



HEALTH CARE
AUTHORITY

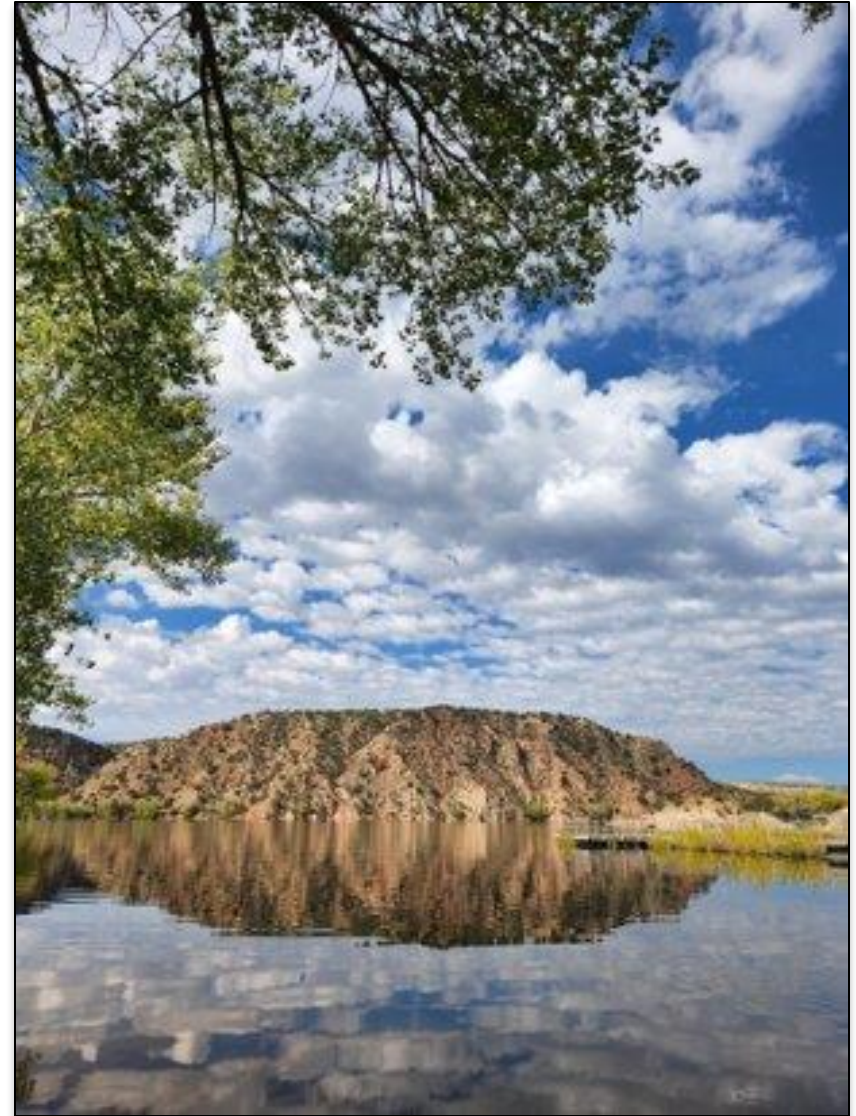


RURAL HEALTH CARE DELIVERY FUND
WRITING A STRONG BUDGET AND WORKPLAN
MARCH 20, 2026, 12:00 - 1:00PM
INVESTING FOR TOMORROW, DELIVERING TODAY.

BEFORE WE START...

On behalf of all colleagues at the Health Care Authority, we humbly acknowledge we are on the unceded ancestral lands of the original peoples of the Pueblo, Apache, and Diné past, present, and future.

With gratitude we pay our respects to the land, the people and the communities that contribute to what today is known as the State of New Mexico.



*A cloudy morning looking over Santa Cruz Lake.
Photo taken by HCA employee Jessica Gomez*





HEALTH CARE
AUTHORITY

MISSION

We ensure New Mexicans attain their highest level of health by providing whole-person, cost-effective, accessible, and high-quality health care and safety-net services.

VISION

Every New Mexican has access to affordable health care coverage through a coordinated and seamless health care system.

GOALS



LEVERAGE purchasing power and partnerships to create innovative policies and models of comprehensive health care coverage that improve the health and well-being of New Mexicans and the workforce.



