

**The State of Arizona’s Rural Health Transformation Program: Revised Budget Narrative
in accordance with CMS RHTP NOA Guidance**

Principal Investigator or Program Director (PI/PD): Ms. Carol (CJ) Loiselle (indirect administrative program cost/in kind)

Arizona’s Medicaid agency, the Arizona Health Care Cost Containment System (AHCCCS) has formally designated Ms. Carol (CJ) Loiselle as the sole Principal Investigator (PI) for the Rural Health Transformation Program (RHTP) award from the Centers for Medicare & Medicaid Services (CMS). As the single accountable authority, Ms. Loiselle will oversee program compliance, operational performance, federal reporting, and alignment with statewide priorities. This centralized structure ensures unified governance, eliminates fragmentation, and enables consistent decision-making and issue resolution.

Time and Effort Commitment

AHCCCS has allocated 25 percent of Ms. Loiselle’s time to RHTP-related duties, which will be documented in accordance with AHCCCS and federal requirements to ensure transparency and accountability. Her current leadership role as Assistant Director of the Division of Behavioral Health and Housing (DBHH) is funded through AHCCCS’ baseline administrative dollars at the departmental level, requiring no funding from the RHTP award for her salary.

Qualifications and Leadership Profile

Ms. Loiselle brings over 20 years of extensive leadership experience in the public health care system including 9 years working directly within the Arizona Medicaid operations, federal grants administration, crisis programs, and housing initiatives. As Assistant Director of DBHH, she oversees key functions, including federal compliance, quality improvement, and system-level governance. Her prior roles include Deputy Assistant Director, Crisis Administrator, and Quality Management Manager, where she successfully aligned grant-funded services with federal regulations and led statewide crisis response and quality initiatives.

Federal Grant and Regulatory Expertise

Under Ms. Loiselle’s leadership, the RHTP program will implement robust governance and controls, including regulatory compliance, financial and performance reporting, audit oversight, records management, risk management leveraging existing infrastructure to align oversight practices with all AHCCCS managed federal grant programs. Ms. Loiselle has extensive experience with federal compliance standards, including the Uniform Guidance (2 CFR Part 200). She has successfully guided grant administration teams through Single Audits, implemented internal controls, and ensured fiscal integrity and performance accountability. Her leadership ensures adherence to CMS regulations, with a focus on financial stewardship and outcome reporting.

Leadership and Stakeholder Engagement

Ms. Loiselle directly supervises key leaders and teams, including the Office of Human Rights Administrator, Housing Administrator, and Deputy Assistant Directors of Behavioral Health Services and Grants Administration. She fosters interagency collaboration, integrates community feedback, and drives policy development to enhance program outcomes. Her structured improvement methodologies ensure operational efficiency, reporting fidelity, and service quality. Ms. Loiselle’s executive leadership, federal grant expertise, and regulatory fluency uniquely position her to serve as the sole PI for the RHTP award. Her centralized oversight, commitment to compliance, and data-driven methodologies will ensure program success, delivering value to stakeholders statewide. Ms. Loiselle will work closely with the State Project Officer and other RHTP personnel throughout the Arizona Rural Health Transformation Project.

RHTP Funded	Individuals Name	Annual Salary	Level of Effort	Months of Salary Budgeted	Total Salary Requested
No	Carol (CJ) Loiselle	\$150,000.00	25%	12	\$0

The Principal Investigator will work in partnership with the State Project Officer to execute the strategic priorities outlined in the State of Arizona’s Rural Health Transformation Program efforts.

Personnel:

State Project Officer (1FTE): Mr. Josue Macias (**Direct administrative cost**)

Mr. Josue Macias has spearheaded all planning and operational efforts for the State of Arizona’s RHTP application on behalf of AHCCCS, and in collaboration the Arizona Department of Health Services (ADHS), and the Arizona Office of Economic Opportunity (OEO). In anticipation of award, Mr. Macias will serve as State Project Officer, ensuring seamless continuity from the planning phase to full implementation. In this capacity, Mr. Macias will serve as a strategic liaison between the Governor’s Office and AHCCCS. This role is pivotal for the State or Arizona to bring our proposed rural health transformation plan to fruition with excellence in operational execution, while fostering collaboration, accountability, and alignment across state leadership and AHCCCS.

With a strong background in operations, Mr. Macias has led program management efforts, providing comprehensive operational oversight to ensure the timely, compliant, and effective execution of all RHTP initiatives. Given the scale, complexity, and multi-faceted nature of this federal award, the position requires continuous coordination across fiscal, programmatic, and data domains to achieve successful outcomes and deliver measurable impact.

Core Responsibilities

- **Direct Daily Implementation:** Oversee execution of all RHTP initiatives, ensuring alignment with CMS-approved workplans and objectives.
- **Team Supervision:** Provide leadership and supervision to program managers, fiscal analysts, and data teams responsible for grant deliverables.
- **Workplan and Milestone Management:** Develop and monitor timelines, milestones, and deliverables; ensure adherence to federal deadlines and performance metrics.
- **Federal Coordination:** Participate in monthly CMS coordination calls with grants management and project specialists; serve as the primary liaison for operational updates.
- **Reporting and Compliance:** Review and approve draft Federal Financial Reports (FFRs), progress reports, and subrecipient data prior to PI sign-off; ensure accuracy and compliance with CMS and HHS requirements.
- **Subrecipient Oversight:** Monitor subrecipient performance, expenditures, and compliance with grant terms and conditions; implement corrective actions as needed.
- **Audit-Ready Documentation:** Maintain comprehensive records in accordance with the **HHS Grants Policy Statement and 2 CFR Part 200**, ensuring readiness for federal audits and monitoring.

The State Project Officer role is critical to the success of the RHTP program. The scope of this federal award necessitates full-time, dedicated oversight to manage multiple workstreams, coordinate cross-functional teams, and ensure compliance with complex federal requirements. Without this position, the program would face significant risk of delays, fragmented implementation, and noncompliance with CMS reporting and audit standards. By centralizing operational leadership under the State Project Officer ensures efficient resource allocation, timely deliverable completion, and audit-ready governance, safeguarding program integrity and maximizing impact for beneficiaries.

The State Project Officer will work in partnership with the Principal Investigator to execute the strategic priorities outlined in the State of Arizona’s Rural Health Transformation Program efforts.

RHTP Funded	Individuals Name	Annual Salary	Level of Effort	Months of Salary Budgeted	Total Salary Requested
Yes	Josue Macias	\$140,000	Full-Time	12	\$140,000.00

Program Area Manager (1FTE) (Direct administrative cost): The **Program Area Manager** will serve as the operational lead for programmatic components of the RHTP award, working closely with the Principal Investigator and State Project Officer to ensure successful execution of all initiative areas. This position is responsible for translating strategic priorities into actionable workplans, coordinating stakeholder engagement, and supervising the team of Program Area Analysts. Core duties include developing initiative-specific workplans and budget inputs aligned with CMS-approved goals, monitoring milestones and outcomes, and contributing to quarterly and annual progress reports. The Program Manager will also collaborate with fiscal and compliance teams to ensure expenditures adhere to federal cost principles and RHTP funding

guidelines, while escalating risks or performance gaps to leadership for timely resolution. Given the complexity of the RHTP program, this role is essential to maintain operational continuity and ensure compliance across multiple programmatic streams.

RHTP Funded	Individuals Name	Annual Salary	Level of Effort	Months of Salary Budgeted	Total Salary Requested
Yes	TBD	\$100,000	Full-Time	12	\$100,000.00

Program Area Analysts (5 FTE) (Direct administrative cost): The 5 **Program Area Analysts** positions reporting directly to the Program Manager, will manage implementation portfolios for assigned initiative areas. The positions are essential to translating RHTP strategic goals into actionable implementation plans within their assigned initiative areas. Each analyst is responsible for developing tailored implementation approaches, setting expectations with partners, and executing programmatic efforts in close coordination with stakeholders, and under the guidance of the program area manager. This role ensures operational alignment and accountability, directly contributing to the effectiveness and sustainability of RHTP initiatives. Additionally, analysts will provide technical assistance and administrative support to ensure timely delivery of program objectives. Their responsibilities include coordinating and monitoring initiative-level milestones, preparing data inputs for CMS progress reports, and maintaining documentation to support performance assessments and financial audits in accordance with HHS and CMS requirements. Analysts will collaborate with fiscal and compliance teams to validate expenditures and ensure alignment with federal cost principles, while proactively identifying risks or delays within their assigned portfolios. These positions are critical to sustaining the program’s capacity for detailed oversight, accurate reporting, and audit readiness, ensuring that each initiative under the RHTP award meets its intended outcomes and complies with federal standards.

RHTP Funded	Individuals Name	Annual Salary	Level of Effort	Months of Salary Budgeted	Total Salary Requested
Yes	TBD	\$82,500.00	(5) Full-Time	12	\$412,500.00

Evaluation & Data Manager (1FTE) (Direct administrative cost): The **Evaluation and Data Manager**, under the direction of the RHTP State Project Officer, will lead the development and execution of the RHTP evaluation framework, ensuring that program performance is measured accurately and reported in compliance with CMS and HHS requirements. This position is responsible for designing and maintaining the RHTP metrics and evaluation plan, aggregating and analyzing data across all initiative areas, and producing actionable insights to inform program improvement. The Manager will collaborate closely with program leadership and fiscal teams to align outcome metrics with financial expenditures, enabling cost-effectiveness

assessments and strategic resource allocation. By serving as the primary authority on data integrity and evaluation methodology, this role ensures that the program meets federal expectations for evidence-based performance monitoring.

