can begin until a fully executed grant agreement is in place.

A sample grant agreement can be found on [MDH Grant Resources](#). Applicants should be aware of the terms and conditions of the standard grant agreement in preparing their applications. Much of the language reflected in the sample agreement is required by statute. If an applicant takes exception to any of the terms, conditions or language in the sample grant agreement, the applicant must indicate those exceptions, in writing, in their application in response to this RFP. Certain exceptions may result in an application being disqualified from further review and evaluation. Only those exceptions indicated in an application will be available for discussion or negotiation.

The funded applicant will be legally responsible for assuring implementation of the work plan and compliance with all applicable state requirements including worker's compensation insurance, nondiscrimination, data privacy, budget compliance, and reporting.

### **Accountability and Reporting Requirements**

It is the policy of the State of Minnesota to monitor progress on state grants by requiring grantees to submit written progress reports until all grant funds have been expended and all of the terms in the grant agreement have been met.

Reports will be submitted through the Office of Rural Health and Primary Care online grants portal. Standard progress report forms will be provided to grantees. Reports will be due 20 days after each quarter ends:

- January 20
- April 20
- July 20
- October 20

### **Grant Monitoring**

[Minn. Stat. § 16B.97](#) and [Policy 08-10 on Grant Monitoring \(PDF\)](#) require the following:

- One monitoring visit during the grant period on all state grants over \$50,000.
- Annual monitoring visits during the grant period on all grants over \$250,000.
- Conducting a financial reconciliation of grantee's expenditures at least once during the grant period on grants over \$50,000.

### **Technical Assistance**

MDH is available to provide technical assistance for grantees. MDH will provide forms and templates for invoices and progress reports. It is the grantee's responsibility to meet all obligations in the contract, and to notify MDH and request approval for any changes to these obligations. For assistance, contact Melanie Innes at [health.ruralhospitalgrants@state.mn.us](mailto:health.ruralhospitalgrants@state.mn.us).

## Grant Payments

Per [State Policy 08-08 on Grant Payments \(PDF\)](#), reimbursement is the method for making grant payments. All grantee requests for reimbursement must correspond to the approved grant budget. The State shall review each request for reimbursement against the approved grant budget, grant expenditures to-date and the latest grant progress report before approving payment. Grant payments shall not be made on grants with past due progress reports unless MDH has given the grantee a written extension.

Financial reports will be assigned and completed in the online grant portal. The invoicing and payment schedule will be quarterly:

- January 20
- April 20
- July 20
- October 20

Payments will be distributed upon receipt of a progress report, an invoice, an expenditure report, and acceptable documentation of expenses.

## 2.4 Grant Provisions

### Affirmative Action and Non-Discrimination Requirements for all Grantees

The grantee agrees to comply with applicable state and federal laws prohibiting discrimination.

Minnesota's nondiscrimination law is the Minnesota Human Rights Act (MHRA) ([Minn. Stat. § 363A](#)); See e.g. [Minn. Stat. § 363A.02](#). The MHRA is enforced by the [Minnesota Department of Human Rights](#). Some, but not all, MHRA requirements are reflected below. All grantees are responsible for knowing and complying with nondiscrimination and other applicable laws.

The grantee agrees not to discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, sex, marital status, status in regard to public assistance, membership or activity in a local commission, disability, sexual orientation, or age in regard to any position for which the employee or applicant for employment is qualified.

The grantee agrees not to discriminate in public accommodations because of race, color, creed, religion, national origin, sex, gender identity, sexual orientation, and disability.

The grantee agrees not to discriminate in public services because of race, color, creed, religion, national origin, sex, gender identity, marital status, disability, sexual orientation, and status with regard to public assistance.

The grantee agrees to take affirmative steps to employ, advance in employment, upgrade, train, and recruit minority persons, women, and persons with disabilities.

The grantee must not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The grantee agrees to take affirmative action to employ, advance in

employment, and otherwise treat qualified disabled persons without discrimination based upon their physical or mental disability in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. [Minn. Rules, part 5000.3550.](#)

## Audits

Per [Minn. Stat. § 16B.98, subd. 8](#), the grantee's books, records, documents, and accounting procedures and practices of the grantee or other party that are relevant to the grant or transaction are subject to examination by the granting agency and either the legislative auditor or the state auditor, as appropriate. This requirement will last for a minimum of six years from the grant agreement end date, receipt, and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later.

