



State of Vermont Agency of Human Services
280 State Drive | Waterbury, VT 05676

NOTICE OF FUNDING OPPORTUNITY

Rural Health Transformation Program Subrecipient Grant to Healthcare Providers to Transform, Innovate, and Regionalize Care

Subrecipient activities #4 and #19 RHT_AHSCO_0008_FY26

Questions and Answers:

1. What is the funding floor and ceiling for this NOFO grant?

There is no minimum or maximum award amount for this NOFO.

2. Is this for one year funding only? In other words, should the budget application reflect only one year of funding, or should applicants submit a specific amount for each 5 years of the RHT grant?

Budget should be submitted for a period of 12 months.

3. Approximately how many subrecipient awards does the State anticipate making under this NOFO?

The State will issue awards based on the proposals received in consideration of available funding.

4. What portion of the Year 1 RHT allocation of \$195,053,740.44 is reserved for this NOFO, and has funding been pre-allocated across the two subrecipient activities referenced on the cover page?

The State will issue awards based on the proposals received in consideration of available funding.

5. For this opportunity, an applicant must be physically located in Vermont. Could you provide clarity on that verbiage? Can we have an address where information can be mailed to, and that be considered as a physical address? Could we use our registered agent's address?

See section 2.1 eligibility.

6. Section 2.1 permits partnership proposals with a designated lead applicant and letters of commitment from partner organizations. Will the Agency clarify whether the lead applicant must itself be located in a rural ZIP code (or qualify under the FQHC, home health and hospice, or community mental health center exception), or whether a non-rural lead applicant may serve as grant recipient where the partnership directs services into rural communities?

See section 2.1 Eligibility

7. Section 2.1 limits eligibility to hospitals and nonhospital providers physically located in Vermont. Will the Agency clarify (a) whether an applicant whose corporate headquarters is located outside Vermont but which operates multiple physical service locations within rural Vermont ZIP codes qualifies as a provider physically located in Vermont for purposes of this NOFO, and (b) whether multi-site coordination within a single organization (e.g., across hospital service lines or across a multi-store provider network operating across more than one state) may be presented as the equivalent of inter-organizational partnership for purposes of Criterion 3 scoring?

See section 2.1 Eligibility, participating sites must be physically located in Vermont. Applicants should develop proposals that best allow them to meet the service requirements in accordance with the requirements of the funding source for this NOFO.

8. Are organizations permitted to submit more than one application (for different projects)?

Applicants should develop proposals that best allow them to meet the service requirements in accordance with the requirements of the funding source for this NOFO

9. Is there a limit on the number of applications that a single organization may submit?

Applicants should develop proposals that best allow them to meet the service requirements in accordance with the requirements of the funding source for this NOFO

10. Will workforce network and development activities that contribute to care innovation in sectors other than maternal care be considered?

Yes

11. Regarding the use of partners and procurement: if an organization plans to enter into subaward agreements with organizations to provide clinical staffing, as well as contracts with housing partners, would it be preferable to structure these relationships as second-tier subrecipients or sole-source partnerships using a competitive procurement process? There are multiple partners involved and we want to ensure we structure things appropriately.

Organizations should make determinations of their relationships in accordance with their established procurement policies and procedures as it relates to contracts and subaward.

12. Our project is in the development phase with an estimated program opening of fall 2028. There are a programmatic/organization side and a construction side to this project. If the period of the grant runs from 9/1/2026-7/30/2027 we will just be getting into construction at that time. Can this grant fund a model program development project if we aren't going to open doors to participants until fall 2028?

Applicants should develop proposals that best allow them to meet the service requirements in accordance with the requirements of the funding source for this NOFO. Funding must be expended during the award term.

13. We are planning and designing a multi-year project (e.g. 1 year of program development and at least 3 years of programming to measure and monitor impact and outcomes). If this grant extends funding for up to four one-year option periods, because we would not start serving clients and measuring outcomes/impact until fall 2028, would it be possible to defer Year 2 (construction year) and then renew for 3 additional option years?

See section 1.3 Award Period

14. Section 1.8 (3) Regarding grant funding that cannot supplant existing state or private funding for staff salaries. Do we interpret this as the grant being able to support current staff who would increase hours with funding from this grant to work on model program development?

See section 1.8 Funding Restrictions

15. Do proposed activities need to align directly with the “such as” examples listed in Section 2.2, or are those examples intended to be illustrative rather than limiting?

The examples are illustrative

16. How does the review process consider phased or multi-stage projects compared to projects that are fully ready for completion within the grant period?

Applicants should develop proposals that best allow them to meet the service requirements in accordance with the requirements of the funding source for this NOFO.

17. The cover page identifies this NOFO as supporting Subrecipient activities #4 and # __, with the second activity number omitted. Will the Agency confirm which CMS subrecipient activity number is paired with activity #4 under this NOFO, and clarify whether applicants must address both activities or may propose against only one?

Subrecipient activities 4 and 19.

Applicants should develop proposals that best allow them to meet the service requirements in accordance with the requirements of the funding source for this NOFO.

18. Section 1.3 states that Year 1 funds must be fully spent by July 30, 2027. Will the Agency confirm whether “spent” means cash disbursed by that date, or obligated through executed subcontracts, purchase orders, and binding commitments by that date with permissible drawdown thereafter?

Cash disbursed.

19. Section 1.8 states that subrecipient grant scope and funding may not be duplicative of activities awarded under other RHT subrecipient grant opportunities. Will the Agency confirm whether an organization that already holds an active RHT subrecipient award may apply for additional awards under this NOFO?

Yes.

