

STATE OF MONTANA RHTP BUDGET OVERVIEW

The following represents Montana’s updated budget narrative for Fiscal Year 2026 to reflect the latest guidance from CMS received between January 26th, 2026 and February 6th, 2026. All numbers have been updated to reflect the most accurate numbers for expected costs and display whole numbers with decimals.

A. (PERSONNEL) SALARIES AND WAGES

Personnel Total: \$849,564.00 | **Admin costs included:** \$849,564.00

Personnel Fiscal Year Breakdown

Position Title (s)	FY26
1 RHTP Program Director	\$98,550.00
5 Program Managers	\$190,000.00
1 Grants Manager	\$35,000.00
1 Compliance Officer	\$35,000.00
1 Budget Analyst	\$38,500.00
2 Workforce Coordinators	\$85,000.00
1 DLI Liaison	\$40,768.00
2 Community Liaisons	\$85,000.00
2 Tribal Liaisons	\$85,000.00
3 Data and Evaluation Analysts	\$100,000.00
1 EHR Integration Specialist	\$21,250.00
1 Communications Liaison	\$35,496.00

Justification and Job Descriptions:

The proposed staffing model is designed to:

- Ensure effective program governance, interagency coordination, stakeholder engagement.
- Deliver technical, financial, and operational support to RHTP initiatives.
- Enable data-driven decision-making and performance evaluation.
- Support compliance with CMS cooperative agreement requirements.
- Maximize impact and effectiveness of RHTP funding.

Each position is aligned with existing Montana State job classifications and fulfills a distinct function necessary to implement and evaluate the RHTP. Roles are time-limited for the duration of the RHTP funding (or less) and do not supplant existing funds. These dedicated staff can efficiently deploy funds to rural Montana and adapt quickly to stakeholder feedback as initiatives are delivered. Each listed position has 100% of time given to the RHTP. Salaries reflect rounded annualized salaries per FTE in FY2026; a 3% annual salary increase tied to inflation is assumed. Salaries for select roles have been adjusted by no more than 10% relative to the 15 January 2026 budget submission to reflect internal job classifications.

Positions: These 21 positions (reducing to 19 in FY29) are time-limited roles.

Program Leadership and Oversight:

- **Program Director – Gene Hermanson, Acting (1 FTE; \$131,400 Y1 salary; 57 months, 100% of time; planned hire date: 1/1/26):** This position will direct the overall operation of

the Rural Health Transformation Program for Montana; responsible for strategic oversight, interagency coordination, stakeholder engagement, development of materials, provisions of in-service and training, conducting meetings with stakeholders; designs and directs the gathering, tabulating and interpreting of required data; responsible for overall program evaluation and for staff performance evaluation; and compliance with CMS cooperative agreement terms; stand-up governance, reporting, and interagency coordination in first 2 years; ensure sustainability of programs, ROI tracking.

- **Program Managers (5 FTEs; \$95,000 Y1 salary; 261 months, 100% of time; planned hire date: 4/1/26 (2), 7/1/26 (3)):** Report to Program Director; assist the Program Director in managing the RHTP for MT; responsible for daily coordination of project activities, timelines, and deliverables; ensure effective implementation of approved initiatives under CMS requirements; support communication with CMS, State partners, partner agencies, and local stakeholders; oversee assigned staff and contractors; track milestones; prepare progress reports; support budget execution and compliance with cooperative agreement terms; assist in evaluation of program activities; contributes to meeting all program objectives; lead additional application processes and reviews for funding utilization.
- **Grants Manager (1 FTE; \$70,000 Y1 salary; 54 months, 100% of time; hire date: 4/1/26):** Reports to Program Director; manages financial and contractual components of the RHTP; oversees the preparation, review, disbursement, and administration of grants and contracts to ensure compliance with State and federal regulations; coordinates with external partners and vendors to facilitate the timely execution of agreements; tracks expenditures, monitors budgets, and prepares fiscal reports for leadership and CMS; provides technical assistance to subrecipients on grant requirements and documentation standards.
- **Compliance Officer (1 FTE; \$70,000 Y1 salary; 54 months salary, 100% of time; hire date: 4/1/26):** This position oversees compliance activities for the RHTP; responsible for ensuring adherence to federal, State, and CMS regulations, grant terms, and cooperative agreement requirements; develops and implements internal compliance monitoring systems and policies; reviews contracts, reports, and documentation for accuracy and completeness; conducts risk assessments and prepares compliance audits; provides guidance and training to staff and subrecipients on regulatory standards; serves as the point of contact for compliance inquiries and reporting obligations to State and federal partners.
- **Budget Analyst (1 FTE; \$77,000 Y1 salary; 54 months salary, 100% of time; hire date 4/1/26):** This position provides financial analysis and budgetary support for the RHTP; responsible for assisting with budget preparation, monitoring expenditures, and forecasting financial needs; analyzes spending trends and prepares financial reports for DPHHS leadership and CMS; supports the CFO and Grants/Contracts Coordinator in ensuring fiscal accountability and compliance with funding requirements; develops tools for tracking project costs and allocations; assists in preparing financial documentation for audits and reports; contributes to maintaining transparency, efficiency, and sustainability in program financial operations; this role will focus on budget tracking and federal reporting in the first 2 years of the period-of-performance, then transition to closeout, audit prep.
- **Communications Liaison (1 FTE; \$70,992 Y1 salary; 54 months salary, 100% of time; hire date: 4/1/26):** This position serves as the primary communications lead for the RHTP. They develop and execute strategic communication plans to promote program goals, engage stakeholders, and ensure transparency in alignment with CMS cooperative agreement

requirements. The role focuses on creating clear, accessible messaging for rural health providers, tribal partners, community organizations, and policymakers; responsible for media relations, stakeholder communications, content development and coordination of public outreach efforts specific to RHTP initiatives.