## Conflicts of Interest

MDH will take steps to prevent individual and organizational conflicts of interest, both in reference to applicants and reviewers per [Minn. Stat. § 16B.98](#) and the Office of Grants Management's [Policy 08-01, "Conflict of Interest Policy for State Grant-Making." \(PDF\)](#)

**Applicants must complete the Applicant Conflict of Disclosure form and submit it as part of the completed application.** Failure to complete and submit this form will result in disqualification from the review process.

Organizational conflicts of interest occur when:

- A grantee or applicant is unable or potentially unable to render impartial assistance or advice
- A grantee's or applicant's objectivity in performing the grant work is or might be otherwise impaired
- A grantee or applicant has an unfair competitive advantage

Individual conflicts of interest occur when:

- An applicant, or any of its employees, uses their position to obtain special advantage, benefit, or access to MDH's time, services, facilities, equipment, supplies, prestige, or influence
- An applicant, or any of its employees, receives or accepts money, or anything else of value, from another state grantee or grant applicant with respect to the specific project covered by this RFP/project.
- An applicant, or any of its employees, has equity or a financial interest in, or partial or whole ownership of, a competing grant applicant organization.
- An applicant, or any of its employees, is an employee of MDH or is a relative of an employee of MDH.

Applicants may view a copy of the form on [MDH Grant Resources](#).

In cases where a conflict of interest is perceived, disclosed, or discovered, the applicants or grantees will be notified and actions may be pursued, including but not limited to disqualification from eligibility for the grant award or termination of the grant agreement.

### **Non-Transferability**

Grant funds are not transferrable to any other entity. Applicants that are aware of any upcoming mergers, acquisitions, or any other changes in their organization or legal standing, must disclose this information to MDH in their application, or as soon as they are aware of it.

### **Public Data and Trade Secret Materials**

All applications submitted in response to this RFP will become property of the State. In accordance with [Minn. Stat. § 13.599](#), all applications and their contents are private or nonpublic until the applications are opened.

Once the applications are opened, the name and address of each applicant and the amount requested is public. All other data in an application is private or nonpublic data until completion of the evaluation process, which is defined by statute as when MDH has completed negotiating the grant agreement with the selected applicant.

After MDH has completed the evaluation process, all remaining data in the applications is public with the exception of trade secret data as defined and classified in [Minn. Stat. § 13.37](#), subd. 1(b). A statement by an applicant that the application is copyrighted or otherwise protected does not prevent public access to the application or its contents. ([Minn. Stat. § 13.599](#), subd. 3(a)).

If an applicant submits any information in an application that it believes to be trade secret information, as defined by [Minn. Stat. § 13.37](#), the applicant must:

- Clearly mark all trade secret materials in its application at the time it is submitted,
- Include a statement attached to its application justifying the trade secret designation for each item, and
- Defend any action seeking release of the materials it believes to be trade secret, and indemnify and hold harmless MDH and the State of Minnesota, its agents and employees, from any judgments or damages awarded against the State in favor of the party requesting the materials, and any and all costs connected with that defense.
- This indemnification survives MDH's award of a grant agreement. In submitting an application in response to this RFP, the applicant agrees that this indemnification survives as long as the trade secret materials are in possession of MDH. The State will not consider the prices submitted by the responder to be proprietary or trade secret materials.

MDH reserves the right to reject a claim that any particular information in an application is trade secret information if it determines the applicant has not met the burden of establishing that the information constitutes a trade secret. MDH will not consider the budgets submitted by applicants to be proprietary or trade secret materials. Use of generic trade secret language encompassing substantial portions of the application or simple assertions of trade secret

without substantial explanation of the basis for that designation will be insufficient to warrant a trade secret designation.

If a grant is awarded to an applicant, MDH may use or disclose the trade secret data to the extent provided by law. Any decision by the State to disclose information determined to be trade secret information will be made consistent with the Minnesota Government Data Practices Act ([Ch. 13 MN Statutes](#)) and other relevant laws and regulations.

If certain information is found to constitute trade secret information, the remainder of the application will become public; in the event a data request is received for application information, only the trade secret data will be removed and remain nonpublic.

## 2.5 Review and Selection Process

### Review Process

Funding will be allocated through a competitive process with review by a committee of individuals knowledgeable about rural hospital operations and finance. The review committee will evaluate all eligible and complete applications received by the deadline.

