

# Rural Health Care Delivery Fund Stabilization Grant FY27-29

## Frequently Asked Questions (FAQs)

### Program Information

#### **1.Q: What is the primary purpose of the Rural Health Care Delivery Fund (RHCDF) Stabilization Grants?**

A: The fund is designed to support the stabilization of rural health care services by offsetting documented operating losses associated with delivering existing services. The goal is to help organizations achieve financial stability so that essential health care services can continue in rural communities without disruption.

#### **2.Q: Who is eligible to apply for this funding?**

A: Eligible applicants must be licensed New Mexico Medicaid Enrolled Providers who are actively serving Medicaid patients. This includes rural health care facilities and rural health care providers.

#### **3.Q: What types of operational areas can be proposed as a stabilization project?**

A: Stabilization projects may focus on maintaining the financial viability of existing services that are experiencing operating losses. Projects may be structured around:

- An entire clinic or facility
- A specific service line
- A specific program
- A specific location or service site

Applicants should define the project scope clearly in the narrative and ensure the budget and workplan reflect the specific services or operations being stabilized.

#### **4. Q: Can applicants submit multiple applications?**

A: Yes. An organization may submit more than one application. There is no limit on the number of submissions an organization may propose; however, each application must represent a distinct stabilization project.

#### **5. Q: Can a single application include multiple service lines or locations?**

A: Yes. A single application may include multiple service lines or locations if they are part of the same stabilization project. The workplan and budget must clearly

identify each service line or location and demonstrate the associated operating losses. If the stabilization needs are unrelated or represent separate operational challenges, applicants should submit separate applications.

**6.Q: What geographic areas qualify as "rural" for this grant?**

A: Services must be provided in a New Mexico county with a population of 100,000 or fewer or in a rural high-needs geographic health professional shortage area (HPSA). Tribally operated health care facilities are also eligible. Certain areas of Bernalillo, Santa Fe, and Doña Ana counties are specifically excluded.

**7.Q: What types of service lines qualify for funding?**

A: Existing health care services eligible for Medicaid reimbursement that are currently at risk of significant reduction or closure may qualify for funding. Qualifying service types include, but are not limited to, Primary Care, Inpatient and Outpatient Services, Behavioral Health, Dental Care, Transportation, Specialty Care, and Telehealth.

**8.Q: Do projected losses qualify for funding?**

A: Yes. Applicants may use both current and projected losses to qualify for funding. Funding awards are determined based on the documented stabilization need and anticipated financial losses associated with maintaining existing services. Applicants must provide adequate cost data and financial documentation (such as Balance Sheets, Income Statements, and Cash Flow to support and substantiate anticipated operating losses.

**9.Q: How should organizations apply if they operate in both rural and urban areas?**

A: Organizations that operate in both rural and urban areas may apply; however, only services provided in qualifying rural communities are eligible for funding under this grant. Applicants must ensure that the application narrative, workplan and budget only reflect stabilization for services that are delivered to eligible rural populations. Failure to limit the application to eligible rural services may result in the application being deemed non-responsive or disqualified.

Funding and Use of Funds

**10.Q: How much total funding is available for this program?**

A: A total of \$50,000,000 is available for all combined awards, contingent on funding availability.

**11.Q: What is the funding timeline?**

A: The funding cycle operates from August 1, 2026, through June 30, 2029, covering New Mexico State Fiscal Years FY27 through FY29. Organizations may request funding for one, two, or three years within this period, based on documented stabilization needs.

**12.Q: What is the funding start date?**

A: While the funding timeline begins in August, the specific start date for selected applicants begins upon the date of contract execution. It is important to note that any costs incurred prior to the contract execution and start date are strictly not allowable.

**13.Q: Are grant funds provided in advance or reimbursed after costs are incurred?**

A: Funding will only be provided on a reimbursement basis. Applicants must incur eligible costs first and then submit documentation for reimbursement in accordance with contract requirements.

**14.Q: What costs are considered "allowable" under the grant?**

A: Allowable costs include ongoing operational expenses and losses incurred through usual health care business practices that are necessary to maintain existing services. This includes maintaining workforce stability (staffing costs), stabilizing core operational functions (utilities, supplies), and preserving access to existing services.

**15.Q: Can grant funds be used to support current open positions?**

A: Yes. Grant funds may be used to support current open positions if the position is necessary to maintain existing services. Applicants must clearly justify how the position supports service continuity and demonstrate that the associated costs are part of the documented operating loss.

**16.Q: What costs are prohibited?**

A: The grant cannot be used for growth, expansion, or new initiatives. Prohibited costs include:

- **New service lines** or specialties beyond the current scope of care.
- Marketing, outreach, or strategic **planning focused on growth**.

- **Capital projects**, such as facility expansion, new construction, or the purchase of land and buildings.
- **Technology upgrades** that increase service capacity or patient volume (unless strictly justified as necessary for maintaining current operations).
- **Past expenses:** Any costs incurred prior to the selected applicants executed contract and funding start date, are not allowable

## Application Requirements

### **17.Q: When is the application deadline?**

A: Applications must be submitted through the designated portal no later than 11:59 pm (MST) on April 19, 2026.