BUILD the best team in state government by supporting employees' continuous growth and wellness.



ACHIEVE health equity by addressing poverty, discrimination, and lack of resources, building a New Mexico where everyone thrives.



IMPLEMENT innovative technology and data-driven decision-making to provide unparalleled, convenient access to services and information.

AGENDA

Time	Agenda Item	Facilitator(s)
12:00	Welcome & Overview	Amy
12:05	Review Application Requirements & Timeline	Amy
12:10	Budgeting Basics: Grant Budget VS General Budget	Kori
12:15	RHCDF Budget Requirements, Allowable and Unallowable Costs	Kori
12:20	Building a Strong Budget: Considerations, Revenue, Getting Started	Kori
12:30	Workplan Overview: What is it and why is it Important?	Kori
12:35	RHCDF Workplan Requirements and Components of a Workplan	Kori
12:40	Digging Deeper: Stabilization Strategies and Completing the Template	Kori
12:45PM	Q&A	All



TIMELINE & DEADLINES

Action	Responsible Party	Deadline
Online Application Open – Additional Information available in Section 7 of RFA	HCA	March 16, 2026
Technical Assistance Webinar: Overview and Application Guidance – Registration and recording available at https://www.hca.nm.gov/primary-care-council/rural-health-care-delivery-fund/	HCA	March 17, 2026
Technical Assistance Webinar: Building a Strong Budget and Workplan Registration and recording available at https://www.hca.nm.gov/primary-care-council/rural-health-care-delivery-fund/	HCA	March 20, 2026
Deadline to Apply (All applicants)	HCA	April 19, 2026
Application Review Period – Additional information available in RFA.	HCA	April 19- May 29, 2026
Oral Presentations- A brief 15-minute virtual presentation may be requested for eligible applicants at HCA’s discretion.	Applicant and HCA	May 21 - 22, 2026* <i>* Dates subject to change based on application volume</i>
Final Approval and Notification of Award (All applicants)	HCA	May 30 - June 14, 2026
Contract Negotiation – Contracts will be finalized. If mutually agreeable terms cannot be reached with the awarded applicant in the time specified, HCA reserves the right to withdraw funding.	Awarded Applicant and HCA	June 14 - July 31, 2026** <i>**Acceptance deadline June 30, 2026</i>
Funding Start Date – Invoicing can begin once contract is signed and executed. This may take longer if there are any delays in contracting.	Awarded Applicant	August 1, 2026



RURAL HEALTH STABILIZATION

This round of funding aims to maintain quality healthcare in rural communities by supporting the stabilization of health care services. Eligible applicants may receive funding to cover operational losses and costs that are necessary to maintain service delivery, helping ensure that rural New Mexicans continue to have the care they need available.

PLEASE NOTE:

This funding cycle is for *existing* facilities and services only. It does not support expansion or new service lines.



BUDGETING BASICS: GRANT VS GENERAL BUDGET

Aspect	General Budget	Grant Budget
Purpose	Provides a financial plan for the overall operations of an organization or department.	<i>Developed specifically to support a grant-funded project; aligns with the grantor's objectives and requirements.</i>
Funding Source	Draws from internal revenue, donations, or diverse income sources.	<i>Based on external funding from a specific funder (e.g., government, foundation).</i>
Structure	Flexibly structured according to organizational goals and financial practices.	<i>Must adhere to strict guidelines, required formats, and predefined line items set by the funder.</i>
Restrictions	More adaptable; permits discretionary spending aligned with strategic priorities.	<i>Highly regulated; funds must be used according to the funder's rules for allowable and unallowable costs.</i>
Reporting	Primarily used for internal planning; may not require external reporting.	<i>Requires detailed tracking, justification, and regular reporting to the funder.</i>
Flexibility	Considered a "living document" that can be revised based on actual income and expenses.	<i>Fixed once approved; adjustments often require formal approval from the funder.</i>
Timeframe	Usually follows the organization's fiscal or calendar year.	<i>Typically aligned with the grant term and fiscal year of funding organization.</i>