MDH will review all committee recommendations and is responsible for award decisions. **The award decisions of MDH are final and not subject to appeal.** Additionally:

- MDH reserves the right to withhold the distribution of funds in cases where proposals submitted do not meet the necessary criteria.
- The RFP does not obligate MDH to award a grant agreement or complete the project, and MDH reserves the right to cancel this RFP if it is considered to be in its best interest.
- MDH reserves the right to waive minor irregularities or request additional information to further clarify or validate information submitted in the application, provided the application, as submitted, substantially complies with the requirements of this RFP. There is, however, no guarantee MDH will look for information or clarification outside of the submitted written application. Therefore, it is important that all applicants ensure that all sections of their application are complete to avoid the possibility of failing an evaluation phase or having their score reduced for lack of information.

### Selection Criteria and Weight

The review committee will review each application on a 100-point scale. A standardized scoring system will be used to determine the extent to which the applicant meets the selection criteria.

The criteria according to which applications will be reviewed and scored are detailed in **Attachment A: Application Evaluation Criteria.**

### Grantee Past Performance and Due Diligence Review Process

- It is the policy of the State of Minnesota to consider a grant applicant's past performance before awarding subsequent grants to them.

- State policy requires states to conduct a pre-award risk assessment prior to a grant award. Additional information may be required for proposed budgets of \$50,000 and higher to a potential applicant in order to comply with [Policy 08-06 on Pre-Award Risk Assessment for Potential Grantees \(PDF\)](#).

### **Notification**

MDH anticipates notifying all applicants via email of funding decisions by early March 2026.

## RFP Part 3: Application and Submission Instructions

### 3.1 Application Deadline

All applications **must** be received by MDH no later than 4:30 p.m. Central Time on December 12, 2025.

**Late applications will not be accepted.** It is the applicant's sole responsibility to allow sufficient time to address all potential delays caused by any reason whatsoever. MDH will not be responsible for delays caused by mail, delivery, computer, or technology problems.

**Acknowledgement of application receipt.** The [ORHPC Online Grants Portal](#) will send an automated email to the user that submitted the application to confirm the submission of your application. Additionally, the application status will change from "Draft" to "Submitted" on the Applicant Dashboard and record the date the application was submitted. If the application is still in draft status by the application deadline, you will no longer be able to edit or submit the application.

If you do not receive an automated email confirming submission, or encounter any other issues with the online application, please contact Melanie Innes promptly at [health.ruralhospitalgrants@state.mn.us](mailto:health.ruralhospitalgrants@state.mn.us). We encourage you to submit in advance of the deadline to allow time to address any technical issues.

### 3.2 Application Submission Instructions

ORHPC requires application submissions to be made through the [ORHPC Online Grants Portal](#). Please reference the [ORHPC Grant Guide](#) for information on account creation, password recovery, application creation, and collaboration.

Read **RFP Part 4: Application Guidance** within this request for proposals for further instructions on how to address the application questions in the Grants Portal.

If you have any questions, please contact us at: [health.ruralhospitalgrants@state.mn.us](mailto:health.ruralhospitalgrants@state.mn.us).

### 3.3 Application Instructions

You must complete all required fields in the online application form and submit all required attachments for your application to be considered complete.

Incomplete applications will be rejected and not evaluated.

Applications must include all required application materials, including attachments. Do not provide any materials that are not requested in this RFP, as such materials will not be considered nor evaluated. **MDH reserves the right to reject any application that does not meet these requirements.**

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By submitting an application, each applicant warrants that the information provided is true, correct, and reliable for purposes of evaluation for potential grant award. The submission of inaccurate or misleading information may be grounds for disqualification from the award, as well as subject the applicant to suspension or debarment proceedings and other remedies available by law.

**All costs incurred in responding to this RFP will be borne by the applicant.**

## RFP Part 4: Application Guidance

### Section 1. Organization and Applicant Information

Basic information about the applicant entity is requested, including legal and business name, address, and tax identification. This information will be used for contracting purposes.

### Section 2. Project Information

This section requests contact information for the organization, including the Authorized Organization Representative (AOR). This person is often the CEO of the organization and must have the authority to enter a contract with the State. An additional program contact is also advised.

### Section 3. Organization Background and Capacity

#### Hospital Location

Indicate whether your hospital is located in 1) a rural area as defined in federal Medicare regulations, and/or 2) a community with a population of less than 15,000 according to U.S. Census Bureau statistics, outside the 7-county metropolitan area.

#### Number of Beds

Indicate the number of beds your hospital has. Note that this is the overall number of beds, **not** the number of beds for which you are currently staffed.

#### Not for Profit and Non-federal

Confirm that your hospital is not for profit and non-federal.

#### Hospital Overview

Give a brief overview of your hospital, including its ownership, the services it provides, the population it serves, and the hospital's service area. Indicate the age of the hospital and the number of patients served. Provide any other relevant information.

