



2026 Rural Hospital Planning and Transition Grant Program

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Program Description

- Authorized by [Minnesota Statutes Section 144.147](https://www.revisor.mn.gov/statutes/cite/144/full#stat.144.147)
[\(https://www.revisor.mn.gov/statutes/cite/144/full#stat.144.147\)](https://www.revisor.mn.gov/statutes/cite/144/full#stat.144.147)
- Funds development or implementation of hospital strategic plans to preserve or enhance access to health services

Funds Available

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

- Funding is allocated through a competitive process
- No expenditures are to be incurred prior to the grant contract's full execution

General Information

- 50% match required from non-state sources
- Project Dates: June 1, 2026 to May 31, 2027
- Collaboration is not required, but is encouraged.

Funding Eligibility

- Eligibility: Non-profit, non-federal, general acute care hospital in MN
 - Outside of the 7-county metro area
 - 50 beds or fewer
 - With a population of 15,000 or fewer according to U.S. Census Bureau

Outcomes & Priorities

Grant outcomes:

- Hospitals will establish a sustainable strategic plan to preserve or enhance access to health services for rural populations
- Hospitals will implement projects and modify as necessary to reflect the needs of rural constituents and the strategic plan

Other Competitive Priorities:

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

Eligible expenses

Eligible Expenses Include:

- Development of strategic plans
 - Must include:
 - Community needs assessment
 - Feasibility study
 - Implementation plan
 - Strategic plan must be developed by a committee that includes representatives from the hospital, local public health agencies, other health providers, or consumers from the community.
- Implementation of transition plans to modify the type and extent of services provided

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.

Ineligible Expenses Include:

- 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.

Grant Contractual Obligations

- Work may not start prior to the full execution of agreement and the first day of the contract period (June 1, 2026)
- Grant activities approved for payment are outlined in Exhibits A & B of the contract
 - Any activities outside of this must be approved prior to action
- Grantees must report on financial and programmatic activities quarterly
 - January 20, April 20, July 20, October 20
- Grantees receiving over \$50,000 will have one grant monitoring visit and financial reconciliation per grant period

Reporting on Grant Outcomes

Grantees will report to MDH on how they 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.

Review Process

- MDH reviews initial eligibility
- Review committee scores applications on the criteria in RFP Attachment A:
 - Applicant clearly and fully describes background organization and capacity – 10 points
 - Applicant clearly and fully describes the problem(s), project, and outcomes – 60 points
 - Applicant’s project budget is clear and reasonable– 10 points
 - Applicant provides evidence of strong community support – 20 points
- Review committee and MDH determine grant awards
- MDH conducts due diligence and past performance review prior to entering into grant agreements