RCHDF BUDGET REQUIREMENTS

- The RHCDF provides funding for ongoing costs of rural health care providers and facilities to **stabilize existing health care services**. Applicants should include only **costs related to maintaining existing operations** and services.
- One-time and ongoing costs must be clearly identified.
- Activities funded by other grant programs are not eligible for funding under the RHCDF. Funds from different grants must be maintained separately and **may not be co-mingled or used to support the same projects, activities, or purposes**.
- Using the **RHCDF Budget Template** is required for this application.
 - ***** Please note: Budgets submitted on any other worksheet or template will automatically be disqualified from funding consideration.***
- Applicants must complete all sections of the required budget template.
- All items in your budget must be allowable costs (see slide 10 for details or APPENDIX C in the RFA)

For more details on Allowable and Prohibited Costs and Limitations, see section 4.2 in the [RFA](#)



ALLOWABLE AND UNALLOWABLE COSTS



Allowable Costs

- Losses incurred through usual and customary health care business practice.
- Ongoing operational and stabilization-related expenses necessary to maintain existing rural health care services.
- Stabilization of the provision of health care services when those services are operating at a loss and/or at risk of reduction or closure.



Unallowable Costs

- Marketing or outreach activities
- New service lines or specialties
- Patient volume expansion
- Facility expansion, new construction, or purchase of land/buildings
- Technology upgrades that increase capacity
- Strategic planning for growth
- Operations outside of New Mexico



BUILDING A STRONG BUDGET - CONSIDERATIONS

1 *First, PLEASE read the ENTIRE RFA and review the required budget template*

- It is acceptable to make projections but ensure they are informed and grounded in experience and realistic expectations for the future.
- Avoid padding the budget
 - Request amounts that are realistic and fully supportable, keeping in mind that receipts and documentation will be required with each invoice that is submitted.
 - *Please note: Unspent dollars at the end of the fiscal year may not carry forward.*
- Avoid underbudgeting
 - Not budgeting enough or trying to be too conservative can jeopardize delivery.
- Overestimating can leave funds stranded in specific line items that must be spent within that category, and reallocating or using those dollars appropriately is often more difficult than anticipated.



BUILDING A STRONG BUDGET - GETTING STARTED

- Provide clear justifications. Your budget narrative is where credibility lives.
 - Include:
 - Unit cost × quantity × time
 - Why the item is necessary
 - How the cost was calculated

- Make sure that all FTEs are right sized. Personnel is often the largest expense.
 - ✓ Match FTE allocations to workload.
 - ✓ Include fringe benefits.
 - ✓ Avoid over- or under-allocation.
 - ✓ Ensure roles reflect actual responsibilities

- Understated staffing signals risk. Overstated staffing signals inefficiency

DESCRIPTION	JUSTIFICATION - Required (Specify how funds will be spent, identify the relevant Goal & Strategy in your Workplan)
BH NP (1.0 FTE)	<i>Provides behavioral health services</i>
Nurse (1.0 FTE)	<i>Provides nursing services, immunizations, etc to all patients</i>
Nurse (1.0 FTE)	<i>Provides nursing services, immunizations, etc to all patients</i>
Front Office Clerk (.5 FTE)	<i>Answers phone calls, schedules patients, greets and obtains paperwork</i>
Front Office Clerk (1.0 FTE)	<i>Answers phone calls, schedules patients, greets and obtains paperwork</i>
Office Manager (1.0 FTE)	<i>manages office and mainatains supplies etc</i>
Fringe	<i>30% fringe benefits for all staff listed above</i>
Operations - Telecommunications	<i>Phone/data lines</i>
Operations - Medical Supplies	<i>Routine supplies for exams & procedures.</i>
Operations - Behavioral Health Supplies/Equipment	<i>Routine supplies for BH</i>



REVENUE

- Understand your patient population
- Know when your contracting dates are with MCOs
- Revenue is key to sustainability of your proposal
- **Other Revenue:** Include other secured funding sources, such as grants or philanthropic contributions committed to the project.
- **Recognized revenue:** Operating revenue, including revenue directly related to the rendering of patient care services and revenue from non-patient care services to patients and persons other than patients; the value of donated commodities; supplemental payments; distributions from the safety net care pool fund; and distributions of federal funds.
- **Service Revenue:** Estimate the revenue your new service line or expansion is expected to generate. While this is a projection, it should be informed and realistic. If no revenue is expected initially (e.g., new organization), that is acceptable—just note it clearly. Consider timelines for hiring and recruitment, licensure, payer enrollment, and claim processing delays.
- Provide your true revenue, these funds are for operational losses, it is ok to show these realities.