#### Hospital Financial and Census Data

Please provide the following data specific to the hospital for which the grant is requested (not for the entire system):

- Current days cash on hand.
- Current operating margin.
- Current total margin.
- Average daily census in last 12 months.
- Percent of hospital's revenue from outpatient services in last 12 months.

## Hospital Financial and Census Data Narrative

Provide a brief narrative that gives context to and explains the financial and census data provided.

## Section 4. Project Narrative

### Type of Project

Indicate whether you are proposing to develop a strategic plan or to implement a transition project based on an existing strategic plan.

### Problem Statement

Clearly describe the nature of the health service problem(s) in your service area. Provide data to illustrate the problem(s). Include these required components:

- Changes in service populations over time.
- The extent to which health care needs of the community are not currently being met by your hospital or other providers in the service area.
- Projected demand for ambulatory and emergency services.
- The need to recruit and retain health professionals.

### Needs Assessment Results or Plans

Briefly summarize the findings of your community health needs assessment, if completed, or your plans to undertake one. (Note that grant funding cannot be used for a community health needs assessment.) The needs assessment must include interviews with or surveys of area health professionals and local community leaders, as well as public hearings.

How did, or will, your community health needs assessment consider the resources available in your region and how to collaborate and share resources with other entities to optimize access to services, sustainability, and cost-effectiveness?

### Project Description: Strategic Plan

Describe your proposed activities to develop a strategic plan for preserving or enhancing access to health services. Your strategic plan must include the findings from your community health needs assessment. Your grant-funded strategic planning activities must include:

- An assessment of the feasibility of providing needed health services that identifies priorities and timelines for potential changes.
- An implementation plan.

The strategic plan must be developed by a committee that includes representatives from the hospital, local public health agencies, other health providers, and consumers from the community. Describe how you will recruit these committee members and give an overview of the current committee membership.

## **Project Description: Transition Project**

Describe your proposed activities to implement a transition project to modify the type and extent of services provided, in order to meet the needs of your community as reflected in your strategic plan.

Describe any steps toward implementing this project completed to date (note that activities prior to the grant period will not be covered by this grant funding).

Examples of transition projects include, but are not limited to:

- Developing hospital-based physician practices that integrate hospital and existing medical practice facilities that agree to transfer their practices, equipment, staffing, and administration to the hospital.
- Establishing a health provider cooperative, a telehealth system, an electronic health records system, or a rural health care system.
- Seeking designation as a critical access hospital for the Medicare rural hospital flexibility program.
- Assessing and preserving at-risk health care service lines.
- Supporting access to remote care, improving data sharing, and strengthening cybersecurity.
- Supporting workforce development to meet community needs.
- Developing innovative models of care that include value-based care arrangements and alternative payment models.

## **How Project Addresses Problem**

Explain how your project will address the health services problem(s) you described in the problem statement.

## **Health Equity and Social Drivers of Health**

How will your project advance health equity and address social drivers of health?

## **Project Outcomes**

How will your project achieve the following outcomes, depending on project type:

- Strategic Plan: Establish a sustainable strategic plan to preserve or enhance access to health services for rural communities.
- Transition Project: Modify the type and extent of services provided as necessary to meet the needs of your rural community as reflected in your strategic plan.

What are the other measurable short- and long-term outcomes of your project?

## **Project Evaluation**

Describe how you plan to track, evaluate, and report the outcomes of your project.

## Key Personnel Biographical Sketches

For each key project staff person, provide the person's name, title, overall role in the project, and a brief summary of relevant education and experience.

## Work Plan

List key project activities. For each activity, indicate the title/position of each person who will be involved, the expected outcome(s), and the expected timeline. Your work plan should include evaluation and reporting activities.

## Section 5: Budget & Budget Narrative

Provide a detailed justification for each of the estimated expenses to successfully meet the goals of the proposed project.

Identify and describe the non-state funding sources for the required match of at least 50% of the grant amount.

Note that no more than one-third of any grant may be used to offset losses incurred by physicians agreeing to transfer their practices to hospitals.

## Budget Line Items

Provide the amount of grant funds requested, as well as the amounts and sources of other funding, in the appropriate fields for each budget area.