Workforce and Community Engagement:

- **Workforce Coordinator (2 FTEs; \$85,000 Y1 salary; 108 months salary, 100% of time; hire date: 4/1/26):** These positions support workforce development initiatives under the RHTP; responsible for coordinating activities related to recruitment, training, and retention of health care professionals in rural and frontier communities; facilitate partnerships with health care facilities, educational institutions, and workforce agencies to address critical staffing needs; assist in planning and implementing strategies that strengthen the health care workforce pipeline; monitors workforce data and prepares reports for program evaluation; ensure alignment of workforce initiatives with CMS and State requirements; launch training and apprenticeship programs in first 2 years; coordinate with Department of Labor and Industry, evaluate outcomes, support scale-up and align with 406 Jobs and DLI initiatives.
- **DLI Liaison (1 FTE; \$81,536 Y1 salary; 54 months salary, 100% of time; hire date: 4/1/26):** Serves as the primary liaison between the RHTP and the Montana Department of Labor & Industry; coordinates joint efforts to align health care workforce development with statewide labor and economic strategies; facilitates information exchange on training programs, apprenticeships, and labor-market trends; ensures consistency between RHTP objectives and Department of Labor initiatives; represents RHTP in interagency meetings and workgroups; supports data-sharing and joint reporting efforts; and advises program leadership on opportunities to enhance rural employment and health workforce outcomes.
- **Community Liaisons (2 FTEs; \$85,000 Y1 salary; 108 months salary, 100% of time; hire date: 4/1/26):** These positions facilitate communication and coordination between the RHTP and regional health care partners across Montana; responsible for representing RHTP in local and regional forums; support implementation of program activities within assigned geographic areas; coordinates with hospitals, clinics, and community partners to identify challenges and solutions; monitor progress toward regional goals and reports outcomes to program leadership; provide technical assistance and facilitates stakeholder engagement; ensure regional implementation aligns with statewide objectives and CMS requirements; support data collection and reporting efforts to document program impact; these positions will focus on stakeholder onboarding and tribal and frontier outreach in the first 2 years then feedback loops and sustainability planning.
- **Tribal Health Liaisons (2 FTEs; \$85,000 Y1 salary; 108 months salary, 100% of time; hire date: 4/1/26):** Serve as liaisons to MT tribal nations and urban Indian health organizations; responsible for facilitating culturally appropriate engagement, supporting tribal participation in RHTP initiatives, and ensuring that tribal priorities are reflected in program design, implementation, and evaluation; coordinate with tribal health systems to support access to workforce development, technology modernization, and care delivery transformation resources; collaborate with Community Engagement and Workforce teams to align tribal efforts with RHTP goals while respecting tribal sovereignty and self-determination; essential for advancing tribal community health, honoring government-to-government relationships, and ensuring that tribal communities are full RHTP partners.

Technology and Data:

- Data and Evaluation Analysts (3 FTEs; \$100,000 Y1 salary; 156 months salary, 100%; hire date 4/1/26 (1) / 7/1/26 (2)):** These position provide analytical and technical expertise to support the evaluation of the Rural Health Transformation Program for Montana; responsible for data collection, management, analysis, and reporting in support of CMS and DPHHS performance requirements; design and maintain databases and data-tracking systems; conduct quantitative and qualitative analyses to evaluate program outcomes, efficiency, and effectiveness; prepare analytical reports and data visualizations for leadership and stakeholders; ensure data integrity, security, and compliance with state and federal standards; and contributes to continuous improvement processes through data-driven insights.
- EHR Integration Specialist (1 FTE; \$85,000 Y1 salary; 51 months salary, 100% of time; hire date: 7/1/26):** Provides specialized technical support for integration and interoperability of electronic health records (EHR) and telehealth systems under the RHTP; responsible for coordinating EHR connections, ensuring secure and compliant data exchange, and supporting providers in implementing telehealth and health information technologies; develops and maintains technical standards and documentation consistent with CMS and HIPAA requirements; provides technical assistance and training for health care partners; troubleshoots integration issues; and contributes to improving access, quality, and data reporting capabilities across rural health care systems; this position will support EHR modernization, broadband mapping, ensure sustainability of tech investments, and Coordinate with Montana Department of Administration / State CIO.

In addition to the positions mentioned above, the Department anticipates personnel charges to be allocated to this grant via the federally approved Public Assistance Cost Allocation Plan (PACAP). This process is described in more detail in [Section J](#).

B. FRINGE BENEFITS

Fringe Total: \$244,977.51 | **Admin costs included:** \$244,977.51

Fringe Benefits Fiscal Year Breakdown

Category	Fringe Rate	FY26
Tax	7.9%	\$67,115.56
Insurance	0.00108 per month	\$84,240.00
Retirement	9.17%	\$77,905.02
Worker’s Comp	1.85%	\$15,716.93

Justification

Fringe benefits encompass the estimated tax liability and employer-paid contributions associated with each employee, including payroll taxes for Social Security (6.2%) and Medicare (1.45%), and unemployment insurance taxes determined by MT Department of Labor & Industry rates. The State of MT offers a self-funded health insurance plan administered by the Health Care & Benefits Division, with the Department contributing \$1,080 per month per employee in FY2026. Employees also receive retirement benefits through the MT Public Employee Retirement Administration, with a current employer contribution rate of 9.17% of salary. Worker’s compensation premiums are based on job classification, payroll, and claims history; for budgeting, an assumed rate of 1.85% (blended average across agency roles) is used.