BUILDING A STRONG BUDGET – LINE-ITEM GUIDANCE

HR - Staff Salaries (indicate FTE or percentage of time allocated to the project)				
NP (1.0 FTE)	<i>Provides primary care services</i>	\$ 120,000.00	\$ 122,400.00	\$ 124,800.00
PA (1.0 FTE)	<i>Provides pediatric services</i>	\$ 120,000.00	\$ 122,400.00	\$ 124,800.00
BH NP (1.0 FTE)	<i>Provides behavioral health services</i>	\$ 120,000.00	\$ 122,400.00	\$ 124,800.00
Nurse (1.0 FTE)	<i>provides nursing services, immunizations, etc to all patients</i>	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00
Nurse (1.0 FTE)	<i>provides nursing services, immunizations, etc to all patients</i>	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00
Front Office Clerk (.5 FTE)	<i>Answers phone calls, schedules patients, greets and obtains paperwork</i>	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
Front Office Clerk (1.0 FTE)	<i>Answers phone calls, schedules patients, greets and obtains paperwork</i>	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00
Office Manager (1.0 FTE)	<i>manages office and maintains supplies etc</i>	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00
Fringe	<i>30% fringe benefits - all staff rows totaled and multiplied by 0.3</i>	\$ 193,500.00	\$ 195,660.00	\$ 197,820.00

What makes the snapshot above a good example?

1. All staff are listed on separate lines, detail % FTE on the project, and describe each person's role
2. Fringe is listed as a separate line item and is a sum of all salaries multiplied by the % fringe rate
**** Note that the fringe rate you include in your budget, MUST be backed up with payroll reports. RHCDF only reimburses up to a 30% fringe rate.**
3. Expenses are allowable and adhere to the required budget categories
4. Detail a clear justification on how the funds will be spent



WHAT IS A WORKPLAN? WHY IS IT IMPORTANT?

Workplans are roadmap for your project

- Workplans should tell a story - when and how you are going to reach your goals. They explain **what you will do, when you will do it, and how those actions lead to your project goals.**
 - Helps ensure **accountability, progress tracking, and shared expectations.**
- Your workplan and budget are intrinsically linked – each strategy must link directly to one (or more) of the line items on your budget.

Set your organization up for success:

- Be realistic! It's better to hit small, realistic goals than to be working toward a large moonshot goal.
- Be conservative with your timelines.

We know change happens, if it does, please alert the RHCDF work team in writing of significant changes in timeline, personnel or work product within 14 business days.



BUILDING A STRONG WORKPLAN – BASICS

- Using the [RHCDF Workplan Template](#) is a requirement.
 - ***** Please note: Workplans submitted on any other worksheet or template will automatically be disqualified from funding consideration.***
- Fill in each cell completely for each strategy.
- For each strategy, you must list at least a minimum of 3 activities.
- All activities should have a quantifiable element (numbers, timelines, milestones, or measurable outputs).
- **Be specific with all activities and descriptions!**
 - Instead of writing "We will exceed HEDIS strategies", write, "We will exceed 3 of our 7 HEDIS measures by 2027 Q1"



STABILIZATION STRATEGIES

There are 4 Stabilization Strategies to choose from

* Per the RFA, you MUST include a minimum of 3 Stabilization Strategies (with a minimum of 3 associated activities) in your workplan!

- **Maintaining Workforce Stability:** Supporting staffing costs necessary to retain essential clinical and operational personnel where compensation and benefits exceed available revenue.
 - *Note: This strategy is intended to maintain existing workforce capacity, not to add new service lines or expand beyond current operational scope.*
- **Stabilizing Core Operational Functions:** Addressing unavoidable operating costs (such as supplies, utilities, contracts, or software licenses) that are required to maintain day-to-day service delivery.
 - *Note: This strategy supports operational continuity and financial sustainability but does not fund service expansion or new program development.*
- **Preserving Access to Existing Services:** Offsetting financial losses associated with delivering current health care services to rural populations, particularly where low patient volume, high Medicaid or uninsured payor mix, or geographic isolation limits revenue.
 - *Note: This strategy focuses on sustaining current service capacity, rather than expanding into new specialties.*
- **Maintaining Safe and Functional Facilities and Systems:** Supporting facility-related, infrastructure, and information technology costs necessary to maintain safe, compliant, and fully operational systems that support existing service delivery.
 - *Note: This strategy is intended to preserve existing infrastructure and operational capacity and does not support facility expansion or capacity growth.*



COMPLETING THE TEMPLATE - A CLOSER LOOK...