Budget categories include:

- **Salaries:** Salaries should include the costs of personnel who work directly for the applicant and are paid a salary or wage directly from the applicant organization. Salaries can be calculated and described in the Budget Narrative as an hourly wage with total hours estimated to be spent on the project, or an annual salary with the estimated percentage of the total FTE.
- **Fringe:** This category includes share of payroll tax, health insurance costs, Medicare/Medicaid, etc. for employees billed to this grant under the Salaries category. If the applicant has expenses in this category, they should explain how they were calculated in the Budget Narrative. This is often calculated at a percentage of salary. Example: \$50,000 x 25% fringe = \$12,500.
- **Travel:** This category includes travel expenses necessary to complete the grant project.
- **Supplies:** This category includes supplies needed specifically for the grant project. It cannot include existing program expenses.
- **Contracted Services:** This category includes expenses for individuals or organizations the applicant contracts with to complete the project.
- **Equipment:** This category includes funding used to purchase equipment. Equipment has a value of \$10,000 or more. Items below \$10,000 are considered supplies.
- **Other expenses:** Whenever possible, include proposed expenditures in the categories listed above. If it is necessary to include expenditures in this general category, include a

detailed description of the activities as they relate to the direct operation of the program. Note that indirect expenses are not allowed.

## Section 6: Community Support Demonstration

### Community Support

Provide evidence of support for your hospital and the proposed project from other local health service providers and from local community and government leaders. Evidence of support may include past commitments of financial support from local individuals, organizations, or government entities, and commitment of financial support, in-kind services, or cash for this project. In a later section of the application, you will have the opportunity to upload an optional attachment as evidence of community support.

### Collaborating Partners

Provide a brief overview of each entity and group collaborating with your organization on this project and their role in the project.

### Coordination with Community Partners

Describe how your project advances an integrated approach to health care and coordinates with public health agencies, community development organizations, and other local community partners.

## Section 7: Community Health Board Information

After you have sent a copy of your application to your local Community Health Board (CHB), fill in the information regarding CHB name and submission date.

A key component of this grant program is the requirement of a 30-day period for the local CHB to review the proposal and submit comments to the Commissioner of Health. **It is the responsibility of the applicant hospital to send a copy of the application to any relevant CHB.**

When sending your proposal to the CHB, CC [health.ruralhospitalgrants@state.mn.us](mailto:health.ruralhospitalgrants@state.mn.us) in the email, and request that the CHB submit all comments to [health.ruralhospitalgrants@state.mn.us](mailto:health.ruralhospitalgrants@state.mn.us) no later than January 12, 2026.

## Section 8: Required Attachments

### Audited Financial Statements

Please upload a copy of the most recent independent audit into the online application. If the audit encompasses multiple entities within a system or umbrella organization, please provide additional financial information, such as an income statement, specific to the applicant hospital.

### **Due Diligence**

Please complete the [Due Diligence Form \(PDF\)](#) and attach to the online application form. MDH conducts pre-award assessments of grant recipients prior to awarding funds in accordance with federal, state and agency policies. The Due Diligence review is an important part of this assessment. This review allows MDH to better understand the capacity of applicants and identify opportunities for technical assistance to those that receive grant funds.

- Community Health Boards and Tribal Nations do not need to submit this form as part of their application.
- If the entity is required to submit a Due Diligence form, a Section 8a or 8b will become available to allow submission of the form and any accompanying attachments such as audited financial statements.

### **Governing Board Resolution**

Please complete the Governing Board Resolution form or provide copies of board-certified meeting minutes reflecting the applicable movement.

### **Strategic Plan (for implementation projects only)**

Please provide a copy of your existing strategic plan.

### **Evidence of Community Support (optional)**

Upload any evidence of community support for the proposed project.

## **Section 9: Applicant Conflict of Interest Disclosure**

Applicants will complete a Conflict of Interest Disclosure form in the online application. See a copy of the form on [MDH Grant Resources](#).

## **RFP Part 5: Attachments**

- Attachment A: Application Evaluation Criteria

## Attachment A: Application Evaluation Criteria

A numerical scoring system will be used to evaluate eligible applications. Scores will be used to develop final recommendations.

Applicants are encouraged to score their own application using the evaluation scoresheet before submitting their application. This step is not required but may help ensure applications address the criteria evaluators will use to score applications.

The review committee will review each application’s responses on a 100-point scale as follows:

### ORGANIZATION BACKGROUND AND CAPACITY

**Hospital Overview:** Give a brief overview of your hospital, including its ownership, the services it provides, the population it serves, and the hospital’s service area. Indicate the age of the hospital and the number of patients served. Provide any other relevant information.

Evaluation Criteria	Score	Comments: Strengths/Weaknesses
Hospital overview provides a clear picture of the hospital’s ownership, age, services, population and number served, and service area.	/5	

**Hospital Financial and Census Data and Narrative:** Provide the following data specific to the hospital for which the grant is requested (not for the entire system): Current days cash on hand, Current operating margin, Current total margin, Average daily census in last 12 months, Percent of hospital’s revenue from outpatient services in last 12 months. Provide a brief narrative that gives context to and explains the financial and census data provided.