In addition to quarterly and annual performance reporting, the Evaluation and Data Manager will prepare evaluation summaries and data-driven analyses for inclusion in Non-Competing Continuation (NCC) applications and budget updates. This position will maintain audit-ready documentation and apply advanced analytical techniques to assess program impact, identify trends, and support decision-making at the executive level. Given the complexity and scale of the RHTP award, this role is essential to ensure compliance with federal reporting standards, strengthen accountability, and provide the data foundation for continuous improvement and sustainability of program outcomes. The Evaluation and Data Manager will create the strategic evaluation infrastructure tailored to the RHTP award, establishing the foundation for data-driven decision-making and continuous improvement. This role will be an essential conduit to stakeholders as the manager will provide technical assistance to the full spectrum of subrecipients, contractors, and partners.

RHTP Funded	Individuals Name	Annual Salary	Level of Effort	Months of Salary Budgeted	Total Salary Requested
Yes	TBD	\$102,000	Full-Time	12	\$102,000.00

Senior Business Analyst (1FTE) (Direct administrative cost): The Senior Business Analyst, reporting to the Evaluation and Data Manager, will provide advanced analytical and operational support for the RHTP program, focusing on process optimization, data-driven decision-making, and compliance alignment. This role will develop and maintain dashboards, analyze program performance metrics, and identify operational efficiencies to ensure timely achievement of CMS strategic priorities, including support to fiscal teams. The analyst will also support risk assessments and contribute to quarterly and annual reporting, ensuring that program activities remain audit-ready and aligned with federal requirements. In coordination with the Evaluation and Data Manager, the analyst will provide technical assistance to the full spectrum of RHTP stakeholders. This position is critical for translating complex data into actionable insights that inform leadership decisions and improve program outcomes, and is commensurate with the magnitude of the anticipated RHTP award.

RHTP Funded	Individuals Name	Annual Salary	Level of Effort	Months of Salary Budgeted	Total Salary Requested
Yes	TBD	\$75,000	Full-Time	12	\$75,000.00

Compliance Manager (1FTE) (Direct administrative program cost): The **Compliance Manager** will oversee adherence to federal and state regulatory requirements governing the RHTP award, including 2 CFR Part 200, CMS terms and conditions, and HHS Grants Policy Statement. Responsibilities include developing compliance protocols, monitoring subrecipient performance, and conducting internal reviews to mitigate risk and ensure audit readiness. The Compliance Manager will also lead corrective action planning and provide technical assistance to program teams and partners on regulatory standards. This role is essential to safeguard program integrity, maintain transparency, and ensure full compliance with federal grant requirements.

RHTP Funded	Individuals Name	Annual Salary	Level of Effort	Months of Salary Budgeted	Total Salary Requested
Yes	TBD	\$115,000	Full-Time	12	\$115,000.00

Fiscal Manager (1FTE) (Direct administrative cost): The **Fiscal Manager** is responsible for developing and managing detailed budgets, preparing financial reports, and coordinating audit activities in alignment with the HHS Grants Policy Statement and 2 CFR Part 200 requirements. Core duties include overseeing subrecipient and contractor financial documentation, validating expenditures against federal cost principles, and maintaining audit-ready records to support risk reviews and monitoring. The Fiscal Manager will also prepare and submit required federal reports, including Federal Financial Reports (FFRs), FFATA submissions, and audit certifications, ensuring accuracy and timeliness.

In addition to compliance and reporting, the Fiscal Manager will collaborate closely with program and data teams to align financial outlays with performance outcomes, enabling cost-effectiveness analysis and strategic resource allocation. This role is essential for safeguarding the financial integrity of the RHTP program, mitigating risk, and ensuring that all fiscal operations meet federal standards. Given the size and complexity of the award, a dedicated Fiscal Manager is critical to maintaining transparency, supporting audit readiness, and ensuring that funds are utilized efficiently to achieve program objectives.

RHTP Funded	Individuals Name	Annual Salary	Level of Effort	Months of Salary Budgeted	Total Salary Requested
Yes	TBD	\$113,000	Full-Time	12	\$113,000.00

Accountant IV (3 FTE) (Direct administrative program cost): The **Accountant IV** will manage complex financial operations for the RHTP program, including grant accounting, reconciliation, and preparation of required federal financial reports (FFRs). This position will

ensure expenditures comply with federal cost principles and State accounting policies, maintain audit-ready documentation, and support the annual Single Audit process. The Accountant IV will also collaborate with program and data teams to align financial reporting with performance outcomes, providing fiscal analysis to inform strategic decisions. This role is critical for maintaining financial integrity and ensuring timely, accurate reporting to CMS.

RHTP Funded	Individuals Name	Annual Salary	Level of Effort	Months of Salary Budgeted	Total Salary Requested
Yes	TBD	\$90,000	(3) Full-Time	12	\$270,000.00

Stakeholder Engagement Lead (1 FTE) (Direct administrative program cost): The Stakeholder Engagement Lead will design and implement a statewide engagement strategy to advance the Rural Health Transformation Program (RHTP) objectives and ensure alignment with Arizona’s healthcare priorities. This position will serve as the primary liaison between AHCCCS, healthcare organizations, providers, and local, state, and Tribal governments and partners, and residents, fostering collaboration and continuity across initiatives. Responsibilities include driving awareness of new programs, addressing rural health needs, and embedding RHTP benefits within the state’s health delivery system. By coordinating stakeholder input and strategic communication, this role is critical to integrating federal investments into Arizona’s health infrastructure, promoting efficiency, effectiveness, as well as sustaining long-term improvements in care delivery.

RHTP Funded	Individuals Name	Annual Salary	Level of Effort	Months of Salary Budgeted	Total Salary Requested
Yes	TBD	\$90,000	Full-Time	12	\$90,000

Total Direct Administrative Salary FTE	Total Direct Administrative Salary Costs
15	\$1,417,500.00

Fringe Benefits (Direct administrative cost):

The State of Arizona classifies fringe benefits for all permanent employees as Employee Related Expenses (ERE). ERE encompasses the full suite of benefits provided under the State’s benefit plan, including health, dental, vision, and life insurance; retirement contributions; unemployment insurance; Social Security; FICA; and other statutory benefits such as long-term disability and workers’ compensation. Fringe benefits may also include agency-specific allowances such as educational assistance, transportation benefits, and uniform or tool allowances. For budgeting

purposes, AHCCCS applies an ERE rate of 40% of the position’s base salary, which is usual and customary for the agency and reflects the State’s standardized approach to benefit coverage. This allocation ensures compliance with State policy and accurately represents the cost of maintaining a competitive and comprehensive benefits package for personnel assigned to the RHTP program. By applying the established ERE rate, the budget accounts for essential employee benefits necessary to support workforce development activities under the initiative.

Title	FTE #	ERE (40% of salary)
State Project Officer	1	\$56,000.00
Program Area Manager	1	\$40,000.00
Program Area Analysts	5	\$165,000.00
Evaluation & Data Manager	1	\$40,800.00
Senior Business Analyst	1	\$30,000.00
Compliance Manager	1	\$46,000.00
Fiscal Manager	1	\$45,200.00
Accountant 4	3	\$108,000.00
Stakeholder Engagement Lead	1	\$36,000.00
	15	
Total ERE		\$567,000.00

Travel (Direct administrative cost):

A. Out-of-State – CMS Quality Conference (Baltimore, March 2026)

All travel costs comply with Arizona SAAM. Airfare estimates reflect typical PHX→BWI round-trip fares; lodging and M&IE use SAAM-based caps. Ground transport includes taxi/shuttle. A 5% contingency is included for fare fluctuations.

Trip Purpose	CMS Quality Conference, Baltimore
# of Travelers	4
Origin/Destination	PHX → BWI BWI → PHX
Airfare	Round trip estimates are \$1,100 each = \$4,400
Lodging/Night	\$160 per night, 4 travelers for 3 nights = \$1,920
M&IE/Day	\$86 per day, 4 travelers, 3 days = \$1,032

Ground Transportation/Day	\$40 per day, 3 days, 4 travelers = \$480
Estimated Year 1 Total	\$7,832

Justification:

Attending the CMS Quality Conference (March 16–18, 2026, Baltimore) with four key RHTP leaders—the Principal Investigator (PI), State Project Officer (SPO), Program Area Manager, and Evaluation & Data Manager—ensures comprehensive engagement across program governance, operations, and measurement. The agenda and CMS communications emphasize cross-sector collaboration and coordinated quality improvement, making it critical that AHCCCS’s leadership team jointly participates to (1) align with CMS guidance; (2) translate sessions into actionable implementation steps; and (3) strengthen relationships with federal and state partners that directly influence RHTP success. Having both operational and evaluation leads present allows immediate synthesis of policy updates into the workplan and metrics, accelerating performance reporting and NCC readiness.

Program impact: The PI and SPO represent award stewardship and CMS coordination; the Program Area Manager drives initiative execution; and the Evaluation & Data Manager ensures measurement fidelity. Joint attendance supports AHCCCS’s managed-care alignment and data-driven continuous improvement, consistent with the conference’s focus on improving outcomes through coordinated strategies.

B. In-State – Monthly Rural County Site Visits (Year 1)

Two key staff will conduct monthly rural county visits. Costs include mileage at \$0.67/mi (200-mile round trip), lodging at \$95/night, and meals at \$45/day per SAAM. These assumptions produce a conservative annual estimate.