- ✓ A required Stabilization Strategy was selected from the drop-down menu.
- ✓ A clear and quantifiable outcome is stated.

- ✓ The full first and last name and title of each individual responsible for carrying out the project is listed.

Stabilization Strategy and Activities <small>Activities must support the sustainability of existing services and may not describe service expansion or new service lines.</small>		Name(s) of Individual(s) Responsible <small>(First Name, Last Name, Title)</small>	Year 1, FY27 <small>(07/01/26 - 06/30/27) <small>(Highlight applicable cell(s) below)</small></small>	Year 2, FY28 <small>(07/01/27 - 06/30/28) <small>(Highlight applicable cell(s) below)</small></small>	Year 3, FY29 <small>(07/01/28 - 06/30/29) <small>(Highlight applicable cell(s) below)</small></small>
Maintaining Workforce Stability					
Strategy 1 Intended Outcome:					
	<i>Decrease clinician turn over rate by 3% in first 6 months</i>	Kori Novak, CEO			
Activity 1	<i>Understand the problems with turnover</i> <i>Create and Send out anonymous survey within 2 weeks of announcement</i>	Kori Novak, CEO; Selena Rodriguez, CIO			
Activity 2	<i>Discuss issues and solutions</i> <i>Hold clinician town hall to discuss survey within 3 weeks of analysis being finished</i>	Kori Novak CEO; Shelby Danilowicz, COO			
Activity 3	<i>Reexamine bonus and pay structure</i> <i>Examine how clinicians are paid out bonuses as well as look at different pay for performance plans</i>	Kori Novak, CEO; Hugo Iribarren, CFO			
Activity 4	<i>Examine culture of clinicians</i> <i>Perform and evaluate clinic wide survey for culture</i>	Hala Reeder, CPO; Selena Rodriguez, CIO			

- ✓ Activities are clearly labeled and are action-oriented

- ✓ A clear and achievable timeline is identified

- ✓ There are a minimum of 3 activities listed, they are quantifiable and create a clear plan for how this strategy will be carried out.



WHAT MAKES THIS A GOOD EXAMPLE?

- ✓ **Sustainability Strategy Identified:** Selected from approved drop-down list in cell.
- ✓ **Ensures Feasibility and Realism:** Details the activities, outcome, responsible individual(s), and timeline for when the strategy will be carried out.
- ✓ **Promotes Accountability:** Demonstrates transparency and accountability by showing a clear connection between strategies, activities, and intended outcome.
- ✓ **Supports Performance Monitoring:** Tracks progress and assesses whether the project is on time, within scope, and on budget.
- ✓ **Prevents Overspending or Underspending:** Aligned with the budget helps to allocate resources appropriately across all tasks.
- ✓ **Enhances Strategic Planning:** The project team has considered how to use limited resources to achieve the greatest community impact.



Q&A

IF YOUR QUESTION WAS NOT ADDRESSED IN TODAY'S PRESENTATION, OR IF OTHER QUESTIONS ARISE
WHILE YOU'RE COMPLETING YOUR APPLICATION, EMAIL:

HCA.RHCDF@HCA.NM.GOV

APPENDICES

APPENDIX A: BUDGET – STEP-BY-STEP

(1) Click the link to open the Budget Template

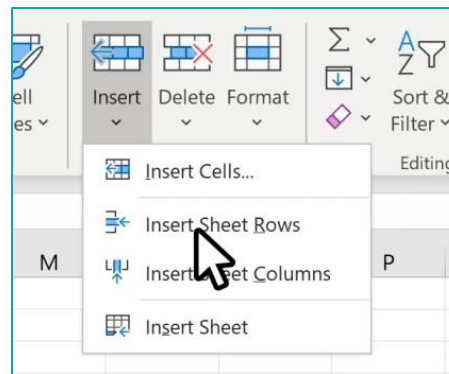
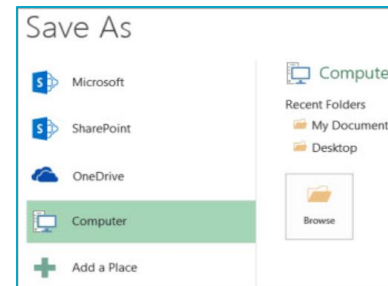
https://www.hca.nm.gov/wp-content/uploads/TEMPLATE-RHCDF-Budget_FY27-29-Copy.xlsx

(2) Download/Save to Your Computer

(3) Estimate expected project expenses

- Add rows for each staff member.
- Add rows as needed for additional line items.