Evaluation Criteria	Score	Comments: Strengths/Weaknesses
Hospital financial and census data and narrative indicate that hospital is in strong financial condition to undertake this project.	/5	
<b>Total points for this section</b>	<b>/10</b>	

PROJECT NARRATIVE AND WORK PLAN

**Problem Statement:** Clearly describe the nature of the health service problem(s) in your service area. Provide data to illustrate the problem(s). Include these required components:

- Changes in service populations over time.
- The extent to which health care needs of the community are not currently being met by your hospital or other providers in the service area.
- Projected demand for ambulatory and emergency services.

The need to recruit and retain health professionals.

Evaluation Criteria	Score	Comments: Strengths/Weaknesses
Applicant clearly and insightfully describes problem(s), including changes in service populations, unmet health needs, projected demand for health services, and recruitment/retention of health professionals.	/5	
Applicant provides compelling data on the problem(s).	/5	

**Needs Assessment Results or Plans:** Briefly summarize the findings of your community health needs assessment, if completed, or your plans to undertake one. (Note that grant funding cannot be used for a community health needs assessment.) The needs assessment must include interviews with or surveys of area health professionals and local community leaders, as well as public hearings.

How did, or will, your community health needs assessment consider the resources available in your region and how to collaborate and share resources with other entities to optimize access to services, sustainability, and cost-effectiveness?

Evaluation Criteria	Score	Comments: Strengths/Weaknesses
Applicant clearly summarizes findings of community health needs assessment or plans for one.	/5	
Needs assessment considered, or will consider, regional resources and how to collaborate and share resources to optimize access, sustainability, and cost-effectiveness.	/5	

**Project Description, Strategic Plan:** Describe your proposed activities to develop a strategic plan for preserving or enhancing access to health services. Your strategic plan must include the findings from your community health needs assessment. Your grant-funded strategic planning activities must include:

- An assessment of the feasibility of providing needed health services that identifies priorities and timelines for potential changes.
- An implementation plan.

The strategic plan must be developed by a committee that includes representatives from the hospital, local public health agencies, other health providers, and consumers from the community. Describe how you will recruit these committee members and give an overview of the current committee membership.

Evaluation Criteria	Score	Comments: Strengths/Weaknesses
<i>Strategic Plan:</i> Applicant presents clear plans for feasibility assessment and implementation. Applicant describes recruitment for and current membership of strategic plan committee.	/10*	

**Project Description, Transition Project:** Describe your proposed activities to implement a transition project to modify the type and extent of services provided, in order to meet the needs of your community as reflected in your strategic plan.

Describe any steps toward implementing this project completed to date (note that activities prior to the grant period will not be covered by this grant funding).

Evaluation Criteria	Score	Comments: Strengths/Weaknesses
<i>Transition Project:</i> Applicant clearly describes proposed project. Project is strongly aligned with the strategic plan and will meet needs reflected in the strategic plan. Any necessary preliminary steps toward implementing the project have been completed.	/10*	

**How Project Addresses Problem:** Explain how your project will address the health services problem(s) you described in the problem statement.

Evaluation Criteria	Score	Comments: Strengths/Weaknesses
Applicant demonstrates how project will address the problem(s).	/5	

**Health Equity and Social Drivers of Health:** How will your project advance health equity and address social drivers of health?

Evaluation Criteria	Score	Comments: Strengths/Weaknesses
Project will advance health equity and meaningfully address social drivers of health.	/5	

**Project Outcomes:** How will your project achieve the following outcomes, depending on project type:

- Strategic Plan: Establish a sustainable strategic plan to preserve or enhance access to health services for rural communities.
- Transition Project: Modify the type and extent of services provided as necessary to meet the needs of your rural community as reflected in your strategic plan.

What are the other measurable short- and long-term outcomes of your project?

Evaluation Criteria	Score	Comments: Strengths/Weaknesses
Applicant describes how project will achieve broad grant program outcomes and identifies other measurable short-and long-term project outcomes.  Project seems likely to succeed.	/10	

**Project Evaluation:** Describe how you plan to track, evaluate, and report the outcomes of your project.

Evaluation Criteria	Score	Comments: Strengths/Weaknesses
Applicant describes a clear and feasible plan for tracking, evaluating, and reporting project outcomes.	/5	

**Work Plan:** List key project activities. For each activity, indicate the title/position of each person who will be involved, the expected outcome(s), and the expected timeline. Your work plan should include evaluation and reporting activities.