C. TRAVEL

Travel Total: \$14,540.00 | **Admin costs included:** \$14,540.00

Travel Fiscal Year Breakdown

Category	Description	FY26 - In-state	FY26 - Out-Of-State	FY26 Total
Travel	Transportation costs	\$3,360.00	\$4,192.00	\$7,552.00
Lodging	Lodging based on travel	\$2,216.00	\$2,208.00	\$4,424.00
Meals	Meals based on travel	\$1,920.00	\$644.00	\$2,564.00

Justification

To ensure effective and efficient implementation of RHTP initiatives, administrative staff will travel to implementation sites to monitor progress and provide support. Budget allocation is determined based on fiscal notes from previous grants. In addition to a 3% annual inflation rate assumption, the following estimates are used (refined to match personnel hiring timelines):

- **In-state travel:** 4 trips per year for 12 FTEs, averaging 200 miles per trip, at \$0.70 per mile.ⁱ Lodging at \$277 per night.ⁱⁱ Meal costs total one day per trip, at \$80 per day.ⁱⁱⁱ
- **Out of state travel:** 4 personnel attending the RHTP Summit in Baltimore, MD on March 18th. Estimated airfare from Helena, MT \$800/person, airport parking in Helena \$18/person, taxi/ride share to/from hotel \$130/person, luggage fee \$100/person, hotel for 2 nights \$552/person, based on DPHHS benchmarks. Meals per-diem: breakfast \$48/person for 3 days, lunch \$57/person for 3 days, dinner \$56/person for 2 days based on GSA rates.

D. EQUIPMENT

Equipment Total: \$0M | **Admin costs included:** \$0M

E. SUPPLIES

Supplies Total: \$60,000.00 | **Admin costs included:** \$60,000.00

Supplies Fiscal Year Breakdown

Initiative - Items	FY26
Supplies for new FTEs ^{iv}	\$60,000.00

Justification: Supplies such as computers will be purchased to support newly hired, RHTP-dedicated FTEs. \$2,800 (\$1,200 for a computer and \$1,600 for additional office supplies / furniture such as desks (\$1,000), chair (\$400), and miscellaneous office supplies (e.g., monitor, keyboard) (\$200), existing DPHHS furniture will be used when possible) is allocated per new FTE (21 in FY26), per standard DPHHS practice

F. CONSULTANT/ SUBRECIPIENT/ CONTRACTUAL COSTS

Consultant/subrecipient/contractual Total: \$160,536,402.76 | **Admin costs incl.:** \$10,590,000.00

The procurements described below may be awarded to multiple contractors or consultants.

The following items are applicable to all consultants/ subrecipients/ contractual costs: detailed summaries by initiative reference this section.

Method of Selection: The State will determine the most appropriate procurement method for initiative support aligned to the Montana Procurement Act (Title 18, MCA) & Administrative Rules of Montana (ARM Title 2, Chapter 5). Selection may include:

1. **Competitive Solicitation:** Issuance of a Request for Proposal (RFP) or Request for Qualifications (RFQ) to ensure full and open competition.
2. **Application-Based Selection:** Use of a structured application process to identify qualified partners based on defined criteria, particularly when programmatic alignment or specialized expertise is required.
3. **Use of Existing Contracts:** Engagement through existing statewide term contracts, cooperative purchasing agreements, or master contracts.
4. **Sole Source Procurement:** When only one vendor can provide the required services, a sole source justification may be used in accordance with State policy.

Note: The selected method will be based on the nature of the services, urgency, vendor availability, and alignment with State and federal procurement standards.

Funding Allocation: DPHHS reserves the right to adjust funding allocation based on contractor performance against agreed-upon responsibilities, as well as any changes to CMS disbursements. The State will select the most appropriate payment methodology for each subrecipient or contractor. These methods could include milestone-based achievement, reimbursement of actual costs, or periodic invoicing for services.

Method of accountability: Contracts will specify clear expectations, deliverables, and timelines. Contractors must provide scheduled progress reports to the Program Director to ensure transparent documentation of activities and milestones. Compensation may be tied to the achievement of deliverables, with invoices reviewed and approved by the Program Director prior to payment. To safeguard program integrity, DPHHS may conduct compliance reviews and apply liquidated damages clauses in cases of non-performance. Oversight is strengthened by assigning a dedicated Program Manager as the primary point of contact for each major contractor, working with the Grants Manager to monitor progress, ensure adherence to contract terms, and allocate resources. Monthly evaluations and regular status updates with metrics for initiative outcomes will be required. The Program Director and Program Manager will jointly review the contractor's performance against the agreement targets to determine whether the contract will be continued or terminated.

For subrecipients, a structured reporting and review process will ensure accountability. Quarterly reviews will assess deliverables, budget use, and compliance. DLI will report on workforce metrics, use shared data systems, and maintain documentation for federal audit and reporting. Underperformance will trigger a corrective action process led by DPHHS.

Administrative funds tracking: DPHHS will track administrative spending by requiring reporting and ensuring that at least 90% of allocated funding is allocated to program delivery, with a maximum of 10% allowed for administrative overhead.