Right click the Excel sheet and click "Insert" or go to the Home Tab to add rows to your Excel Sheet.



PROJECT EXPENSES

- Justify each line item clearly and tie it directly to your Workplan goals.
- Include reasonable and scalable estimates that align with the project scope.
- Remember to plan for ongoing costs like staffing and tech subscriptions.
- Fringe should be separated from salaries, there is a separate line item for that.



BUDGET – STEP BY STEP

(4) Describe each line-item clearly

Clearly specify how funds will be spent.

DESCRIPTION	JUSTIFICATION - Required (Specify how funds will be spent, identify the relevant Goal & Activity in your Workplan)	YEAR 1 BUDGET ESTIMATES *6 months (Jan 2026 - June 2026)	YEAR 2 BUDGET ESTIMATES (July 2026 - June 2027)	YEAR 3 BUDGET ESTIMATES (July 2027 - June 2028)
Facilities - Office Space	<i>We will remnovate 600 sq/ft of current office space, our rent is \$10,000 monthly, but this expansion project utilizes about 20% of our space. Therefore, rent cost is expected to be \$2,000/mo.</i>	\$ 12,000.00	\$ 24,000.00	\$ 24,960.00

(5) Ensure Timeline Alignment

Please note, the State Fiscal Year does NOT match the Calendar Year. Make sure your budget allocation is appropriate given the shorted timeframe.

YEAR 1 BUDGET ESTIMATES	YEAR 2 BUDGET ESTIMATES	YEAR 3 BUDGET ESTIMATES
(July 1, 2027 - June 30, 2028)	(July 1, 2027 - June 30, 2028)	(July 01, 2027 - June 30, 2028)



BUDGET – STEP BY STEP

(6) Check eligibility and total funding amount

Your funding amount and year by year eligibility is auto-calculated in blue at the bottom of the budget form, please review and ensure this reflects your intended request.

TOTAL EXPENSES		\$ 896,200.00	\$ 895,560.00	\$ 905,880.00
TOTAL REVENUE		\$ 500,000.00	\$ 400,000.00	\$ 400,000.00
TOTAL OPERATIONAL LOSES		\$ (396,200.00)	\$ (495,560.00)	\$ (505,880.00)
AMOUNT OF ELIGIBLE FUNDING BY YEAR		\$ 396,200.00	\$ 495,560.00	\$ 505,880.00
TOTAL ELIGIBLE FUNDING		\$ 1,397,640.00		

If you are experiencing difficulties and the automated sum is not capturing your request. Please reach out to us directly for technical support.

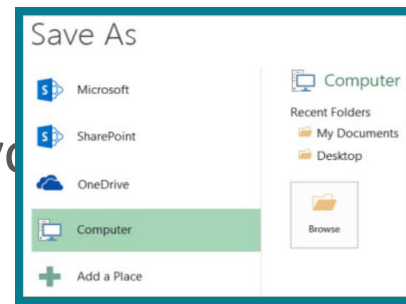


APPENDIX B: WORKPLAN – STEP-BY-STEP

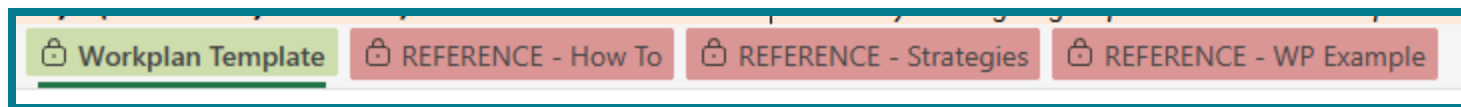
(1) Click the link to open the **Workplan Template**

<https://www.hca.nm.gov/wp-content/uploads/TEMPLATE-RHCDF-Budget FY27-29-Copy.xlsx>

(2) Download and save the template to your computer



(3) There are 3 reference tabs (red) and one input tab (green) -- **review ALL FOUR tabs completely** before starting to develop your workplan in the green "Workplan Template" tab



Stabilization Strategies



- **Maintaining Workforce Stability:** Supporting staffing costs necessary to retain essential personnel.
- **Stabilizing Core Operational Functions:** Addressing unavoidable operating costs that are required to maintain service delivery.
- **Preserving Access to Services:** Offsetting financial losses associated with delivering current health care services. **Maintaining Safe and Functional Facilities and Systems:** Supporting facility-related, infrastructure, and information technology costs necessary to maintain safe, compliant, and fully operational systems that support existing service delivery.