Trip Type	Rural County Visit
# of Travelers	2
Avg Mileage/Trip	200 miles
Mileage Rate	\$0.67/mile
Lodging/Night	\$95
Nights	1
M&IE/Day	\$45

Subtotal per Trip	\$548
Total Trips	12
Estimated Year 1 Total	\$6,576

Justification:

Conducting monthly in-state travel to rural counties by two key RHTP staff ensures direct engagement with stakeholders, subrecipients, and local partners critical to program success. These visits allow AHCCCS to (1) strengthen relationships with rural providers and community organizations; (2) verify implementation progress and compliance with CMS-approved workplans; and (3) provide technical assistance and resolve operational challenges in real time. Face-to-face engagement is vital for building trust, addressing barriers unique to rural settings, and ensuring that federally funded initiatives translate into measurable improvements for Arizona’s rural populations.

Program impact:

On-site presence supports stakeholder engagement, subrecipient monitoring, and project implementation verification—all core requirements under the Notice of Award and Uniform Guidance. These visits enable AHCCCS to validate that funded activities align with approved scopes, confirm adherence to performance metrics, and identify opportunities for continuous improvement. In-person collaboration accelerates problem-solving, promotes transparency, and ensures that rural communities receive the full benefit of RHTP investments

Total Travel Costs (CMS Quality Conference + Rural County Visits)	\$14,408.00
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Arizona adheres to Uniform Guidance as well as state regulations for personnel travel, as outlined in the State of Arizona Accounting Manual (SAAM)¹. The total budgeted amount of \$14,408.00 is allocated for out-of-state travel to the Annual HHS Summit for key personnel associated with the RHTP award, including programmatic and administrative staff such as the Principal Investigator (PI) and the State Project Officer. Additionally, as described below, for in-state travel, key personnel conducting site visits and stakeholder engagement efforts will utilize RHTP funding for per diem and lodging costs in accordance with applicable federal and state policies.

¹ <https://gao.az.gov/state-arizona-accounting-manual-saam>

Travel Details:

- **Type of Travel:**

Out-of-state travel for annual attendance at the HHS Summit, as well as in-state travel for site visits and stakeholder engagement efforts associated with RHTP implementation. Key personnel traveling on behalf of the RHTP award, will be required to adhere to the SAAM policies included in the Travel² section.

- **Frequency and Duration:**

One trip per year over the five-year award period, with dates to be determined by HHS. Each trip is anticipated to require three days per attendee. For in-state travel associated with RHTP implementation for site visits and stakeholder engagement efforts, the State of Arizona anticipates one trip per month across rural Arizona. The budget reflects in-state travel by key personnel conducting site visits and stakeholder engagement efforts individually or as a group.

- **Personnel:**

Key personnel associated with the RHTP award (as indicated in the budget narrative). Personnel slated to utilize the travel budget include the Principal Investigator, State Project Officer, Stakeholder Engagement Lead, and Program Area Manager. Key Personnel will be required to adhere to the policies outlined in the SAAM topic area on Travel, including section for Other Travel-related Expenses and Incidentals³.

- **Airfare:**

Air travel is budgeted at approximately \$1,100 per person per trip, based on current market estimates. All airfare will be purchased at the lowest available commercial rates for coach or equivalent accommodations, in accordance with federal and state policy. For in-state travel, airfare is not anticipated.

- **Mileage:**

Mileage reimbursement is not anticipated, as travel will be out-of-state and will not require personal vehicle use, as personnel attend the HHS Summit. For site visits and stakeholder engagement efforts in-state, personnel will use state-owned vehicles and therefore will not be incurred. Should mileage be incurred, reimbursement will be provided in accordance with federal and state regulations and will not exceed the rate set by the General Services Administration (GSA).

²<https://gao.az.gov/sites/default/files/2022-05/5005%2520General%2520Travel%2520Principles%2520and%2520Policies%2520181113.pdf>

³<https://gao.az.gov/sites/default/files/2022-05/5026%2520Incidentals%2520vs.%2520Other%2520Reimbursable%2520Travel%2520Expenses%25200161205.pdf>

- **Per Diem and Lodging:**

Per diem and lodging will be provided for three days per attendee for the HHS Summit, with rates not to exceed those established by GSA. All costs will be calculated in accordance with state and federal guidelines. For site visits and stakeholder engagement efforts as part of the RHTP implementation phase and outside of the HHS summit, personnel will be granted the per diem rate as well as lodging. The per diem rate established by the State of Arizona is \$64.00 per day as outlined in the SAAM section on Meals⁴, while lodging policies are outlined in the Hotels, Motels, and Lodging⁵ section

- **Ground Transportation:**

Ground transportation (e.g., taxi, Uber, Lyft) will be covered for personnel attending the HHS Summit as necessary and will adhere to applicable federal and state regulations. For in-state travel for site visits and stakeholder engagement efforts, personnel are not expected to incur ground transportation costs as state-owned vehicles will be utilized.

Supplies (Direct administrative cost):

Note: These figures are preliminary estimates; all purchases will be made through the State of Arizona's qualified vendor formulary, in accordance with applicable state procurement policies. This approach ensures both fiscal responsibility and compliance with Uniform Guidance and state regulations governing the acquisition of supplies for program staff.

⁴https://gao.az.gov/sites/default/files/2022-05/5025%2520Meals%2520and%2520Incidentals%2520200615_0.pdf

⁵<https://gao.az.gov/sites/default/files/2023-12/5030%20Hotels%2C%20Motels%20and%20Lodging%20190729a.pdf>

Item	Quantity	Unit Cost	Total	Budget Justification
Laptop	15	\$1,350.00	\$20,250.00	Each program staff member will be issued a secure laptop to execute duties associated with the RHTP award. Laptops are essential for accessing program management systems, conducting data analysis, preparing federal reports, and maintaining compliance with CMS and HHS requirements. This equipment is usual and customary across state agencies and is critical for supporting remote work, field operations, and secure communications. This is a one-time fixed cost and will not be an annual budget item.
Monitor	30	\$200.00	\$6,000.00	2 monitors will be provided to each staff member to facilitate efficient multitasking, data review, and document preparation. Monitors enhance productivity by enabling staff to manage complex program activities, review large datasets, and participate in virtual meetings with stakeholders. This is a standard provision for analytical and administrative roles in state government. This is a one-time fixed cost and will not be an annual budget item.
Docking Station	15	\$220.00	\$3,300.00	Docking stations are necessary to support seamless transitions between office and remote work environments. They enable staff to connect laptops to monitors, keyboards, and other peripherals, ensuring ergonomic workstations and uninterrupted workflow. Docking stations are a customary component of state agency technology infrastructure as they support the longevity of laptops. This is a one-time fixed cost and will not be an annual budget item.
Keyboard & Mouse Combo	15	\$40.00	\$600.00	A keyboard and mouse combo will be provided to each staff member to support daily operations, data entry, and document management. These peripherals are essential for maintaining efficiency and accuracy in program administration and are standard issue for state employees. This is a one-time fixed cost and will not be an annual budget item.
Headset (wired)	15	\$50.00	\$750.00	Wired headsets are required for secure and reliable participation in virtual meetings, stakeholder engagement sessions, and

				telehealth coordination activities. They support clear communication, reduce background noise, and ensure confidentiality during sensitive discussions. Headsets are a usual and customary expense for state program staff. This is a one-time fixed cost and will not be an annual budget item.
Cellphone	2	\$550.00	\$1,100.00	A cellphone will be issued to the Program Area Manager and the Stakeholder Engagement Lead to facilitate timely communication with program partners, stakeholders, and field teams. Mobile phones are essential for coordinating site visits, responding to urgent program needs, and maintaining accessibility during travel and remote operations. This is a standard provision for staff engaged in statewide program implementation. This charge will be an annual expense throughout the 5-year RHTP award period.
Webcam	15	\$50.00	\$750.00	Webcams are necessary for virtual meetings, stakeholder engagement, and telehealth coordination. They enable staff to participate in video conferences, conduct remote training, and maintain visual communication with partners and community members. Webcams are a customary component of the technology suite for state program staff. This is a one-time fixed cost and will not be an annual budget item.
Grant Total			\$32,750.00	

Other: N/A

Contractual:

AHCCCS allocates \$2.21M to professional services firms to provide support for RHTP administration including stakeholder engagement, monitoring and compliance, reporting, program standup, and procurement.

- AHCCCS shall award one or more task order contractual agreement(s) to existing State-contracted vendors, consistent with and subject to all applicable State procurement requirements and contractual authorities.
- The budget period 1 will begin upon receipt of RHTP funding from the Centers for Medicare & Medicaid Services (CMS) and will end on October 30, 2026.

- The period of performance for year 1 will begin upon recipient of RHTP funding from the Centers for Medicare & Medicaid Services (CMS) and will end on October 30, 2027.