SUBRECIPIENTS

Subrecipient 1: Develop workforce through recruitment, training, and retention, Initiative 1

Name of Subrecipient: Montana Department of Labor and Industry (DLI)

1. Period of Performance: FY2026-FY2027

2. Scope of Work:

Sub initiative 1.1. Increase recruitment of rural health workers

1. *Design and implement* a comprehensive statewide health care workforce attraction campaign to recruit health care professionals to rural and frontier communities

2. *Fund training* programs that recruit, train, and retain health care professionals in rural areas, with mandatory 5-year service commitments
3. *Expand and pilot early exposure and pre-apprenticeship programs* connecting rural and tribal high school and postsecondary students with hands-on learning, mentorship, and career pathways aligned with the 406 Jobs Initiative

Sub initiative 1.2. Expand clinical training capacity

1. *Increase residency training capacity* by adding slots in existing in-State programs and funding feasibility studies or start-up costs for new residency programs
2. *Develop and expand rural training tracks* to provide additional clinical education opportunities for health care professionals
3. *Offer financial incentives and training support* to build capacity of rural preceptors who supervise and mentor medical, advanced practice, and apprenticeship trainees

Sub initiative 1.3. Retain and upskill rural health care workforce

1. *Provide supportive services for health care workers* relocating to rural communities, including relocation funds, community integration support, and wellness and resilience programs to reduce burnout and improve retention
2. *Deliver targeted upskilling and continuing education* for rural health care workers focused on team-based care, chronic disease management, telehealth integration, and operational best practices that allow clinicians to practice at the top of their license

3. Method of Accountability: [See above](#)

4. Itemized Budget and Justification: Approximately \$20,580,000.10 (including admin support), with option to adjust as needed / based on performance & other considerations.

1.1.1. Design and implement a comprehensive attraction campaign	
	FY26
Contractual	\$1,500,000

Justification: Funds will support a statewide health care workforce attraction campaign to recruit new providers to rural Montana. The campaign will use data-driven marketing to target audiences most likely to relocate and will highlight job opportunities, quality of life, and career advancement in partnership with local employers. Investments will cover media outreach, branding, research, regional events, and employer partnerships.

1.1.2. Fund training programs for health care professionals	
	FY26
Personnel & Fringe	\$880,000.00
Travel	\$210,000.00
Contractual	\$120,000.00
Stipends and related	\$8,540,000.00
Other	\$460,000.00

Programs included: Psychiatric Mental Health Nurse Practitioner Training, Paramedicine Health Support Training, Health Care Student Support, Health Care Professional Apprenticeships, HELP-Link Initiative

Justification: Funds support individuals pursuing critical health care training programs in return for a commitment to work in rural MT upon training completion. These investments will mitigate workforce shortages, improve retention, and promote access to education and employment in the health sector for rural communities. The program will be available for any qualifying role, including entry-level trainees (paramedicine) to advanced clinicians (nurse practitioners) and dental professionals.

1.1.3. Expand and pilot early exposure programs	
	FY26
Personnel & Fringe	\$730,000.00
Travel	\$140,000.00
Supplies	\$350,000.00
Contractual	\$200,000.00
Curriculum and related	\$350,000.00
Employer engagement	\$120,000.00
Participant Support	\$1,200,000.00
Startup costs and support	\$200,000.00
Tech costs	\$150,000.00
Training	\$250,000.00
Other	\$150,000.00

Programs included: Pre-Apprenticeships for High School Students, AHEC Pipeline Expansion, HOSA Expansion, Industry Credentials, Middle School Career Exploration

Justification: Funds will be used to cover costs associated with expanding and enhancing programs that engage school-aged children in exploration of health career pathways, including piloting a pre-apprenticeship program for high school students that establishes early career interest and sustained entry points into Montana’s health care workforce pipeline.

2.1.1. Increase residency capacity	
	FY26
Partnership and site support	\$260,000.00
Program evaluation	\$50,000.00
Resident stipends	\$500,000.00
Site development and start up	\$510,000.00

Justification: Funding will cover program feasibility studies, accreditation and site-readiness assessments at hospitals and clinics preparing to host residents. It will also support expansion costs for existing programs, including additional faculty capacity, educational equipment, and administrative coordination required to increase resident slots.

2.1.2. Develop and expand rural training tracks	
	FY26
Personnel and Fringe	\$330,000.00
Travel	\$85,000.00
Supplies	\$0.00
Contractual	\$105,000.00
Participant Support	\$1,675,000.00
Other	\$15,000.00

Programs included: AHEC-Frontier Track, Health Professional Rural Clinical Education for Advanced Practice Health and Dental Providers, Rural Health Career Pathways

Justification: Funds will be primarily used to support the development and expansion of specialized training tracks focused on rural and frontier communities. This includes the creation of frontier-specific learning modules, along with stipends, travel, and housing support for students completing work experience or clinical rotations in remote areas.

2.1.3. Financial incentives and training support for rural preceptors	
	FY26
Personnel stipends	\$320,000.00
Training	\$60,000.00

Justification: Supports financial incentives and training for rural preceptors who supervise and mentor medical residents, advanced practice providers, and other health care trainees.

2.1.4. Provide supportive services for health care workers	
	FY26
Personnel	\$100,000.00
Fringe	\$10,000.00
Travel	\$160,000.00
Other	\$500,000.00

Justification: Funding to reduce barriers to participation in training for rural health care workers including transportation to/from training or jobs, support for child care and dependent care, short-term assistance with housing needs, uniforms/work attire and necessary work-related tools, assistance with books, fees, and school supplies for postsecondary education classes, and payments and fees for employment and training-related applications, tests, and certifications.

Upskilling and continuing education	
	FY26
Personnel	\$100,000.00
Fringe	\$30,000.00
Travel	\$10,000.00
Supplies	\$10,000.00
Contractual	\$180,000.00
Training costs	\$0.00
Other	\$20,000.00

Justification: Funds will be used to support and expand Rural Health Care Network (RHCN) programming in rural communities. RHCN will provide educational webinars, offer stipends for RHC leadership to attend national conferences, host an annual RHC conference, and implement cohort trainings on topics such as chronic care management to enhance RHC knowledge, skills, financial stability, and access to care. In addition, funds will be used to develop and expand training modules in priority areas such as nutrition and pediatrics to enable clinicians to practice at the top of their license.