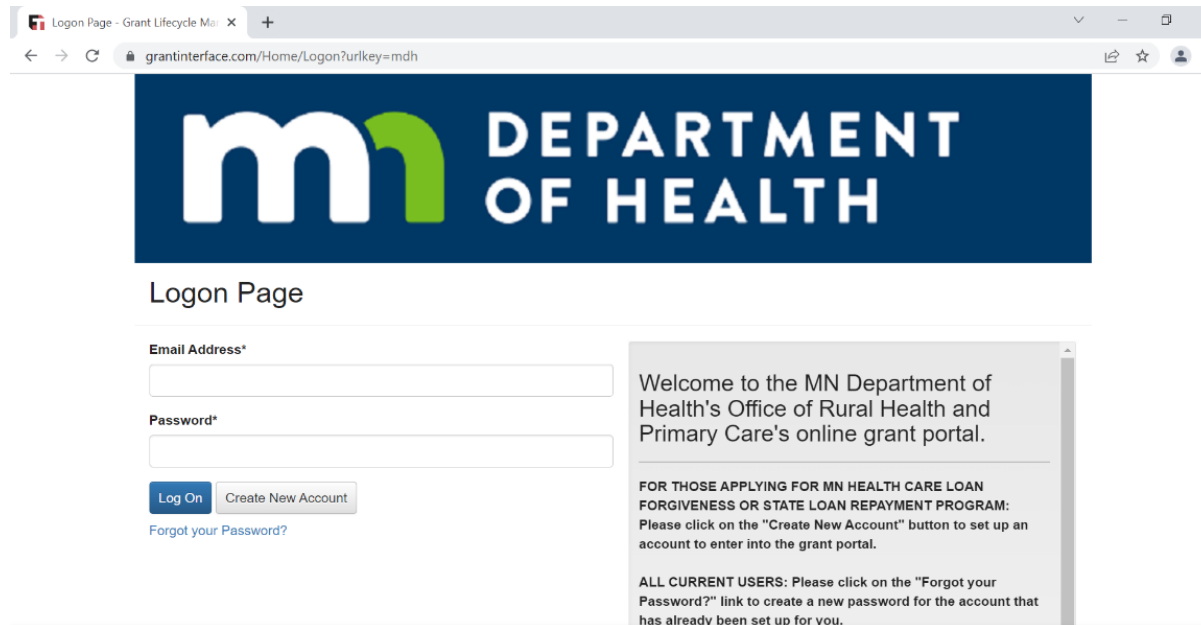
Submitting Questions

- All questions regarding this RFP must be submitted via email to Health.ruralhospitalgrants@state.mn.us
- Answers will be posted within 5 days on the [ORHPC Grants and Funding webpage](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>)
- Please submit questions no later than 4:30 p.m. Central Time on November 21, 2025.

Application Submission

- Applications due December 12, 2025, at 4:30 pm
- All applications will be completed and submitted via the online [ORHPC Grants Management System](https://www.grantinterface.com/Home/Logon?urlkey=mdh)
(<https://www.grantinterface.com/Home/Logon?urlkey=mdh>)
- The next slides show how to create a profile and begin an application in the online system

Creating/Managing Users



The screenshot shows a web browser window with the URL `grantinterface.com/Home/Logon?urlkey=mdh`. The page features the MN Department of Health logo at the top. Below the logo, the text "Logon Page" is displayed. The login form includes an "Email Address*" field, a "Password*" field, and two buttons: "Log On" and "Create New Account". A link for "Forgot your Password?" is also present. A grey informational box on the right contains the following text:

Welcome to the MN Department of Health's Office of Rural Health and Primary Care's online grant portal.

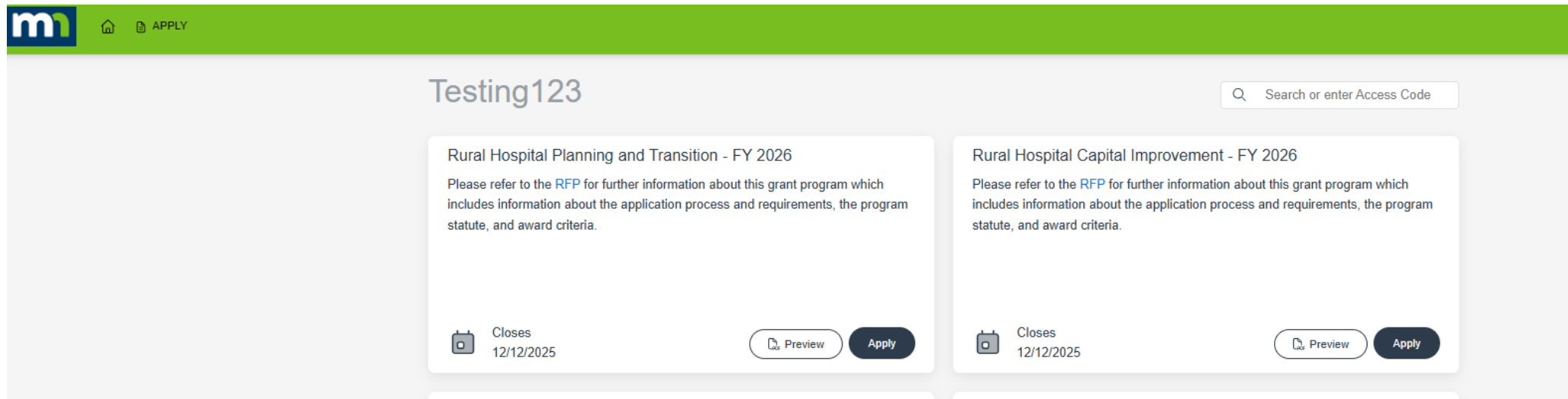
FOR THOSE APPLYING FOR MN HEALTH CARE LOAN FORGIVENESS OR STATE LOAN REPAYMENT PROGRAM: Please click on the "Create New Account" button to set up an account to enter into the grant portal.

ALL CURRENT USERS: Please click on the "Forgot your Password?" link to create a new password for the account that has already been set up for you.

- Existing Users: log in or use the forgot password button
- New Users: verify your organization has or doesn't have a profile & create profile(s)
- If you are unsure of organization's status, reach out to MDH

Starting an Application

- On the home page of the portal, find the FY2025
- Click Apply



Application Sections

Application

Due by 12/12/2025 04:30 PM CST.

Fields with an asterisk (*) are required.