The following table provides the initiatives and corresponding programs and associated funding allocations. The accompanying narrative in the following pages provides a detailed description of contractual mechanisms, period of performance, allowable activities, target applicants, and funding mechanisms. **Click the link associated with each initiative to navigate directly to the corresponding budget narrative.**

Initiative	Program	Allocated Amount
<u>Rural Health Workforce Development & Training</u>	<u>Rural Education and Training Expansion</u>	\$32,100,000
	<u>Provider Upskilling & Residency Support</u>	\$5,000,000
	<u>Financial Incentives</u>	\$8,000,000
	<u>Rural Innovation Learning Network Council</u>	\$2,000,000
<u>Priority Health Initiatives Grant</u>	<u>Behavioral Health & SUD Expansion Grant</u>	\$10,000,000
	<u>Improving Rural Maternal-Fetal Health Grant</u>	\$5,000,000
	<u>Chronic Disease Prevention & Management</u>	\$12,000,000
<u>Making Rural Healthcare Accessible</u>	<u>Grants for Telehealth Hubs, Remote Monitoring, Digital Infrastructure, and Care Coordination</u>	\$17,000,000
	<u>Rural Health Innovative Care Pilot Program</u>	\$21,000,000
	<u>Medical Diagnostic Equipment and Technology, incl. EHR Upgrades & Data Sharing</u>	\$30,000,100.32

<u>Making Rural Healthcare Resilient</u>	<u>Provider Liaisons Pilot Project</u>	\$389,960
	<u>Adopt Shared Services Consortiums</u>	\$5,000,000
	<u>Technical Assistance for Operational & Fiscal Performance</u>	\$2,800,000
Total Direct Programming Cost		\$150,290,060.32

Rural Health Workforce Development & Training

- AHCCCS allocates up to \$47.1M to the Rural Health Workforce Development & Training initiative
 - AHCCCS shall subaward to OEO
 - Period of Performance: March 1, 2026 (estimate) to October 30, 2026.
 - The start date of the subaward is contingent upon the execution of the Intergovernmental Service Agreement (ISA) award between AHCCCS and OEO and is dependent on the date on which the Centers for Medicare & Medicaid Services (CMS) releases RHTP funding to AHCCCS.
 - The period of performance will conclude on October 30, 2026. AHCCCS reserves the right to amend the subaward agreement to extend the period of performance beyond Budget Period 2026, subject to successful continuation of funding as awarded by CMS; as well as satisfactory performance as demonstrated by OEO and determined through AHCCCS' monitoring, compliance oversight, and risk re-assessment processes.
 - All financial incentives will be tied to a 5-year service commitment as pursuant to CMS' RHTP terms and conditions.

AHCCCS will administer all subawards to the Arizona Office of Economic Opportunity (OEO) in full compliance with the Uniform Guidance (2 CFR Part 200) and the Arizona Procurement Code (A.R.S. Title 41, Chapter 23). Consistent with 2 CFR §200.317, AHCCCS applies the same procurement policies and procedures used for non-federal funds and ensures that all required federal terms, conditions, and flow-down provisions are incorporated into each subaward. Subaward agreements will clearly define scope of work, performance and reporting requirements, budget parameters, and monitoring responsibilities. AHCCCS will conduct subrecipient risk assessments and ongoing fiscal and programmatic oversight, including review of financial reports, deliverables, allowable costs, and compliance with federal and state requirements. OEO will be required to follow competitive procurement practices and maintain written standards of conduct for any subsequent awards. This approach ensures funds are

administered as true subawards, supports delegated programmatic responsibilities, and maintains AHCCCS’s accountability for federal stewardship, state law compliance, and CMS requirements.

Through this, OEO will administer the Rural Health Workforce Development and Training Program, which focuses on building a sustainable pipeline of healthcare providers committed to serving rural populations through educational expansion, clinical training opportunities, and career pathway development.

Rural Education & Training Expansion | Total Allocation: Up to \$32,100,000

Planned Funding Mechanism: Subaward, Intergovernmental Service Agreements (ISAs), Contract, and Intergovernmental Agreements (IGAs)

Tier Level, Award Range, and Eligibility	Procurement Method	Purpose	Scope
<p>Tier 1: Community College Program and Clinical Capacity Expansion and Direct Financial Incentives for Rural/Tribal Students</p> <p>Award Range: Up to \$12,000,000</p> <p>Eligible Applicants: Community colleges serving rural learners.</p>	<p>Requests for grant applications to execute subawards. Internal government and internal service agreements.</p>	<p>Expand healthcare-focused programs across community colleges to strengthen health career pathways</p> <p>Deliver sector-aligned, experiential training using innovative technologies and evidence-based instruction to build technical skills, leadership capacity, and workforce readiness</p>	<ol style="list-style-type: none"> 1. Enable colleges to increase training capacity <ol style="list-style-type: none"> a. Provide funds for faculty and instructional services and infrastructure to increase enrollment and completion for programs aligned with high-occupational demand b. Provide funds to colleges to grow programs aligned with high-demand occupations 2. Enable colleges to increase cross-training and to facilitate additional competencies for learners completing with more than occupational license or in-demand skill set 3. Provide funds to strengthen and expand college and employer partnership models with targeted investment intended to increase <ol style="list-style-type: none"> a. Clinical host sites within rural areas b. Provider and college partnership models for instructional faculty shares 4. Support and facilitate upskilling and cross-training partnerships for incumbent

Tier Level, Award Range, and Eligibility	Procurement Method	Purpose	Scope
		<p>aligned with local healthcare demand</p> <p>Direct financial incentives for professionals who commit to 5 year rural service commitment to increase recruitment and retention in hard to fill roles</p>	<p>healthcare workers through college course and program design</p> <p>5. Direct incentives for learners and professionals who commit to rural service, meeting demand for specific occupations in rural areas</p> <p>6. Emphasis on allied health professions and health professions with serious specialty shortages</p>
<p>Tier 2: University Program Capacity and Expansion, and University Clinical Program and GME Expansion, and Direct Financial Incentives for Rural/Tribal Students</p> <p>Award Range: Up to \$17,500,000</p> <p>Eligible Applicants: State Universities serving rural learners, or learners</p>	<p>Internal government and internal service agreements.</p>	<p>Expand healthcare programs across universities to strengthen health career pathways</p> <p>Deliver sector-aligned, experiential training using innovative technologies and evidence-based instruction to build technical skills, leadership capacity, and workforce readiness aligned with local healthcare demand</p>	<p>1. Enable universities to increase training capacity</p> <p>a. Provide funds for faculty and instructional services and infrastructure to increase enrollment and completion for programs aligned with high-occupational demand</p> <p>b. Provide funds to universities to create or partner across institutions to initiate new programs aligned with high-demand occupations</p> <p>2. Enable universities to increase cross-training and to facilitate additional competencies for learners completing with more than occupational license or in-demand skill set</p> <p>3. Provide funds for universities to attract and retain key instructors and staff</p> <p>4. Support and strengthen advising and learner support systems for awareness of stackable certificates and degrees to enable learner mobility and advancement within high-demand occupations aligned to regional demand</p> <p>5. Provide funds to strengthen and expand university and employer</p>

Tier Level, Award Range, and Eligibility	Procurement Method	Purpose	Scope
<p>committed to serving in rural communities.</p>		<p>Direct incentives for professionals who commit to 5 year rural service commitment to increase recruitment and retention in hard to fill roles</p>	<p>partnership models with targeted investment intended to increase</p> <ul style="list-style-type: none"> a. Clinical host sites within rural areas b. Provider and university partnership models for instructional faculty shares 6. Support and facilitate upskilling and cross-training partnerships for incumbent healthcare workers through university course and program design 7. Direct incentives for learners and professionals who commit to rural service, meeting demand for specific occupations in rural areas 8. May also encompass program costs for innovative training models such as accelerated family physician training and residency programs 9. Emphasis on allied health professions and health professions with serious specialty shortages
<p>Tier 3: CTE, AHEC and HOSA Program Capacity and Expansion</p> <p>Award Range: \$3,000,000 - \$3,700,000</p> <p>Eligible Applicants: CTE, K-12 institutes serving rural learners, Health Occupation Students of</p>	<p>Internal government and internal service agreements.</p>	<p>Expand healthcare programs across secondary education systems to strengthen health career pathways</p> <p>Deliver sector-aligned, experiential training using innovative technologies and evidence-based instruction to build technical</p>	<ul style="list-style-type: none"> 1. Enable non-community college CTE providers to increase training capacity c. Provide funds for faculty and instructional services and infrastructure to increase enrollment and completion for programs aligned with high-occupational demand (non-community college CTE programs) d. Provide funds to create or partner across institutions to initiate new programs aligned with high-demand occupations 2. Enable non-community college CTE programs to increase cross-training and to facilitate additional competencies for learners completing with more than occupational license or in-demand skill set 3. Provide funds to increase service delivery for AHEC and HOSA systems through new school site partner locations

Tier Level, Award Range, and Eligibility	Procurement Method	Purpose	Scope
<p>America (HOSA), and Area Health Education Center (AHEC).</p>		<p>skills, leadership capacity, and workforce readiness aligned with local healthcare demand and strengthen rural healthcare workforce pipelines from secondary and post-secondary systems to improve recruitment, future retention, and rural training models</p>	<p>4. AHEC expansion of k12 immersion and experiential learning for health career awareness and exploration 5. Co-developed models for AHEC, college, and provider training and clinical requirements for high school learners to create or strengthen pathways to entry-level healthcare occupations and licensure 6. Funds and resources for AHEC development and deployment of novel and innovative training and exploration modalities, including virtual reality simulation, research programs, and digital curriculums 7. Resources for AHEC staff and partner organization community navigators and advising supports 8. Emphasis on programs that recruit out of rural high schools.</p>
<p>Tier 4: Transition to Practice Capacity and Expansion for Post-Secondary Provider Partners</p> <p>Award Range: \$3,000,000 - \$3,500,000</p> <p>Eligible Applicants: Non-profits, licensure boards, providers, provider associations, and</p>	<p>Requests for grant applications to execute subawards.</p> <p>Internal government and internal service agreements.</p>	<p>Grants for preceptorship programs to expand clinical training capacity, including new-to-specialty and advanced clinical training opportunities</p>	<p>1. Strengthen and expand transition to practice programs through educational institution and provider partnership models, with emphasis on training professionals to serve or continue serving in the rural workforce 2. Expand or co-develop new models for specialty and advanced practice training, clinical requirements, and mentoring 3. Incentivize healthcare professionals who have left the profession due to burnout to return to the profession as preceptors</p>