Additional information requested by CMS for funding towards health care training programs

- **In Year 1, what is the amount of RHTP funding that will be allocated towards subrecipient 1 to administer scholarships, tuition assistance, and financial incentives? What are the estimated funding amounts per recipient?**

 - For FY2026, DPHHS expects to allocate around \$10,200,000 to support training programs. A detailed breakdown of the budget allocation for these programs can be seen in Table 1.1.2.
 - For FY2026 DPHHS expects to allocate around \$380,000 for financial incentives for preceptors. A detailed breakdown of the budget allocation for this item can be seen in Table 2.1.3.
- **Will there be a 5-yr service requirement for these sub-initiatives? If so, how will the state ensure award recipients fulfill this commitment?**

 - There will be 5-year service commitments for the workforce initiatives. Mechanisms to ensure recipients fulfill this commitment are discussed below.
 - Registered apprenticeships include their own formal employment and training agreements, which establish appropriate expectations for duration, performance, and long-term career progression. For registered apprenticeships that do not reach 5 years in their own design, a supplementary agreement to reach a full 5-year service commitment will be included.
- **What internal controls and reporting mechanisms will be in place to ensure the service commitment is met?**

To ensure service commitments are met, agreements with recipients will be utilized.

Typical content for these agreements:

- The education and training benefits to the individual, including exact tuition and fees covered, and any exclusions, the timing and method of payment, program and credential specifics, and mode of payment.

- The individual's service obligation details, including the 5-year length of the commitment, when the commitment starts, and that it must be within the state and at an approved site or employer.
- The service obligation, which will detail minimum hours (full time definition, on call expectations, weekends/holidays) and whether part-time work extends the service period proportionally.
- Requirement to maintain an eligible license, certification, or board status throughout the service period for clinical roles.
- Job title or classification (e.g., RN, PT in rural clinic) and scope of practice.
- Location requirements such as working in designated shortage/underserved areas
- Performance, conduct, and quality standards, as well as how leaves of absence, disability, or layoffs affect the service timeline (e.g., pauses vs. early release).
- Repayment and default details including claw-back language stating that if the employee resigns, is terminated for cause, or fails to complete training, they must repay a prorated share of the tuition or training cost.
- Repayment schedule, collection rights, and any circumstances for exceptional waiver or forgiveness such as lack of qualifying positions.
- Governing laws and venue (e.g., Montana law and local courts), dispute resolution process, and acknowledgment that the recipient understands the obligation and has had the chance to consult an attorney should they choose
- **What processes will be used to monitor and evaluate these initiatives?**
 - Funding of training programs and incentive components of the workforce sub-initiative will be evaluated on whether they contribute to measurable increases in the supply of key rural providers, consistent with the targets in Montana's RHTP plan. Monitoring will examine how these investments help drive a 5 percent annual increase in the ratio per 100,000 rural residents of physicians, nurse practitioners, physician assistants, registered nurses, and dental hygienists.
 - Evaluation of training-linked incentives will track the number of supported individuals in these professions, their progression and completion in approved programs, and their subsequent entry into and retention in rural and frontier practice settings. Outcomes will include the proportion of training program- and incentive-supported trainees who complete rural rotations or training tracks, accept positions in rural Montana, and remain in those roles over time, contributing both to the 5 percent annual growth targets and to the goal of achieving at least national-average rural workforce retention by FY2031. These workforce outcome data will be integrated into the State's analytics infrastructure so that the specific impact of training programs, and incentives on rural access to care can be reviewed regularly and used to refine program design over the grant period.
 - Progress and anticipated challenges related to training programs, and incentives will be summarized in regular joint review meetings, where DLI will provide DPHHS with updated data on key workforce metrics, narrative interpretation of

trends, and proposed adjustments or support needs to stay on track toward the RHTP workforce targets.

- **Please describe the selection criteria and process for scholarship, tuition assistance awards, and financial incentive recipients.**

The selection criteria and process for training incentives will include evaluation of multiple priority areas. All selection will be grounded in clear, written eligibility standards that reflect RHTP's workforce and rural access goals including:

- Review and scoring process:
 - Applicants will be screened for basic program eligibility within each program's own parameters, then evaluated for RHTP funding using standardized scoring rubrics that include areas such as:
 - The applicant's commitment to serving rural and underserved communities, including prior experience or clear intent to practice in rural settings.
 - Current and projected workforce needs for physicians, physician assistants, and registered nurses, dental hygienists, and other key healthcare roles in rural areas, with priority given to applicants whose training focus aligns with these shortages.
 - Alignment between the applicant's background, academic preparation, and stated career goals and the specific objectives of the rural healthcare training program.
 - Demonstrated readiness to succeed in rigorous clinical training, as shown through academic performance, relevant healthcare or community service experience, and professional references.
 - Willingness to sign a minimum five year agreement, consistent with Initiative 1's requirement that individuals benefiting from recruitment and retention programs serve in rural communities.
 - Application reviews will be conducted by a multidisciplinary team including Montana Department of Labor & Industry and key workforce partners such as AHEC and relevant training providers to ensure consistency and subject matter expertise.
- Tie breaking and prioritization
 - When resources are limited, RHTP's plan and metrics and guidance from the Montana Department of Health and Human Services will provide a basis for prioritizing among eligible applicants. When relevant, preference may be given to applicants whose application specifies service in the most underserved rural and tribal communities, high shortage disciplines, or sites with access gaps.
 - Final award decisions will be documented, with applicants notified of outcomes and, when feasible, provided feedback to strengthen future submissions.
- **How many scholarships, tuition assistance awards, and incentives will be issued in Year 1?**

Support for training programs be issued in Year 1 across all sub-initiatives designed to fund training. Across all programs, Montana expects to offer training support to 275 individuals including

- Pre-apprenticeships: 75
- Registered Apprenticeships: 75

- Paramedicine trainees: 50
- Healthcare Student participants (Physicians, APPs, RNs, Hygienists): 75
- **How will funds be distributed to award recipients? (e.g. per semester, annually, as a lump sum, etc.)**
 - Funds will be distributed to award recipients annually, contingent on both academic and program-related criteria. Disbursements will occur after verification that the recipient has maintained satisfactory academic progress as defined by their training institution (such as meeting minimum GPA, course completion, and clinical performance standards) and remains in good standing.
 - Continued funding will also depend on the recipient's demonstrated commitment to the goals of the rural healthcare training program, including ongoing enrollment in an approved physician, PA, or RN pathway and participation in required program activities such as mentoring, rural clinical experiences, or service-learning components, as reported by their training institution and confirmed via state monitoring.