20. Will the Agency describe the non-duplication test the State will apply at evaluation and at award negotiation to confirm that proposed scope, personnel, infrastructure, and deliverables are demonstrably distinct from activities funded under the applicant’s existing award?

Applicants are responsible for ensuring their proposals are demonstrably distinct and the State reserves the right to conduct in depth subrecipient monitoring and auditing.

21. Section 2.1 references hospital and nonhospital eligibility, and Section 3, Criterion 1 (Qualifications/Experience), evaluates organizational capacity. Will the Agency confirm whether applicants holding existing federal or state designation – including Critical Access Hospital, Federally Qualified Health Center, Rural Emergency Hospital, NCQA-recognized Patient-Centered Medical Home, or Blueprint for Health Administrative Entity status – may cite that infrastructure as leveraged capacity under Criterion 1 and as a sustainability anchor under Criterion 4 without that infrastructure being treated as supplanting existing State or local funding under Section 1.8?

Applicants should develop proposals that best allow them to meet the service requirements in accordance with the requirements of the funding source for this NOFO.

22. Section 1.8 prohibits funding for clinician salaries or wage supports at facilities that subject clinicians to non-compete contractual limitations. Will the Agency confirm whether this restriction applies:

- a. only to clinicians whose salary or wage support is funded under this award
- b. or to all clinicians at the applicant organization
- c. or to all clinicians across any affiliated parent, network, or related entity, and whether the restriction applies equally to non-physician clinical staff including clinical pharmacists, advanced practice providers, and registered nurses

Facilities with clinician non-competes are not automatically disqualified from receiving an award. However, grant funds may not be used for clinician salary or wage support for clinicians who are subject to non-compete contractual limitations, consistent with the restrictions on specific uses of funds described in Section 1.8.7 of the NOFO.

23. Section 1.8 prohibits funding of clinical services that could be reimbursed by insurance, while Section 2.2 expressly invites proposals to expand FQHC primary care services, develop regional service hubs, and create lower-acuity community-centered models for high-need populations.

Will the Agency describe the criteria the Agency and CMS will apply when evaluating whether a proposed clinical service (including pharmacy-based clinical services, behavioral health integration, and community paramedicine) qualifies as a non-duplicative, gap-filling, or transformational activity?

See section 1.8 Funding Restrictions

Applicants should develop proposals that best allow them to meet the service requirements in accordance with the requirements of the funding source for this NOFO.

24. When in the application or post-award process CMS final approval will be confirmed?

The State is in ongoing engagements with CMS and will communicate on a timeline that works in the best interest of the State.

25. Section 2.2.4 contemplates feasibility analysis and planning for hospital designation transitions, including Rural Emergency Hospital, Critical Access Hospital, or similar designations. Will the Agency confirm whether consultant fees, legal advisory costs, regulatory filing costs, and community engagement costs supporting either a formal designation change or a service-line transformation within an existing designation are allowable under this NOFO?

Yes.

26. Will the Agency expect pre-submission consultation on proposed designation or transformation scope?

No.

27. Section 3, Criterion 3 (Partnership and Collaboration), is weighed at 5 of 100 points. Will the Agency confirm whether a single-applicant proposal that demonstrates strong internal multi-site coordination, regional service delivery, or formal affiliation agreements can receive full or partial credit under this criterion, or whether external partner letters of commitment are required to earn any points?

They are not required. Applicants should develop proposals that best allow them to meet the service requirements in accordance with the requirements of the funding source for this NOFO.

28. Section 3, Criterion 7 (Rurality), is weighed at 10 of 100 points and measures the extent to which a proposal prioritizes and benefits rural Vermonters as defined in Appendix B, Table 1. Will the Agency clarify:

- how applications proposing services that benefit both rural and non-rural ZIP codes will be scored – for example, by share of patients served in rural ZIP codes, by share of budget directed to rural sites, or by another defined methodology
- and whether organizations holding Critical Access Hospital designation or operating exclusively in rural ZIP codes receive any explicit prioritization beyond the criterion’s rubric language?

Applicants should develop proposals that best allow them to meet the service requirements in accordance with the requirements of the funding source for this NOFO.

29. Section 2.1 references letters of commitment from partner organizations, and Criterion 3 weights Partnership and Collaboration at 5 of 100 points. Will the Agency clarify how institutional endorsement letters from regional health systems, network parent organizations, or anchor institutions – issued in support of an applicant’s strategic alignment but without budget transfer, formal subaward, or operational commitment – will be evaluated under Criterion 3 relative to formal partnership letters of commitment that include scope and resource pledges?

Applicants should develop proposals that best allow them to meet the service requirements in accordance with the requirements of the funding source for this NOFO.

30. Section 4.6.4 references the Federally Negotiated Indirect Cost Rate Agreement (NICRA) letter as required “if applicable.” Will the Agency confirm the indirect cost rate available to applicants that do not hold a NICRA – specifically, whether the 15% de minimis rate under 2 CFR 200.414(f), as updated by OMB in October 2024, is the default – and whether the Appendix A Budget Workbook accommodates that election?

Recipients and subrecipients that do not have a current Federal negotiated indirect cost rate (including provisional rate) may elect to charge a de minimis rate of up to 15 percent of modified total direct costs (MTDC). See 2 CFR 200.414 for additional information.



31. If we sign a multiple-year contract with vendors, could funding from this grant help with ongoing EMR subscriptions fees as well? Fees would include not only for the EMR software, but fees related to hardware such as HIPAA compliant tablets and phones employees need for home visits, record sharing, and telehealth appointments.

Applicants should develop proposals that best allow them to meet the service requirements in accordance with the requirements of the funding source for this NOFO.

See Section 1.8 Funding Restrictions and 2.2. Services. All projects will be subject to CMS review and approval.