WORKPLAN – STEP BY STEP

(4) The 'REFERENCE – How To' tab provides guidance on requirements for the workplan as well as general guidelines for using the spreadsheet.

Workplan Requirements
<i>The workplan is a core tool for assessing how funding will support the continued viability of rural health care services. Applicants are encouraged to be specific, realistic, and focused on stabilizing existing operations.</i>
General Requirements
Avoid vague language such as “support,” “enhance,” or “strengthen” without context.
Information provided in the Workplan must be consistent with the project narrative AND the proposed budget.
The workplan may be subject to revision during review or negotiation.
Please do NOT use any abbreviations or acronyms in your workplan.
To indicate when an activity will take place, please fill in the cell with a color to indicate when it will occur (see the REFERENCE - WP Example tab)
Stabilization Strategy Requirements
Applicants must list a minimum of 3 stabilization strategies with supporting activities for each.
Use of the “Other” Stabilization Strategy is permitted only if accompanied by a clear explanation of its relevance to stabilization.
Strategies must be selected from the list of dropdowns provided in the Workplan Template.
Each year must contain at least one strategy.
Activity Requirements
For each listed stabilization strategy, applicants must list a minimum of 3 activities that will describe how this strategy is carried out.
At least 2 activities per stabilization strategy must include a quantitative, measurable data point.
Each activity must list the full name(s) and title(s) of the responsible individual(s) (ie. Listing a department alone (e.g., “HR” or “Billing”) is not sufficient).
Every activity listed in the workplan must align with one or more line items in the submitted budget.
Each activity should be written as a clear, discrete action, not a general statement of intent.
General Spreadsheet Guidance
This template is required and must be submitted with your application.
The red tabs are meant for reference only and are protected. Please only update the green "Workplan Template" tab.
In the green "Workplan Template" tab, all cells that do not require applicant input are LOCKED.
This template must be uploaded in either .xls or .xlsx format.



WORKPLAN – STEP BY STEP

(5) After reviewing the How To, Strategies, and Example tabs, you're ready to start building the workplan for your project!

Stabilization Strategy and Activities <small>Activities must support the sustainability of existing services and may not describe service expansion or new service lines.</small>		Name(s) of Individual(s) Responsible <small>(First Name, Last Name, Title)</small>	Year 1, FY27 <small>(07/01/26 - 06/30/27) <small>(Highlight applicable cell(s) below)</small></small>	Year 2, FY28 <small>(07/01/27 - 06/30/28) <small>(Highlight applicable cell(s) below)</small></small>	Year 3, FY29 <small>(07/01/28 - 06/30/29) <small>(Highlight applicable cell(s) below)</small></small>
*REQUIRED Stabilization Strategy (Select from the dropdown list in this cell)					
Strategy 1 Intended Outcome:	<i>In this cell, identify at least one numeric or clearly defined measure that will be used to assess progress for this strategy.</i>				
Activity 1 (Write activity name here)	<i>Describe your ongoing or planned action to implement this strategy</i>				
Activity 2 (Write activity name here)	<i>Describe your ongoing or planned action to implement this strategy</i>				
Activity 3 (Write activity name here)	<i>Describe your ongoing or planned action to implement this strategy</i>				
Activity 4 (Write activity name here)	<i>Describe your ongoing or planned action to implement this strategy</i>				
etc. (Add additional rows for activities as needed)	<i>Describe your ongoing or planned action to implement this strategy</i>				

Many cells and ranges are locked because they are not meant to be edited.* This was intentional. The arrows indicate cells where input is required. Refer to the RFA and the 'REFERENCE - How To' tab for details on requirements for each field.

*If you are unable to edit a required input cell (Stabilization Strategy, Activity, Description, Individual Responsible, or Year), please reach out to us directly for technical support.