Tier Level, Award Range, and Eligibility	Procurement Method	Purpose	Scope
professional associations			

Provider Upskilling & Residency Support | Total Allocation: Up to \$5,000,000

Planned Funding Mechanism: Subaward, Intergovernmental Service Agreements (ISAs), Contract, and Intergovernmental Agreements (IGAs)

Tier Level, Award Range, and Eligibility	Procurement Method	Purpose	Scope
<p>Tier 1: Subaward to ADHS for EMS and CHW programs</p> <p>Award Range: \$4,000,000</p> <p>Eligible Applicants: Arizona Department of Health Services</p>	<p>Intergovernmental agreement or ISA</p>	<p>Support the integration, sustainability, and reimbursement of Community Health Worker (CHW) and workforce services within county health department systems of care, with a particular focus on Arizona’s rural populations.</p> <p>Support EMS training and other rural healthcare provider upskilling.</p>	<p>1. ADHS will evaluate and implement opportunities to bill for CHW services as part of their selected sustainability approach. This work includes reviewing and applying guidance related to eligible CPT and HCPCS billing codes, documentation and compliance standards, and approved care coordination models. Counties will determine how CHWs are incorporated within their local systems of care, including defining roles, workflows, and supervision structures, and will develop or enhance billing, documentation, and care coordination processes necessary to support reimbursement and the long-term sustainability of CHW and workforce services.</p> <p>2. ADHS will expand existing programs to support EMS training, or focus on upskilling existing rural healthcare providers in specific fields, with an emphasis on allied health professionals.</p>

Tier Level, Award Range, and Eligibility	Procurement Method	Purpose	Scope
<p>Tier 2: Retention and Well-being micro-grants for providers</p> <p>Award Range: \$1,000,000</p> <p>Eligible Applicants: Healthcare providers with rural workforce, or provider associations looking to provide resources across providers with rural healthcare workforces.</p>	<p>Requests for grant applications to execute subaward(s).</p> <p>Internal government and internal service agreements.</p>	<p>The initiative includes funding for wellbeing support and safety to improve retention and reduce burnout among the existing workforce.</p>	<ol style="list-style-type: none"> 1. Programs for employee and staff well-being to increase retention and mitigate attrition due to burn out 2. Trainings and in-service modules to increase leadership and manager awareness of retention-promoting activities such as staff and clinician recognition and incentive structures

Financial Incentives | Total Allocation: Up to \$8,000,000

AHCCCS has allocated up to \$8M for program implementation as administered by OEO and/or subawardees and to grant financial incentives disbursed to eligible beneficiaries. All financial incentives will be tied to a 5-year service commitment as pursuant to CMS’ RHTP terms and conditions.

At this time, AHCCCS and OEO are unable to provide full detail on the number of incentives and the proposed amount per incentive for recipients. This information is dependent upon contracting negotiations with prospective subawardees. However, AHCCCS will provide additional information to CMS as OEO concludes its procurement process. Overall, OEO intends to follow the program design approach outlined below:

OEO shall subaward up to 4 professional associations with reputable and trusted experience within rural and Tribal communities. Financial incentives will be administered by the selected professional associations for coordination and disbursement to respective eligible provider types. Each selected professional association will be responsible for distribution of financial incentives and coordination within member networks for adherence to CMS’ RHTP terms and conditions as well as applicable state

laws, including performance, measurement, compliance, and service commitment tracking through 2032.

All financial incentives supported by Rural Health Transformation Program funds, including, but not limited to, sponsored education support, recruitment incentives, and retention payments will be contingent upon the **five-year service commitment** to practice or provide services in designated rural and underserved areas within Arizona, as required by CMS.

The five-year service obligation will:

- Commence upon completion of training or upon start of employment, as applicable;
- Be memorialized through written agreements with participating individuals and/or employers;
- Include clear terms outlining service expectations, allowable service settings, and geographic requirements; and
- Incorporate provisions for repayment, proration, or other corrective action in cases where the service commitment is not fulfilled, consistent with state and federal requirements.

AHCCCS will incorporate binding provisions in all contracts with associations and organizations administering financial incentives to ensure compliance with the five-year service commitment requirement. Enforcement obligations will flow down to partner organizations and participating individuals, and AHCCCS retains the right to pursue remedies, including legal action, consistent with state law and procurement policies.

Planned Funding Mechanism: Subaward, Intergovernmental Service Agreements (ISAs), Contract, and Intergovernmental Agreements (IGAs)

Tier Level, Award Range, and Eligibility	Procurement Method	Purpose	Scope
Tier 1: General Assistance Funds Pool for Sign-on Incentives, Relocation Assistance, Commuter Assistance, Retention Programs,	Requests for proposals, and requests for grant applications to execute subawards. Internal government and internal service	Enable rural providers to retain and attract adequate healthcare workforce.	1. Enable providers to use funds to attract talent, with sign on incentives and relocation assistance, and to retain talent with commuter assistance, retention programs and childcare subsidies. 2. Intended to be deployed to rural regions based on need and rural factors

Tier Level, Award Range, and Eligibility	Procurement Method	Purpose	Scope
<p>Childcare Subsidies</p> <p>Award Range: Up to \$8,000,000</p> <p>Eligible Applicants: Rural healthcare providers, Provider Associations.</p>	<p>agreements.</p>		

Rural Innovation Learning Network-Council | Total Allocation: Up to \$2,000,000

Planned Funding Mechanism: ISA, IGA, RFP, RGA, etc.

Tier Level, Award Range, and Eligibility	Procurement Method	Purpose	Scope
<p>Tier 1: Project Office and Stakeholder Coordination</p> <p>Award Range: \$200,000-\$250,000</p> <p>Eligible Applicants: Open to the public and internal.</p>	<p>Internal government and internal service agreements.</p>	<p>Coordinate with external stakeholders, providing data and analysis of healthcare workforce landscape with specific recommendations and interventions to increase workforce outcomes and improving clinical</p>	<p>1. External communications and distribution of workforce analysis and findings</p> <p>a. Embedded activities in support of key stakeholder advisory board and external healthcare employer collaboratives</p> <p>b. Accessible data sets, visualization tools, and dashboards for awareness of rural health workforce needs</p> <p>c. Demonstrate and communicate gains from RHT workforce activities and investments throughout duration of</p>

Tier Level, Award Range, and Eligibility	Procurement Method	Purpose	Scope
		and service capacity across rural Arizona	<p>program and extending beyond performance period</p> <ol style="list-style-type: none"> 2. Publish key findings to ensure subrecipient requests beyond year 1 align with defined needs and address critical workforce shortages 3. Serve as central hub for healthcare workforce in the state, and collect and make accessible existing healthcare workforce resources for stakeholders, providers, and job applicants
<p>Tier 2: Outreach and Healthcare Career and Pathway Awareness – General and Adult Population</p> <p>Award Range: \$500,000 - \$600,000</p> <p>Eligible Applicants: Open to the public and internal contractors.</p>	<p>Open solicitation for requests for proposals.</p> <p>Internal government and internal service agreements.</p>	<p>Statewide outreach activities to promote rural health careers, recruit individuals into healthcare training programs, and communicate program opportunities to stakeholders across Arizona. Includes marketing campaigns, digital media, and event coordination.</p>	<ol style="list-style-type: none"> 1. Ensure regional populations can access relevant career information, including nearby training and education providers 2. Strengthen public awareness of healthcare career LMI and ensure healthcare job growth and gainful employment opportunities are recognized by potential learners and workers 3. Communicate and demonstrate the importance of the RHT in Arizona’s rural areas and positive potential impacts for individuals’ economic mobility and career advancement
<p>Tier 3: Rural Innovation Network</p> <p>Award Range: \$250,000 - \$300,000</p>	<p>Requests for grant applications to execute subaward(s).</p> <p>Internal</p>	<p>Rural Innovation Learning Network (RILN) to disseminate best practices, build capacity for continuous improvement, and</p>	<ol style="list-style-type: none"> 1. Assemble regional virtual and in-person convenings to ensure regional collaboration is optimized 2. Collect findings and best-practice reports from regional team 3. Conduct annual convening with in-person, virtual, and hybrid attendance

Tier Level, Award Range, and Eligibility	Procurement Method	Purpose	Scope
<p>Eligible Applicants: Open to the public and internal contractors.</p>	<p>government and internal service agreements.</p>	<p>support the development of provider training and consultation networks. This will support the development of statewide provider training and consultation networks to strengthen clinical capacity and telehealth adoption.</p>	<p>options for RILN collaboration and coordination</p>

Priority Health Initiatives Grant

- AHCCCS allocates up to \$10 to Behavioral Health and SUD Grant program
 - AHCCCS shall award competitive grant applications, cooperative agreements, or amendments with managed care plans for annual awards, depending on an approved grant scope, project performance, and compliance with terms and conditions of award.
 - Period of Performance start date will be dependent on successful receipt of RTHP funds from CMS and procurement processes as pursuant to RHTP terms and conditions, as well as State of Arizona policies. AHCCCS does not anticipate awarding funds before March 1, 2026 given the agency’s procurement timeline.
 - The end date is established as October 30, 2026. AHCCCS reserves the right to amend the subaward agreement to extend the period of performance beyond Budget Period 2026, subject to successful continuation of funding as awarded by CMS; as well as satisfactory vendor performance, as determined through AHCCCS’ monitoring, compliance oversight, and risk re-assessment processes.