Subrecipient(s) 2: Care delivery transformation implementation support, Initiative 2

Name of subrecipient(s): TBD

1. Method of Selection and Accountability: See above

2. Period of Performance: FY 2026- FY2027

3. Scope of Work:

- a. Provide high-touch transformation technical support to participating facilities (e.g., project management, care model redesign, change management)
- b. Facilitate vendor access at preferred rates for back-office and clinical efficiency tools via existing or new GPO contract

4. Budget and Justification:

- a. Approximately \$3,949,034.67 will be allocated for direct provider technical support work
- b. Approximately \$1,234,073.33 will be allocated based on scope of work for shared vendor facilitation / GPO activities

CONSULTANTS & CONTRACTUAL COSTS

Procurement 1: Montana Rural Health Center of Excellence (CoE) analytics (Initiative 2, contractor(s) TBD)

1. Method of Selection and Accountability: See above

2. Period of Performance: FY2026-FY2027

3. Scope of Work:

- a. Support stand-up and operations for the CoE and the care delivery transformation initiative; engage the Board and sub-recipients for the CoE closely
- b. Conduct a deep analysis of rural community disease burden projections and inpatient and outpatient utilization trends by service line
- c. Profile MT rural hospital cost structures and top areas of financial opportunity through clinical and operational efficiency levers, including potential value-based care models
- d. Create recommendations, at the facility- and county-level, for restructuring inpatient and outpatient services to match projected rural health care demand

4. **Budget and Justification:** Approximately \$11,600,289.33 will be allocated for the CoE

Procurement 2: Support implementation of rural provider telemedicine platforms (Initiative 2, contractor(s) TBD)

1. **Method of Selection and Accountability:** See above

2. **Period of Performance:** FY2026-FY2027

3. **Scope of Work:**

- a. Begin initial technical implementation, training and support of hub-and-spoke telehealth model (e.g., tele-stroke, tele-ED) in participating rural hospitals

4. **Budget and Justification:**

- a. Approximately \$3,702,220.00 will be allocated based on scope of work for hub-and-spoke telehealth implementation support

Procurement 3: Expand IDD telehealth pilot statewide (Initiative 2, contractor(s): StationMD)

1. **Method of Selection and Accountability:** Use of Existing Contract

2. **Period of Performance:** FY2026-FY2027

3. **Scope of Work:** Provide integrated virtual behavioral health and IDD services to Medicaid members meeting criteria

4. **Budget and Justification:** \$1,184,710.40 will be allocated to service individuals with IDD at a cost of \$39/month. Funds support individuals with Intellectual and Developmental Disabilities (IDD) in state-operated homes, privately operated certified residences, and private homes through telehealth services. These investments improve client health care outcomes, reduce emergency department visits and hospitalizations and lower costs, and increase patient satisfaction.

Procurement 4: Modernize EMS systems (Initiative 3, contractor(s) TBD)

1. **Method of Selection and Accountability:** See above

2. **Period of Performance:** FY2026-FY2027

3. **Scope of Work:**

- a. Acquisition of and retrofitting of ambulances to include required infrastructure for EMS and community paramedicine teams
- b. Rollout of community paramedicine training program in selected agencies / facilities
- c. Implementation of pre-hospital blood administration program equipment for selected pilot ambulances
- d. Integration of new statewide emergency medical dispatch system across public safety answering points, if assessment determines program is needed

4. **Budget and Justification:** Approximately \$6,705,762.74 for the initial phase of scope of work outlined

Procurement 5: Payment model interventions (Initiative 3, contractor(s) TBD)

1. **Method of Selection and Accountability:** See above

2. **Period of Performance:** FY2026-FY2027

3. **Scope of Work**

- a. Support development and initial pilot rollout of payment model interventions to be determined (e.g., integrated care solutions for dual-eligible populations, acuity-based reimbursement for nursing facilities)

4. **Budget and Justification:** Approximately \$1,703,638.24 for supporting additional payment model interventions. The FY26 budget for this program was increased by 30% from the 15 January 2026 budget submission to ensure sufficient resourcing for meeting near-term milestones in the MT RHTP implementation plan.