### **18.Q: What is the Oral Presentation and is it required?**

A: The oral presentation may be requested by the HCA. If it is requested, it will be requested and required for all applicants who make it through the initial review process. The oral presentation will be 15 minutes and virtual. More information will be provided at the time of scheduling.

### **19.Q: What are the mandatory components of the application?**

A: Applicants must submit an application using the designated platform, Submittable. The application includes a narrative proposal, a detailed workplan, a detailed budget, and specific financial documents (Balance Sheet, Income Statement, Cash Flow Statement, and IRS Form 990 for non-profits). Please reference the RFA for the full application questions.

### **20.Q: Are there specific formatting rules for the budget and workplan?**

A: Yes. Applicants must use the provided templates; using any other format may result in automatic disqualification. Additionally, the use of abbreviations or acronyms is strictly prohibited in both the budget and the workplan. The requested funding period must align with the workplan and budget and must reflect the specific fiscal years for which stabilization support is required.

### **21.Q: What are the requirements for the Workplan?**

A: The workplan must include at least three stabilization strategies, each supported with at least three activities. At least two activities per strategy must include a quantitative, measurable output.

### **22.Q: What time period must be included in the budget projections?**

A: Applicants must provide financial projections for applicable funding timeline New Mexico State Fiscal Years FY27 through FY29. All projections must align with the funding period and reflect anticipated operating conditions for existing services. Applicants must ensure that detailed expenditures reflect the align with the New Mexico State Fiscal Year, which runs from July 1 through June 30, rather than the calendar year.

**23.Q: What is considered "fringe" in the budget?**

A: Fringe refers to employee-related benefit costs associated with wages or salaries, such as health insurance, retirement contributions, and payroll taxes.

**24.Q: How should organizations reflect decreased revenue or financial challenges in the budget?**

A: The application process requires using a mandatory budget template designed to comprehensively capture all anticipated expenses and all revenue streams. Applicants should include realistic projections with considering estimated expected Medicaid revenue, changes in payer mix, or increased operating costs. No separate calculation is required beyond completing the template accurately.

**25.Q: How do I calculate the metrics in Section 4 of the application?**

A: You may calculate using the most recent complete month. If you use a different calculation method (i.e. average for the last 6 months) please explain your calculation method in the provided answer box.

Compliance and Accountability

**26.Q: What are the reporting requirements for awarded organizations?**

A: Awardees must submit quarterly and annual reports demonstrating service stabilization using performance metrics. They must also complete stability surveys six months and one year after the funding period ends.

**27.Q: What happens to funds that are not spent by the end of the grant period?**

A: All awarded funds must be spent by the end of the funding period; any unexpended funds will be returned to the Health Care Authority.

**28.Q: What is the requirement regarding Presumptive Eligibility (PE)?**

A: If an applicant is eligible for the New Mexico Medicaid Presumptive Eligibility program, to remain eligible for this funding, they must have or train at least one

certified Presumptive Eligibility Determiner (PED) within 120 days of receiving funding.

### Sample Application Project Scenarios:

#### **Scenario 1: Stabilizing an Entire Clinic or Facility**

Example:

A rural health clinic is experiencing sustained operating losses due to staffing costs and increased supply expenses. The organization proposes one stabilization project to support the continued operation of the entire clinic.

How to Apply:

Submit **one application** covering the full scope of clinic operations. The budget should reflect total operational expenses and recognized revenue for the clinic, and the workplan should focus on maintaining existing services.

#### **Scenario 2: Stabilizing a Single Service Line**

Example:

A hospital is experiencing financial losses in its behavioral health outpatient program but other service lines remain financially stable.

How to Apply:

Submit **one application** focused specifically on the behavioral health service line. The budget and workplan should reflect only the expenses and revenue associated with that service.

#### **Scenario 3: Stabilizing Services at Multiple Locations**

Example:

An organization operates three rural clinics in different counties, and each clinic is experiencing operating losses.

How to Apply:

Submit **one application** covering all locations if they are part of the same stabilization project. The workplan must clearly identify each site and the timeline for stabilization activities.

#### **Scenario 4: Submitting Separate Applications for Distinct Projects**

Example:

An organization operates both a primary care clinic and a dental program. Each program has different operational challenges and requires separate stabilization strategies.

How to Apply:

Submit **separate applications** for each project. Each application must include its own workplan and budget.

#### **Scenario 5: Stabilizing a Program Serving Rural Patients from a Non-Rural Location**

Example:

A provider located in a non-rural county delivers services to patients in surrounding rural communities and is experiencing operating losses related to those services.

How to Apply:

Submit **one application** focused only on the services provided to rural populations. The budget, workplan, and narrative must include only the costs and recognized revenue directly associated with services delivered to rural areas or rural patients.

#### **Scenario 6: Requesting Funding for Only One Year**

Example:

A clinic anticipates temporary financial strain due to workforce shortages and expects operations to stabilize within one fiscal year.

How to Apply:

Submit **one application** requesting funding for a single fiscal year. The budget and workplan should include only that fiscal year and must align with the State Fiscal Year timeline.