- AHCCCS allocates up to \$5M to the Improving Rural Maternal-Fetal Health Grant
 - AHCCCS shall subaward to ADHS
 - Period of Performance: March 1, 2026 estimate to October 30, 2026.
 - The start date of the subaward is contingent upon the execution of the ISA award between AHCCCS and ADHS and is dependent on the date on which CMS releases RHTP funding to AHCCCS.

- The period of performance will conclude on October 30, 2026. AHCCCS reserves the right to amend the subaward agreement to extend the period of performance beyond Budget Period 2026, subject to successful continuation of funding as awarded by CMS; as well as satisfactory performance as demonstrated by ADHS and determined through AHCCCS' monitoring, compliance oversight, and risk re-assessment processes.
- AHCCCS allocates up to \$12M to Chronic Disease Prevention & Management
 - AHCCCS shall subaward to ADHS.
 - Period of Performance: March 1, 2026 estimate to October 30, 2026.
 - The start date of the subaward is contingent upon the execution of the ISA award between AHCCCS and ADHS and is dependent on the date on which CMS releases RHTP funding to AHCCCS.
 - The period of performance will conclude on October 30, 2026. AHCCCS reserves the right to amend the subaward agreement to extend the period of performance beyond Budget Period 2026, subject to successful continuation of funding as awarded by CMS; as well as satisfactory performance as demonstrated by ADHS and determined through AHCCCS' monitoring, compliance oversight, and risk re-assessment processes.

Priority Health Initiatives Grant (Behavioral Health & SUD Expansion Grant) |

Target Allocation: Up to \$10,000,000

AHCCCS will administer the Priority Health Initiatives Grant to increase access to behavioral health and substance use disorder (SUD) treatment in rural and underserved communities statewide. Funds will be distributed through a competitive Request for Grant Applications (RGA) and through cooperative agreements or contract amendments with managed care plans and eligible Tribal and rural partners, consistent with state procurement requirements and the cooperative agreement terms. AHCCCS will implement a tiered funding model across all investment areas to ensure rural and Tribal communities can access overdose prevention resources, mobile treatment services, and behavioral health workforce supports at a scale appropriate to their capacity. Awards range from small community grants to large-scale regional projects, ensuring statewide coverage and a balanced distribution of limited funds. This structure promotes equity, supports rural treatment access, and strengthens Arizona's overall behavioral health service delivery system. Funding priorities directly support the Behavioral Health & SUD Expansion Grant described in the Project Narrative and address gaps in overdose response, mobile behavioral health access, crisis intervention, rural workforce shortages, and prevention programming.

Grant proposals that include the procurement of vehicles and or retrofit or update of existing vehicles for the purpose of outreach or the provision of mobile health services shall be subject to

case by case evaluation by AHCCCS and CMS. Any resulting funding awards shall be capped at a specified limit, which will be determined to be appropriate for the scope of capabilities and services proposed. All procurement activities will be conducted in accordance with the State of Arizona’s established procurement policies and procedures and will adhere to the applicable terms and conditions outlined in CMS’s RHTP guidance. Once procurement planning is finalized and initiated, specific cost and vendor information will be shared with AHCCCS and CMS for review and approval prior to executing service agreements.

AHCCCS and ADHS do not seek the procurement of mobile units for the Chronic Disease Prevention and Management Grant nor the Improving Rural Maternal-Fetal Health Grant programming under Priority Health Initiatives Grant Portfolio. This determination was informed through coordination with County health department officials and extensive stakeholder engagement activities conducted by AHCCCS and ADHS with local agency leadership. Through this effort, key stakeholders indicated that existing service delivery models utilizing vehicles for the simultaneous provision of multiple public health interventions shall be deemed incompatible with CMS requirements, which mandate that all covered activity must remain exclusively specific to RHT approved programs. Consistent with this assessment, AHCCCS remains committed to the fiscally prudent use of RHT funding and will prioritize investments in mobile unit(s) that demonstrably enhance access and outcomes and whose covered activities are consistent with CMS approved RHT programs. Accordingly, estimated vehicle costs, cost determination methodologies, and vendor information are not applicable for these to programmatic elements.

Opioid Antagonist Distribution of Overdose Prevention | Total Category Allocation: Up to \$1,500,000

Tier	Annual Award Range	Purpose	Scope	Procurement Method
Tier 1: Community Overdose Response Grants	\$100,000 - \$250,000	Support localized overdose prevention capacity in rural counties, Tribal communities, small fire districts, and frontier clinics.	1. Localized Opioid Antagonist Distribution Systems <ul style="list-style-type: none"> Procure and distribute opioid antagonist kits (e.g., naloxone) for first responders, rural clinics, Tribal community health representatives, school nurses, rural justice partners, and community nonprofits. 	RGAs

			<ul style="list-style-type: none"> ● Establish micro-distribution points in areas identified through the Project Narrative’s rural risk indicators (low provider density, long response times). <p>2. Community-Level Training and Education</p> <ul style="list-style-type: none"> ● Provide overdose recognition and response training for: <ul style="list-style-type: none"> ○ volunteer EMS, rural firefighters, CHRs, library staff, school personnel, and county public health workers. ● Conduct rural community education sessions focused on recognizing opioid overdose symptoms and activating emergency response services. <p>3. Rural Readiness Support</p> <ul style="list-style-type: none"> ● Small-scale readiness activities such as: <ul style="list-style-type: none"> ○ storage solutions for perishable medication ○ regional emergency radios for communication gaps ○ travel stipends for rural responders attending training <p>4. Tribal Partnership Support</p> <ul style="list-style-type: none"> ● Support Tribal health departments to equip community members and paraprofessional responders with opioid antagonists and localized overdose prevention protocols. 	
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<p>Tier 2 – Regional Response Capacity Projects</p>	<p>\$250,001 - \$500,000</p>	<p>Strengthen coordination and shared readiness across multi-site county regions, Tribal regions, or rural EMS districts.</p>	<ol style="list-style-type: none"> 1. Multi-Site Rural Distribution Infrastructure <ul style="list-style-type: none"> ● Develop shared procurement and inventory management systems that cover multi-county service regions. ● Deploy opioid antagonist caches to strategic rural hubs (e.g., Critical Access Hospitals, Tribal EMS substations). 2. Regional Training Expansion <ul style="list-style-type: none"> ● Establish a recurring training model that reaches multiple counties or Tribal regions. ● Develop and standardize training curricula for responders, aligned with best practices and local protocols. 3. EMS Coordination <ul style="list-style-type: none"> ● Strengthen connections between rural EMS agencies, county health departments, and local hospitals to ensure consistent overdose response protocols. ● Support joint response drills to overcome geographic and infrastructure limitations noted in the Project Narrative (limited public transportation, longer ambulance response times). 4. Rural Data & Reporting Support <ul style="list-style-type: none"> ● Create mechanisms for region-level tracking of overdose incidents, naloxone deployment, and follow-up referrals to treatment (not duplicating reimbursable services). 	<p>Competitive RGA</p>
<p>Tier 3 – Multi-County</p>	<p>\$500,001 - \$750,000</p>	<p>Build integrated</p>	<ol style="list-style-type: none"> 1. System-Level Response Networks 	<p>Competitive RGA</p>

<p>System-Level Overdose Prevention Initiatives</p>		<p>regional overdose prevention systems that link counties, Tribal partners, rural EMS, local hospitals, and clinics into coordinated networks.</p>	<ul style="list-style-type: none"> ● Develop a multi-county overdose prevention network with unified governance, involving: <ul style="list-style-type: none"> ○ EMS councils ○ Tribal health authorities ○ county public health ○ Critical Access Hospitals (CAHs) ○ rural behavioral health providers <p>2. Centralized Supply & Logistics Hubs</p> <ul style="list-style-type: none"> ● Create regional supply centers that: <ul style="list-style-type: none"> ○ manage procurement ○ maintain stock rotation ○ track usage ○ deploy supplies rapidly across large rural geographies <p>3. Regional Emergency Communications Enhancements</p> <ul style="list-style-type: none"> ● Fund improvements to communication systems used by rural EMS and first responders, addressing Project Narrative challenges such as rugged terrain and long distances that impede communication. <p>4. Integration with Rural Crisis & Treatment Pathways</p> <ul style="list-style-type: none"> ● Establish rapid referral and linkage-to-care pathways connecting overdose response to rural treatment access, SUD evaluations, mobile health units, or crisis stabilization units (as described in Project Narrative Section 1.2). <p>5. Systemwide Workforce Support</p>	
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			<ul style="list-style-type: none"> • Support responder training academies • Create shared instructor pools for remote regions • Provide technical assistance for developing county-level protocols 	
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Expansion of Mobile Digital Services Access Points, Clinics, And Crisis Services in Rural Communities | Total Category Allocation: Up to \$5,000,000

