KANSAS RURAL HEALTH TRANSFORMATION

Kansas Department of Health and Environment

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Applicant Summary: Year 2 Award Spotlight

Kansas Rural Health Transformation Grant (RHTP)

Programs:

- **Regional Partnership Grant Program (RPGP)**
- **Transformative Capital Investment Program (CAP)**

$55 Million
Total Year 2 Funding Pool (RPGP and CAP)

Funder:
Kansas Department of Health and Environment (KDHE)

Application Portal Deadline:
Noon (CT), Friday, Nov. 13, 2026

1 Program Overview and Comparison

	Regional Partnership Grant Program (RPGP)	Transformative Capital Investment Grant Program (CAP)
Total Program Pool	**$44 Million**	**$11 Million**
Anticipated Awards	10–15 grants of up to $5 Million each	5–10 grants of up to $3 Million each
Summary	Enables Eligible Providers and organizations partnering with eligible providers to collaborate to promote preventive health, enhance efficiency, attract/retain workforce, grow value-based care and adopt innovative technologies	Provides Eligible Providers with funds to make capital investments to transform how they serve their communities, including supporting Providers who are converting or recently converted to REH status
Core Objective	Support regional, multi-entity collaboratives that transform rural health delivery through shared service lines, workforce models, care coordination, or technology integration.	Provide funds for capital investments, major equipment upgrades and minor facility renovations to transform care delivery (including REH conversions).
Who Can Apply (Lead Applicant)	Any Kansas-based organization that has secured a written commitment from at least one rural Eligible Provider partner.	Only rural Eligible Providers (e.g., Critical Access Hospitals, RHCs, FQHCs, CCBHCs, rural practices).
Partner Requirements	Mandatory formal partnership with at least one rural Eligible Provider.	Optional; single facilities or provider networks may apply directly.

Eligible Providers Definition:

Kansas hospitals, physician practices, rural health clinics (RHCs), provider networks and consortia, federally qualified health centers (FQHCs), local health departments (LHDs), Native American Sovereign Tribal health facilities, certified community behavioral health clinics (CCBHCs), licensed substance use disorder (SUD) facilities and licensed long-term care facilities located in rural areas. For RPGP, "anchor hospitals," as defined in the Anchor Hospital Advancement Program may be listed as a partner on an RPGP application and satisfy the eligible provider requirement, provided it is not the lead applicant and RPGP funds are not used to directly support the hospital.

2 Key Timeline and Performance Dates

RFA Release Date	Oct. 2, 2026
Application Submission Deadline	Noon (CT), Friday, Nov. 13, 2026 *(Online portal must be completed in a single continuous session).*
Tentative Award Notification	Dec. 18, 2026
Official Performance Period	Dec. 18, 2026 – Sept. 30, 2028
Final Annual Progress Report Due	July 31, 2028
Final Expense Reimbursement Claim Due	Aug. 15, 2028
Full Fund Expenditure Deadline	Sept. 30, 2028

3 Allowable Vs. Disallowable Costs

Allowable Costs:

- ✓ **Personnel and Fringe Benefits:** Staff salaries, project directors, nurse navigators and administrative personnel directly executing project tasks (non-reimbursable scope).
- ✓ **Equipment (Category D):** Medical equipment (MRI, CT, ultrasound, lab equipment), mobile health units and technology systems valued at $10,000 or more per unit.
- ✓ **Supplies and Minor Devices (Category E):** Tablets, iPads, telehealth peripherals and user software licenses valued under $10,000 per unit.
- ✓ **Contractual and Professional Services:** Specialized consultants, third-party software/SaaS enterprise subscriptions, training curricula and vendor installation/maintenance contracts.
- ✓ **Minor Building Alterations and Facility Repairs (CAP and RPGP):** Interior remodeling, HVAC/roof repairs, plumbing, or facility reconfiguration to accommodate new equipment within an existing building footprint. **Renovations require prior CMS approval and count toward a 20% cap across KS' RHTP budget.**
- ✓ **EMR/EHR Replacements:** Can only be up to 5% of total project award and requires CMS approval.

Disallowable Costs:

- **New Facility Construction:** Constructing new buildings, expanding facility square footage, or erecting new facility additions.
- **Building Demolition:** Tearing down existing structures.
- **Broadband Infrastructure:** Installing primary broadband lines, towers, or network infrastructure.
- **Provider Payments in CAP:** Direct provider incentive payments are 0% allowable in CAP.
- **Reimbursable Care Salaries:** Clinician salaries for activities already billable to Medicare, Medicaid, or commercial payers.
- **Facilities with Non-Compete Agreements:** Clinician wage supports for facilities that subject clinicians to non-compete clauses.
- **Food and Meals:** Purchasing food or catering for community or staff meetings.
- **Supplanting Existing Budgets:** Replacing existing federal, state, or organizational operating funds with grant dollars.
- **Lobbying and Profit Generation:** Advocacy, lobbying, or investing in profit-generating vehicles/endowments.

4 Key Financial Rules and Cost Caps

5% Administrative and Indirect Cost Cap:

Total indirect and administrative expenses cannot exceed 5% of the requested grant award.

$228,000 Federal Salary Cap Rate:

Direct salaries charged to the grant cannot exceed an annual rate of $228,000 per individual.

$4 Million Combined Provider Payment Limit (RPGP Only):

Total provider incentive payments across all RPGP awardees combined cannot exceed $4 Million statewide.

Obligation-Based Advance Disbursement:

Funds are disbursed based on documented financial obligations (executed contracts, purchase orders, or payroll

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5 Subrecipient and Compliance Requirements

✓ **Federal Subrecipient Status (2 CFR Part 200):** Awardees act as KDHE subrecipients and must comply with federal Uniform Guidance, cost principles, procurement rules and Single Audit requirements.

✓ **Mandatory Registrations:** Awardees must possess an active SAM.gov UEI, FEIN and Kansas SMART Vendor ID before grant funds can be disbursed.

6 The 5 Core Program Objectives

Under both the Regional Partnership Grant Program (RPGP) and the Transformative Capital Investment Grant Program (CAP), every proposed project must clearly align with at least one of the five core program objectives.

Core Program Objectives:

1. **Chronic Disease Reduction:** Realize meaningful reductions in chronic disease rates and avoidable hospitalizations for complications related to chronic disease in rural Kansas.
2. **Hospital Financial Viability:** Substantially reduce the number of rural Kansas hospitals with negative operating margins.
3. **Workforce Development:** Improve provider-to-population ratios for primary care, dental and behavioral health services and ease nursing and allied health shortages in rural Kansas.
4. **Value-Based Care and Accountable Care:** 100% of Medicare and Medicaid beneficiaries in rural Kansas in accountable care relationships by 2031.
5. **Data, Technology and AI Adoption:** Enable rural Kansas providers to meaningfully engage in data sharing and analysis, expanded use of telehealth and remote monitoring, appropriate use of artificial intelligence and utilization of consumer-facing technologies

Sources / helpful links:

- KDHE Year 2 RPGP Request for Applications (RFA)
- KDHE Year 2 CAP Request for Applications (RFA)
- Year 2 RPGP and CAP Application Narrative Documents: RPGP Application Template (PDF) | CAP Application Template (PDF)
- Year 2 RPGP and CAP Informational Webinar Presentation slides
- KDHE Main RHTP Program Website
- KDHE Official Press Release

State Transformation Plan and Budget Narratives:

- Kansas Rural Health Transformation Plan — Year 2 Project Narrative
- Kansas Rural Health Transformation Plan — Year 2 Budget Narrative

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