- > Application Instructions
- > Section 1: Organization and Applicant Information
- > Section 2: Project Information
- > Section 3: Organization Background and Capacity
- > Section 4: Project Narrative
- > Section 4: Project Narrative - Work Plan
- > Section 5: Budget and Budget Narrative
- > Section 6: Community Support Demonstration
- > Section 7: Community Health Board Information
- > Section 8: Required Attachments
- > Section 9: Applicant Conflict of Interest
- > Certification

- 9 sections to complete
- Refer to RFP for instructions on narrative questions
- Complete at your own pace
 - Save button vs Submit button

Application Sections: Organization & Applicant Information, Project Information

- Basic information about your organization
 - New supplier type question
- Important to note that applicant will be the individual to whom reports are assigned
- Collaboration is possible: can add others as collaborators in portal
- SWIFT information is very important – this is how MDH contracts
 - If unsure – contact SWIFT help desk **651-201-8106** or efthelpline.mmb@state.mn.us

Application Sections: 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
 - Number of inpatient beds. Note this is overall number of beds, not beds staffed.
- Not for Profit and Non-federal
- Hospital Overview
 - Ownership, services, population, service area, age, size, and patients served

Application Sections: Organization Background and Capacity continued

- Hospital Financial and Census Data
 - Current Days Cash on Hand
 - Current Operating Margin
 - Current Total Margin
 - Average Daily Census
 - Percent of Revenue from Outpatient Services
- Hospital Financial and Census Information Narrative
 - Provide explanation of figures above

Application Section: Project Narrative

- Type of Project
- Problem Statement
 - Include unmet health care needs and changes to population, projected demand for ambulatory and emergency services, the need to recruit and retain health professionals
- Needs Assessments Results or Plans
 - The findings of your community health needs assessment, if completed, or plans to undertake one
- Project Description
 - Clear description of use of funding, different requirements per project type
- How Project Addresses Problem
- Health Equity and Social Drivers of Health
 - How project advances health equity and addresses social drivers of health
- Project Outcomes
 - Short and long term objectives
- Project Evaluation
- Key Personnel Biographical Sketch
- Work Plan

Application Section: Timeline and Workplan

- Provide description and timeline of activities and tasks
 - Start and end date for each activity
 - Staff Responsible
 - Title/position only, do not include names
- Your work plan should include evaluation and reporting activities.

Application Section: Budget

- Identify all sources of funding, including the non-state 50% matching fund
 - Match source narrative, and match source identified in budget line items
- Identify consultants, contractors, and if bids have not been gathered, describe how costs are estimated
- Line Items – Match and State Funds
 - Salaries
 - Fringe
 - Travel
 - Supplies
 - Contracted Fees
 - Equipment
 - Other Expenses

Fringe - State Grant Request*

Requested grant amount. Please enter in 0 if there is not an amount requested.

Fringe - Match*

Matched amount. Please enter in 0 if there is not an amount requested.

Fringe - Total*

Total = Request grant amount + matched amount

Fringe - Match Funding Source*

Please enter N/A if request is 0.

1,000 characters left of 1,000

Fringe - Narrative*

Please enter N/A if request is 0.

1,000 characters left of 1,000

Application Section: Community Support Demonstration

- Minnesota Statutes, Section 144.147 requires consideration of the extent of community support for the hospital and this proposed project in the grant award process.
- Community Support
 - The applicant should demonstrate support for the hospital and for the proposed project from other local health service providers and from local community and government leaders. Evidence of such 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.
- 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.
- Attachment for any evidence of community support located in Section 8: Required Attachments (optional)

Application Section: Community Health Board Review

- 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.**
- CHB Agency Name, Address, Date Sent
- Must download the application and submit to CHB once complete
 - **When sending your proposal to the CHB, CC health.ruralhospitalgrants@state.mn.us in the email.**
 - Request that the CHB submit all comments to health.ruralhospitalgrants@state.mn.us no later than January 12, 2026

Application Section: Required Attachments

- Audited Financial Statements
 - Note: Operating ratios reflected in Hospital Financial and Census Information should match the 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.
- Due Diligence form (for certain supplier types)
- Strategic Plan (for implementation projects only)
- Evidence of Community Support (optional)

Application Section: Certification and Conflict of Interest

- Complete both sections prior to submission
- Should you be aware of any conflict of interest, this does not disqualify you for funding but requires a mitigation plan to collaborate with MDH
- Reach out with any questions regarding conflict of interest

Questions?

Thank You!

Melanie Innes

Health.ruralhospitalgrants@state.mn.us