Tier	Annual Award Range	Purpose	Scope	Procurement Method
Tier 1 – Digital Access Points & Light-Mobile Units	\$250,000–\$500,000	Establish foundational digital and mobile access to behavioral health and SUD treatment in rural/Tribal communities	<ol style="list-style-type: none"> 1. Deployment of Digital Access Points <ul style="list-style-type: none"> • Install telehealth-enabled kiosks or tablets at rural community hubs (libraries, fire districts, Tribal chapter houses, community centers, shelters). • Enable secure video connections to behavioral health assessments, tele-MAT induction, follow-up therapy, care coordination, and crisis triage. 2. Light-Mobile Outreach Units <ul style="list-style-type: none"> • Deploy one vehicle (van/SUV) equipped for outreach, engagement, and basic behavioral health services. • Provide low-intensity interventions: BH screenings, warm handoffs, appointment scheduling, peer support, basic vitals monitoring, and digital intake. 3. Network, Technology & Connectivity Support <ul style="list-style-type: none"> • Equip rural partners with secure internet boosters, telehealth infrastructure, and HIPAA-compliant software. 	Simplified/Competitive RGA

			<ul style="list-style-type: none"> ● Provide training to local staff on digital care platforms and telehealth protocols. <p>4. Community Awareness Activities</p> <ul style="list-style-type: none"> ● Conduct focused rural outreach campaigns to increase awareness of tele-behavioral services, mobile service days, and local crisis resources. <p>Expected Operational Outputs</p> <ul style="list-style-type: none"> ● 1–3 digital access points established per award. ● 1 light-mobile outreach vehicle deployed. ● Telehealth capacity available to rural residents at least 5 days/week through staffed or remote-enabled hours. ● At least 100–200 rural residents reached through digital/mobile services annually. 	
Tier 2 – Mobile Behavioral Health Treatment Teams	\$500,001–\$1,000,000	Deliver mobile outpatient BH/SUD treatment, triage, and linkage services to rural communities lacking same-day or next-day access.	<p>1. Staffing & Clinical Operations</p> <ul style="list-style-type: none"> ● Deploy multidisciplinary mobile care teams, which may include: <ul style="list-style-type: none"> ○ Licensed BH clinicians ○ SUD counselors ○ Peer/recovery support specialists ○ Care coordinators ○ Nurse practitioners or physician assistants (where available) <p>2. Mobile Treatment Services</p> <ul style="list-style-type: none"> ● Provide on-site outpatient treatment including: <ul style="list-style-type: none"> ○ Assessments and brief interventions ○ Follow-up therapy and case management ○ Medication management ○ Mobile MAT induction (where permitted) 	Competitive RGA

			<ul style="list-style-type: none"> ○ Crisis de-escalation and triage ○ Warm handoffs to BH inpatient or crisis stabilization centers <p>3. Rural Route Planning & High-Need Site Coverage</p> <ul style="list-style-type: none"> ● Establish recurring, predictable service routes (weekly/biweekly) to rural towns, frontier communities, and Tribal regions identified in the RHTP Project Narrative (e.g., northern Arizona counties with crisis care gaps). <p>4. Integration with EMS, 988, and Regional Hospitals</p> <ul style="list-style-type: none"> ● Develop cross-agency protocols to coordinate mobile team response to BH/SUD crises. ● Create shared care pathways with Critical Access Hospitals (CAHs), rural EDs, and county crisis response teams. <p>Expected Operational Outputs</p> <ul style="list-style-type: none"> ● One or more fully staffed mobile BH/SUD teams deployed. ● Regular service days in 3–8 rural communities. ● 300–600 encounters per year across all service areas after launch. ● Increased care linkage following EMS or crisis encounters. 	
<p>Tier 3 – Full Mobile Health Units or Rural Crisis Stabilization</p>	<p>\$1,000,001 – \$1,500,000</p>	<p>Develop comprehensive mobile health units or mobile crisis stabilization models capable of</p>	<p>1. Establishment of a Full-Service Mobile Health Units or Crisis Unit</p> <ul style="list-style-type: none"> ● Acquire or retrofit a large vehicle (e.g., RV/coach/trailer) capable of delivering: <ul style="list-style-type: none"> ○ Clinical exam space ○ Crisis stabilization space ○ MAT induction 	<p>Competitive RGA</p>

<p>Deployment</p>		<p>providing same-day stabilization, assessment, and linkage, particularly in regions with documented northern Arizona crisis gaps</p>	<ul style="list-style-type: none"> ○ Telepsychiatry-enabled assessment ○ Integrated SUD/BH treatment <p>2. Crisis Stabilization Services</p> <ul style="list-style-type: none"> ● Provide same-day crisis triage, observation (up to 23 hours where allowable), stabilization, and handoffs to regional crisis beds or outpatient BH providers. <p>3. Regional Crisis Coordination</p> <ul style="list-style-type: none"> ● Execute MOUs with: <ul style="list-style-type: none"> ○ 988 regional crisis centers ○ County crisis systems ○ EMS ○ CAHs and rural EDs ○ Behavioral health inpatient and outpatient providers ● Integrate mobile crisis stabilization into regional dispatch or referral networks. <p>4. Technology-Enabled Clinical Support</p> <ul style="list-style-type: none"> ● Deploy telehealth psychiatric consultation to extend provider reach. ● Integrate mobile health units with statewide HIE for real-time continuity of care. <p>Expected Operational Outputs</p> <ul style="list-style-type: none"> ● One mobile crisis stabilization unit fully operational. ● 24/7 on-call clinical response capacity OR extended-hour operations. ● Ability to stabilize 250–450 crisis episodes annually. ● Reduced avoidable ED utilization among rural residents served by the unit. 	
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Training And Recruitment of Behavioral Health Professionals in Shortage Areas | Total Category Allocation: Up to \$2,000,000

Tier	Annual Award Range	Purpose	Scope	Procurement Method
Tier 1 – Rural Training Access	\$75,000–\$150,000	Expand foundational and advanced behavioral health training opportunities in rural and Tribal areas.	<ul style="list-style-type: none"> ● Provide continuing education (CE) and certification access for rural BH providers, behavioral health technicians (BHTs), peers, social workers, and counselors. ● Deliver specialized training modules (evidence-based practices, trauma-informed care, crisis intervention, rural practice competencies). ● Equip rural providers with telehealth and digital care training, strengthening their ability to serve remote populations. ● Create micro-training hubs in rural counties or Tribal communities to reduce travel barriers and support local professional development. 	Simplified/Competitive RGA
Tier 2 – Recruitment Incentives & Supervision	\$150,001 – \$300,000	Support rural placement and retention through incentives, supervision, and structured onboarding.	<ul style="list-style-type: none"> ● Provide rural recruitment incentives, including relocation stipends, onboarding supports, and rural practice orientation. ● Fund supervised clinical hours for licensure pathways (LAC/LCSW/LPC/LMFT/peer certifications). 	Competitive RGA

			<ul style="list-style-type: none"> ● Develop supervised internship and fellowship placements in rural clinics, Tribal programs, CAHs, or community-based BH agencies. ● Implement retention-focused onboarding programs, including mentoring, shadowing, tele-supervision access, and case consultation groups. ● Support clinical supervisors through stipends, training, and strengthened supervision pathways to expand rural supervision capacity. 	
Tier 3 – Regional Workforce Collaboratives	\$300,001 – \$500,000	Build coordinated regional behavioral health workforce pipelines tied to long-term rural recruitment and retention strategies.	<ul style="list-style-type: none"> ● Establish multi-agency rural workforce collaboratives connecting colleges, universities, AHECs, rural health systems, and Tribal BH programs. ● Develop coordinated education-to-employment pathways, including rural rotations, internships, residencies, and field placements. ● Implement region-wide supervision networks to support students, interns, and early career clinicians across multiple counties. ● Create shared training infrastructure, including learning collaboratives, centralized CE platforms, and cross-agency training academies. ● Conduct rural workforce assessments to identify 	Competitive RGA, ISA, IGA, or MCO Contract Amendment

			shortages, training needs, and recruitment priorities, informing sustainability planning.	
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Prevention Programs Addressing Suicide, Trauma, And Substance Use | Total Category Allocation: Up to \$1,500,000

Tier	Annual Award Range	Purpose	Scope	Procurement Method
Tier 1 – School/Community Prevention Programming	\$50,000–\$150,000	Launch or expand evidence-based prevention programs in single schools, small districts, or community settings serving rural or Tribal populations.	<ul style="list-style-type: none"> ● Program Adoption & Training: Adopt an evidence-based curriculum (e.g., classroom-based social-emotional learning, suicide prevention gatekeeper training, trauma-responsive practices) with provider/staff training and fidelity coaching. ● Materials & Licensing: Procure curriculum licenses, implementation guides, lesson materials, and age-appropriate participant resources. ● Family & Caregiver Engagement: Offer caregiver information sessions and take-home support to reinforce skills outside of school/community sessions. ● Implementation Coaching: Provide 	Simplified/Competitive RGA