Procurement 6: Expansion of outpatient services and community-based care programs (Initiatives 3 and 4, contractor(s) TBD)

1. **Method of Selection and Accountability:** See above
2. **Period of Performance:** FY2026-FY2027
3. **Scope of Work:**
 - a. Initial expansion of outpatient services based on CoE recommendations
 - b. Support initial facility renovations and community infrastructure including repairs and modernizations of identified rural facilities at/near capacity to improve operational ability
 - c. Support initial renovations of CCBHCs and other rural facilities to include crisis center safe spaces
 - d. Initial purchase of mobile care vans and related supplies to deliver preventive services to targeted rural communities
4. **Budget and Justification:**
 - a. Approximately \$19,938,676.03 allocated to expanding outpatient services
 - b. Approximately \$15,050,000.00 allocated for facility renovations and repairs
 - c. Approximately \$246,814.67 allocated for CCBHC safe space rooms
 - d. Approximately \$493,629.33 allocated for mobile care vans

Procurement 7: Tribal program development (Initiative 4, contractor(s) TBD)

1. **Method of Selection and Accountability:** See above
2. **Period of Performance:** FY2026-FY2027
3. **Scope of Work:**
 - a. Develop Community Health Aide Program (CHAP) system across tribal communities
 - b. Develop CHAP provider education programs in tribal colleges and other institutions
 - c. Implement “Care For Your Own” training programs and other training programs
4. **Budget and Justification:**
 - a. Approximately \$15,237,451.43 to develop CHAP system across tribal communities
 - b. Approximately \$9,142,470.86 to develop CHAP provider education programs in tribal colleges and other institutions
 - c. Approximately \$11,174,131.05 for training programs

Procurement 8: Improve HIE usability and population health analytics (Initiative 5, contractor(s) TBD)

1. **Method of Selection and Accountability:** See above
2. **Period of Performance:** FY2026-FY2027
3. **Scope of Work:**
 - a. Begin deploying monitoring, evaluation, and continuous improvement programs for interventions impacting rural communities

- b. Pilot tools that generate actionable and valuable insights for providers, leveraging Montana’s existing data (e.g. HIE) to improve provider operations and efficient care delivery to rural communities
- 4. **Budget and Justification:** Approximately \$2,018,850.94 will be used to begin building actionable tools using existing data (e.g., the Behavioral Health Bed Registry for non-State facilities), standardizing and cleaning data across systems, and covering costs of onboarding additional rural providers to ensure comprehensive statewide participation.

Procurement 9: School-based care site delivery, Initiative 4

Name of subrecipient(s): TBD

1. **Method of Selection and Accountability:** See above
2. **Period of Performance:** FY2026-FY2027
3. **Scope of Work:**
 - a. Sub-recipient will conduct provider capacity assessment to identify schools to be selected for new school-based care build outs. Build outs include facility renovation and medical equipment for the enhancement of services at existing sites (e.g., to include behavioral, primary, and dental care for students), as well the establishment of new sites in rural counties and tribal communities.
 - b. Partner organization will be responsible for management and execution of expansions and buildouts of school-based care sites using a phased roll out approach
4. **Itemized Budget and Justification:** Approximately \$4,955,405.33 will be allocated based on the scope of work

Fiscal Year Breakdown

	FY26
Personnel	\$353,957.52
Fringe Benefits	\$106,187.26
Travel	\$35,395.75
Equipment	\$2,973,243.20
Supplies	\$1,486,621.60

GRANT PROGRAMS

1. **Expanding pharmacy point of care**
 - **Scope of Work:** Administer grants that support limited diagnostic and treatment capabilities in pharmacies.
 - **Budget and Justification:** Approximately \$987,258.67 that will be used to cover start up costs, including medical equipment and initial purchase of rapid, near-patient diagnostic tests for screenings and monitoring for pharmacies in rural communities.
2. **Modernizing EHR systems and activate consumer facing modules**
 - **Scope of Work:** Administer grants to directly offset EHR upgrade costs for rural providers and facilities.
 - **Budget and Justification:** Approximately \$30,631,985.64; grants will be available to cover modernization efforts implemented through the Community Connect feature of larger health care organizations, , and to support independent

upgrades by individual rural providers. Funds will also be used to increase adoption of consumer-facing modules that assist with nutrition and chronic disease management.

G. CONSTRUCTION (NOT APPLICABLE FOR THIS APPLICATION)

H. OTHER

Other Total: \$60,947,874.49 | **Admin costs included:** \$0M

Other Fiscal Year Breakdown

Initiative - Items	FY26
2 - CoE incentive payments	\$60,321,716.82
5 - M&E deployment costs for population health interventions	\$623,157.67
Meeting rooms	\$3,000.00

Justification:

- **Initiative 2:** The State will disburse funds to participating rural provider organizations facing financial and operational challenges approximately as follows:
 - **(i) \$350,000** per provider organization (flat stipend) to cover data preparation costs related to CoE program entry [Category G Use of Funds].
 - **(ii) \$360,000** per provider organization (on average, determined based on patients served, rurality factors, and application strength) for the provision of health care services to rural communities to expand access to primary or specialty care (e.g., expanding primary / urgent / emergent care hours, expanding telemedicine capabilities, providing post-discharge home visits), sustainably improve operating margin (e.g., reducing underutilized staff beds, shifting services out of acute settings), and / or measurably improve health outcomes (e.g., expanding diabetic testing, mobile screenings) [Category B Use of Funds – totaling no more than \$30,571,716.82, under 15% cap; no other Category B spend planned in FY26].

Additional information requested by CMS for provider incentive payments:

1. What are the estimated incentive payments per provider/facility in Y1?

Approximately \$710,000 per provider organization on average (see breakdown above).

2. How many providers/facilities will be selected for incentive payments in Y1?

Approximately 85 provider organizations (50% of rural facilities) are expected.

3. What methodology will be used to determine incentive payment amounts? (ex: fixed amount, based on need, provider size, patient volume, etc).

Portion (i) for data preparation will be fixed across applicants. Portion (ii) will be determined by patient volume and strength of application specifying what services will be provided.