Evaluation Criteria	Score	Comments: Strengths/Weaknesses
Work plan is clear and feasible and seems likely to achieve intended outcomes.	/5	
<b>Total points for this section</b>	<b>/60</b>	

\*Evaluation criterion depends on project type.

BUDGET NARRATIVE

**Budget and Budget Narrative:** Provide a detailed justification for each of the estimated expenses to successfully meet the goals of the proposed project.

Provide the amount of grant funds requested, as well as the amounts and sources of other funding, in the appropriate fields for each budget area.

Evaluation Criteria	Score	Comments: Strengths/Weaknesses
Proposed costs in the budget are clear, with enough detail to understand why they are included. Funding sources for match requirements are clearly identified and feasible.	/5	
Proposed expenses seem reasonable and align with the goals and requirements of this program.	/5	
<b>Total points for this section</b>	<b>/10</b>	

COMMUNITY SUPPORT

Provide evidence of support for your hospital and the proposed project from other local health service providers and from local community and government leaders. Evidence of support may include past commitments of financial support from local individuals, organizations, or government entities, and commitment of financial support, in-kind services, or cash for this project.

Evaluation Criteria	Score	Comments: Strengths/Weaknesses
Application includes evidence of strong community support for hospital and project from other local health service providers and leaders, as well as supportive comments from local CHB.	/10	

**Collaborating Partners:** Provide a brief overview of each entity and group collaborating with your organization on this project and their role in the project.

Evaluation Criteria	Score	Comments: Strengths/Weaknesses
Application includes strong collaborating partnerships with clearly defined roles.	/5	

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**Coordination with Community Partners:** Describe how your project advances an integrated approach to health care and coordinates with public health agencies, community development organizations, and other local community partners.

Evaluation Criteria	Score	Comments: Strengths/Weaknesses
Project takes an integrated approach to health care and coordinates with public health and community agencies.	/5	
<b>Total points for this section</b>	/20	
<b>Total Score</b>	/100	