- **Initiative 5:** Funds will be used to improve data usability, including deploying monitoring, evaluation and continues improvement programs for interventions impacting rural communities.
- **Meeting Rooms:** One meeting per month for 6 months of FY2026, at an average cost of \$500 per meeting.^v

I. TOTAL DIRECT COSTS

Total direct costs: \$222,653,358.76 | **Admin costs included:** \$11,699,081.51

Total Direct Costs Fiscal Year Breakdown

Budget Category	FY26
A. (Personnel) Salaries and Wages	\$849,564.00
B. Fringe Benefits	\$244,977.51
C. Travel	\$14,540.00
D. Equipment	\$0.00
E. Supplies	\$60,000.00
F. Consultant/ Subrecipient/ Contractual Costs	\$160,536,402.76
G. Construction (not applicable)	\$0.00
H. Other	\$60,947,874.49

J. INDIRECT COSTS

Total indirect costs: \$10,856,000 | **Admin costs included:** \$10,856,000

Total Indirect Costs Fiscal Year Breakdown

Indirect cost	FY26
Public Assistance Cost Allocation Plan cost	\$927,000.00
Program Management Office setup and ongoing support	\$9,929,000.00

Justification:

- The Department does not utilize an indirect cost rate; instead, it uses a Public Assistance Cost Allocation Plan (PACAP), as defined in 2 CFR 200.416 and further described in Subpart E of 45 CFR Part 95. The PACAP governs how the Department identifies, measures, and allocates administrative costs to benefiting federal and State programs.
- The PACAP is submitted to the U.S. Department of Health and Human Services on an annual basis, with amendments submitted quarterly to reflect operational changes. The PACAP outlines the definition of cost centers within the Department. Cost centers are groups of similar administrative expenditures that are attributable to multiple State or Federal programs. Expenditures in each cost center are distributed to the various benefiting programs using federally approved allocation methodologies. These allocation methodologies include FTE statistics, time and effort statistics, transaction statistics, and eligibility statistics. Costs are allocated on a quarterly basis. The Department anticipates approximately \$900,000 of expenditures per year to be allocated to the grant via the PACAP. The most recently submitted PACAP is in Attachment: Indirect cost agreement.
- The second line-item, Program Management Office setup and ongoing support, provides funding for general administrative support across initiatives. The exact contractor(s) are not yet selected by the State. In the same format as previously mentioned contractors:
 1. **Method of Selection and Accountability:** See above; the State may use an existing contractual mechanism for this support
 2. **Period of Performance:** FY2026-FY2027
 3. **Scope of Work:**
 - a. Support the State in designing, setting up and running a Program Management Office (e.g., establishing and maintaining detailed workplans and project tracking tools);

- b. Shape executive and working-level meeting agendas and materials to support timely and evidence-based decision-making throughout implementation;
 - c. Collaboratively design stakeholder engagement and external communication plans at the program and facility levels, contributing draft content across channels;
 - d. Conduct research and data analyses as needed to support program design and impact tracking (e.g., cost benchmarking to inform detailed budgeting of new programs);
 - e. Develop program progress and impact tracking data requests, tracking systems, visualization dashboards, CMS reporting templates, and public-facing reports;
4. **Budget and Justification:** \$9,929,000.00 for contractors related to the above scope. Support is needed to capacitate DPHHS while RHTP staff capacity is built, and to augment program design and operations with best practices from other public sector / health care transformation programs.
- This indirect cost adheres to the *de minimis rate* maximum of 15% of total direct costs.

K. TOTALS

Total Costs Fiscal Year Breakdown

Items	FY26
A. (Personnel) Salaries and Wages	\$849,564.00
B. Fringe Benefits	\$244,977.51
C. Travel	\$14,540.00
D. Equipment	\$0.00
E. Supplies	\$60,000.00
F. Consultant/ Subrecipient/ Contractual Costs	\$160,536,402.76
G. Construction (n/a)	\$0.00
H. Other	\$60,947,874.49
I. Total Direct Costs	\$222,653,358.76
J. Indirect Costs	\$10,856,000.00
K. Totals	\$233,509,358.76

L. ADDITIONAL INFORMATION

Limited Allowable Investments Total Spend

Limitations	Allowable spend	Initiative	Total spend	% of total
Replacement of HITECH certified EHR	5%	4	No more than \$10M/period	<=5%
Funding programs similar to Rural Tech Catalyst fund	10% or \$20M	N/A	N/A	N/A
Renovations/alterations	<20%	3,4	\$26,426,618.03	11%
Provider payments	15%	N/A	N/A	N/A

Notes:

- Exact spending for replacement of HITECH certified EHRs has not been determined yet. When this initiative is implemented, the State will ensure no more than the allowable fraction of spending is allocated to this. Other mentioned EHR modernization is specifically for non-HITECH certified EHRs.

- For renovations/alterations, Procurement 6, expansion of outpatient services, CCBHC renovations, and critical facility repairs and modernization, contributes around 75% of its costs to this spending - \$26,426,618.03
- For provider payments, incentives mentioned in Initiative 2 do not include clinical services payments but will support facilities in right-sizing care based on CoE recommendations.
- For all listed categories, allocated spending adheres to the limitations for the total five years of funding and for each budget period.

Admin Spend

Cost Category	FY26
A, B, C	\$1,109,081.51
F	\$10,590,000.00
J	\$10,859,000.00
Total	\$22,558,081.51

ⁱ 200 mile per-trip average based on typical DPHHS average business travel distance from Helena, MT. \$0.70 per-mile cost based on Internal Revenue Service 2025 standard business mileage rates ([Source](#))

ⁱⁱ Based on yearly blended average GSA per diem rates for Gallatin/Park counties, 2025-2026 ([Source](#))

ⁱⁱⁱ Based on General Services Administration per diem meal rates for Gallatin/Park counties, 2025-2026 ([Source](#))

^{iv} Costs are now accounted under supplies, not indirect costs, per 26 January 2026 CMS guidance

^v Average per-event price for the Great Falls International Airport Event and Conference Center ([Source](#))