## Link References

- [Rural Hospital Planning and Transition Grant - ORHPC Grants and Funding \(https://www.health.state.mn.us/facilities/ruralhealth/funding/grants/index.html#rhpt\)](https://www.health.state.mn.us/facilities/ruralhealth/funding/grants/index.html#rhpt)
- [Minnesota Statutes Sec. 144.147 \(https://www.revisor.mn.gov/statutes/cite/144.147\)](https://www.revisor.mn.gov/statutes/cite/144.147)
- [Join the Teams meeting \(https://teams.microsoft.com/l/meetup-join/19%3ameeting\\_NmNIODBJYtGtODhkYy00Mjc5LWE3OGltZDVmNzg5NmYwMmY1%40thread.v2/0?context=%7b%22id%22%3a%22eb14b046-24c4-4519-8f26-b89c2159828c%22%2c%22oid%22%3a%22d607d235-fc35-45d4-9d7d-6ff078d77953%22%7d\)](https://teams.microsoft.com/l/meetup-join/19%3ameeting_NmNIODBJYtGtODhkYy00Mjc5LWE3OGltZDVmNzg5NmYwMmY1%40thread.v2/0?context=%7b%22id%22%3a%22eb14b046-24c4-4519-8f26-b89c2159828c%22%2c%22oid%22%3a%22d607d235-fc35-45d4-9d7d-6ff078d77953%22%7d)
- [Minnesota Medicare Rural Hospital Flexibility Program \(Flex Program\) \(https://www.health.state.mn.us/facilities/ruralhealth/flex/index.html\)](https://www.health.state.mn.us/facilities/ruralhealth/flex/index.html)
- [Critical Access Hospitals \(https://www.cms.gov/medicare/health-safety-standards/certification-compliance/critical-access-hospitals\)](https://www.cms.gov/medicare/health-safety-standards/certification-compliance/critical-access-hospitals)
- [Small Rural Hospital Improvement Grant Program \(SHIP\) \(https://www.health.state.mn.us/facilities/ruralhealth/funding/grants/index.html#ship\)](https://www.health.state.mn.us/facilities/ruralhealth/funding/grants/index.html#ship)
- [Workplace Safety Grants for Health Care Entities program \(https://www.health.state.mn.us/facilities/ruralhealth/funding/grants/index.html#hcwps\)](https://www.health.state.mn.us/facilities/ruralhealth/funding/grants/index.html#hcwps)
- [2023 Session Law Chapter 70, Article 4, Section 109 \(https://www.revisor.mn.gov/laws/2023/0/70/\)](https://www.revisor.mn.gov/laws/2023/0/70/)
- [The Policy on Rating Criteria for Competitive Grant Review \(PDF\) \(https://mn.gov/admin/assets/08-02%20Grants%20Policy%20Revision%20September%202017%20final\\_tcm36-312046.pdf\)](https://mn.gov/admin/assets/08-02%20Grants%20Policy%20Revision%20September%202017%20final_tcm36-312046.pdf)
- [MDH Grant Resources \(https://www.health.mn.gov/about/grants/resources.html\)](https://www.health.mn.gov/about/grants/resources.html)
- [Minn. Stat. § 16B.97 \(https://www.revisor.mn.gov/statutes/?id=16B.97\)](https://www.revisor.mn.gov/statutes/?id=16B.97)
- [Policy on Grant Monitoring \(PDF\) \(https://mn.gov/admin/assets/grants\\_policy\\_08-10\\_tcm36-207117.pdf\)](https://mn.gov/admin/assets/grants_policy_08-10_tcm36-207117.pdf)
- [State Policy on Grant Payments \(PDF\) \(https://mn.gov/admin/assets/08-08%20Policy%20on%20Grant%20Payments%20FY21%20\\_tcm36-438962.pdf\)](https://mn.gov/admin/assets/08-08%20Policy%20on%20Grant%20Payments%20FY21%20_tcm36-438962.pdf)
- [Minn. Stat. § 363A \(https://www.revisor.mn.gov/statutes/cite/363A\)](https://www.revisor.mn.gov/statutes/cite/363A)
- [Minn. Stat. § 363A.02 \(https://www.revisor.mn.gov/statutes/cite/363A.02\)](https://www.revisor.mn.gov/statutes/cite/363A.02)
- [Minnesota Department of Human Rights \(https://mn.gov/mdhr/\)](https://mn.gov/mdhr/)
- [Minn. Rules, part 5000.3550 \(https://www.revisor.mn.gov/rules/5000.3550/\)](https://www.revisor.mn.gov/rules/5000.3550/)
- [Minn. Stat. § 16B.98, subd. 8 \(https://www.revisor.mn.gov/statutes/?id=16B.98\)](https://www.revisor.mn.gov/statutes/?id=16B.98)
- [Policy 08-01, “Conflict of Interest Policy for State Grant-Making.” \(PDF\) \(https://mn.gov/admin/assets/OGM%20Policy%2008-01%20Conflict%20of%20Interest%20Policy%20for%20State%20Grant-Making\\_tcm36-707167.pdf\)](https://mn.gov/admin/assets/OGM%20Policy%2008-01%20Conflict%20of%20Interest%20Policy%20for%20State%20Grant-Making_tcm36-707167.pdf)
- [Minn. Stat. § 13.599 \(https://www.revisor.mn.gov/statutes/cite/13.599\)](https://www.revisor.mn.gov/statutes/cite/13.599)
- [Minn. Stat. § 13.37 \(https://www.revisor.mn.gov/statutes/cite/13.37\)](https://www.revisor.mn.gov/statutes/cite/13.37)
- [Ch. 13 MN Statutes \(https://www.revisor.mn.gov/statutes/cite/13/full\)](https://www.revisor.mn.gov/statutes/cite/13/full)

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- [Policy on Pre-Award Risk Assessment for Potential Grantees \(PDF\)](https://mn.gov/admin/assets/Policy%2008-06%20Pre-Award%20Risk%20Assessment%20Revision%20Version%202.1%20-%20Effective%20Date%20July%201%202025_tcm36-695460.pdf)  
([https://mn.gov/admin/assets/Policy%2008-06%20Pre-Award%20Risk%20Assessment%20Revision%20Version%202.1%20-%20Effective%20Date%20July%201%202025\\_tcm36-695460.pdf](https://mn.gov/admin/assets/Policy%2008-06%20Pre-Award%20Risk%20Assessment%20Revision%20Version%202.1%20-%20Effective%20Date%20July%201%202025_tcm36-695460.pdf))
- [ORHPC Online Grants Portal](https://www.grantinterface.com/Home/Logon?urlkey=mdh)  
(<https://www.grantinterface.com/Home/Logon?urlkey=mdh>)
- [ORHPC Grant Guide](https://www.health.state.mn.us/facilities/ruralhealth/funding/grants/docs/2022grantguide.pdf)  
(<https://www.health.state.mn.us/facilities/ruralhealth/funding/grants/docs/2022grantguide.pdf>)