			<p>light coaching and fidelity checks (e.g., observation rubrics) to ensure program adherence and quality.</p> <ul style="list-style-type: none"> ● Referral Pathways: Establish clear referrals to local or tele-behavioral resources when screening or observation indicates increased risk. <p>Expected Operational Outputs</p> <ul style="list-style-type: none"> ● 1–3 sites implementing an evidence-based program. ● 2–10 staff certified or trained to deliver the model. ● 50–200 youth and/or caregivers served annually per award (program-dependent) 	
Tier 2 – Multi-Site or District-Level Implementation	\$150,001–\$300,000	Scale programs across multiple schools or community settings; standardize fidelity and data collection; deepen staff capacity.	<ul style="list-style-type: none"> ● Cohort Deployment: Implement the selected model across multiple campuses or community sites with coordinated training cohorts. ● Implementation Team & Coaching: Stand up a site-level and district/community implementation team (administrators, counselors, BH providers) with scheduled coaching 	Competitive RGA

			<p>cycles and fidelity reviews.</p> <ul style="list-style-type: none"> ● Screening & Early Intervention: Integrate brief, developmentally appropriate screening and early-action supports; create pathways to counseling, mobile health units, or tele-BH when indicated. ● Workforce Upskilling: Train counselors, paraprofessionals, and youth-serving partners in trauma-responsive practices and crisis response protocols. ● Data & Continuous Improvement: Use standard pre/post measures (skills, climate, risk indicators) and brief feedback loops to refine implementation. <p>Expected Operational Outputs</p> <ul style="list-style-type: none"> ● 3–10 sites implementing an evidence-based model with fidelity checks. ● 10–40 staff trained/certified across participating sites. ● 200–750 youth and/or caregivers 	
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			served annually per award (program-dependent)	
Tier 3 – Regional Prevention Coalitions	\$300,001– \$400,000	Build coordinated, regional prevention capacity across counties or Tribal regions to sustain multi-site delivery, consistent fidelity, shared data, and policy/practice improvements.	<ul style="list-style-type: none"> ● Regional Coalition Formation: Formalize a coalition (MOUs) of LEAs, Tribal education/health, county public health, FQHCs, youth-serving CBOs, and BH providers to coordinate prevention strategy, training, and evaluation. ● Regional Training & Coaching Hubs: Stand up a regional training hub to develop local trainers/coaches and reduce ongoing costs; maintain a substitute pool and coaching coverage for rural schools. ● Integrated Referral & Crisis Protocols: Align school/community protocols with regional crisis systems (e.g., county crisis teams, 988), mobile treatment routes, and tele-BH access. ● Data & Evaluation Infrastructure: Deploy shared, privacy-appropriate data collection templates, outcome 	Competitive RGA, ISA, IGA, or MCO Contract Amendment

			<p>dashboards, and fidelity monitoring tools to support decision-making.</p> <ul style="list-style-type: none"> ● Sustainability Planning: Develop multi-year staffing/financing strategies (e.g., braided funding, MCO partnership supports for prevention-aligned outcomes; not duplicative of reimbursable clinical services). <p>Expected Operational Outputs</p> <ul style="list-style-type: none"> ● 1 regional coalition operating across 2–5 rural counties and/or Tribal regions. ● 15–60 staff trained/certified; 4–12 local coaches/trainers developed. ● 600–1,500 youth and/or caregivers engaged annually (program-dependent) 	
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**Priority Health Initiatives Grants (Improving Rural Maternal-Fetal Health Grant)
| Target Allocation: Up to \$5,000,000**

AHCCCS will administer all subawards to the Arizona Department of Health Services (ADHS) in full compliance with the Uniform Guidance (2 CFR Part 200) and the Arizona Procurement Code (A.R.S. Title 41, Chapter 23). Consistent with 2 CFR §200.317, AHCCCS applies the same procurement policies and procedures used for non-federal funds and ensures that all required federal terms, conditions, and flow-down provisions are incorporated into each subaward. Subaward agreements will clearly define scope of work, performance and reporting

requirements, budget parameters, and monitoring responsibilities. AHCCCS will conduct subrecipient risk assessments and ongoing fiscal and programmatic oversight, including review of financial reports, deliverables, allowable costs, and compliance with federal and state requirements. ADHS will be required to follow competitive procurement practices and maintain written standards of conduct for any subsequent awards. This approach ensures funds are administered as true subawards, supports delegated programmatic responsibilities, and maintains AHCCCS's accountability for federal stewardship, state law compliance, and CMS requirements.

The Improving Rural Maternal-Fetal Health Grant focuses on reducing preventable maternal morbidity and mortality in rural and Tribal communities by strengthening evidence-based clinical protocols, expanding workforce readiness and training, and ensuring timely access to perinatal psychiatric consultation and care navigation resources. Activities include supporting local and Tribal disease investigation and congenital syphilis prevention interventions, implementing standardized obstetric safety practices and simulation-based training in rural birthing facilities, expanding perinatal mental health certification and education for clinicians, and scaling statewide perinatal psychiatry access lines and help line infrastructure for patients and providers.

Expanding evidence-based maternal health programs | Target Allocation: \$1,700,000

Eligible activities include:

- Implementing targeted public health interventions aligned with Arizona's congenital syphilis action plan, including screening, treatment support, and provider education in rural and Tribal settings.
- Supporting entry of laboratory disease reports and assistance with cleaning data to support surveillance and disease investigation and intervention efforts.
- Funding prevention campaigns and community-based testing initiatives to expand access to screening and linkage to treatment in high-risk rural communities.

Funding Distribution and Administration (Expanding evidence-based maternal health programs initiative)

Grants will be distributed to county and Tribal partners through jurisdiction-specific awards to support disease investigation, intervention, and prevention services; remaining funds within this initiative support statewide coordination and supporting service contracts (e.g., surveillance data entry and prevention/testing expansion). While county allocations have been established, ADHS will finalize the award amounts through executed agreements and will coordinate onboarding, reporting requirements, and payment processes with each jurisdiction prior to disbursement.

ADHS will create an agreement with local county health departments to support Disease Investigation and intervention services aligned with expanding evidence-based maternal health programs. Funding amounts for local health departments and Navajo Nation include a minimum base amount combined with the percentage of the population that is considered rural; some adjustments were made as well for morbidity where appropriate.

ADHS will use Intergovernmental Agreements (IGAs) (and other allowable intergovernmental instruments, such as Interagency Service Agreements (ISAs) when applicable) to establish not-to-exceed budgets and scopes of work with each participating local health jurisdiction. Agreements will include an itemized line-item budget and work/action plan, required fiscal and programmatic reporting, and defined performance measures aligned with the congenital syphilis action plan. ADHS will monitor implementation through routine reporting, data quality reviews, and periodic check-ins, and will provide technical assistance to support consistent implementation and compliance with federal and state requirements.

In addition to jurisdiction awards, ADHS will execute contracts (procured through competitive and limited grants, or other allowable procurement methods consistent with state procurement rules) to secure specialized services that support statewide implementation. Anticipated contracted services include surveillance support for laboratory report data entry and data cleaning, prevention campaign development and dissemination, and expansion of community-based syphilis testing and linkage to treatment in rural Arizona. These contracted partners will be required to submit routine program and fiscal reports and will be monitored by ADHS consistent with contract terms and RHTP performance requirements.

Target applicants/partners and planned award recipients under this initiative include:

- County health departments/local health jurisdictions: Apache, Cochise, Coconino, Gila, Graham, Greenlee, La Paz, Maricopa, Mohave, Navajo, Pima, Pinal, Santa Cruz, Yavapai, and Yuma counties.
- Tribal partners: Navajo Nation Department of Health
- Supporting service vendors/partners (as procured): Knowledge Services (laboratory report data entry and data cleaning), OH Partners (congenital syphilis prevention campaign), and Affirm (testing expansion and linkage to treatment).

Enhanced OB and maternal mental health training and support

Eligible activities include:

- Expand implementation of Alliance for Innovation on Maternal Health (AIM) patient safety bundles in birthing facilities to reduce maternal morbidity and mortality.
- Provide obstetric simulation and other maternal, fetal, and infant training for evidence-based care in rural and Tribal settings.

- Provide perinatal mental health training to support professional development and certification of Arizona professionals working with the perinatal population (e.g., PMH-C training).
- Provide maternal health support, education, and services to reduce maternal mortality and morbidity in Tribal communities.

Ensuring access to critical help lines, including perinatal psychiatric help for patients, and perinatal help for rural clinicians

Eligible activities include:

- Scale perinatal psychiatric help resources to provide real-time psychiatric consultation and education for providers treating perinatal patients
- Provide perinatal mental health training to support the professional development and certification of Arizona professionals working with the perinatal population

Funding Distribution and Administration (Enhanced OB and maternal mental health training initiative and Ensuring access to critical help lines, including perinatal psychiatric help for patients, and perinatal help for rural clinicians initiative)

Target Allocation: Up to \$3,300,000

Award Range / Amount	Purpose	Scope	Procurement Method & Target Applicants
Up to \$560,000	Support implementation and expansion of AIM patient safety bundles in birthing facilities	Co-lead the Arizona AIM Collaborative; recruit and onboard facilities; provide technical assistance and coaching; facilitate learning opportunities; disseminate implementation tools; collect and analyze facility-reported data, with emphasis on rural and Tribal-serving facilities	Cost-reimbursement contract Arizona Hospital and Healthcare Association (AzHHA)
Up to \$320,105	Provide obstetric simulation and maternal fetal, and infant clinical training	Deliver evidence-based obstetric emergency preparedness training; establish training schedules; track participation and outcomes; conduct post-training evaluations	Competitive procurement (Invitation to Bid/RFP) and/or competitive RFGA Qualified obstetric simulation centers; academic institutions;

			training vendors; nonprofit organizations
Up to \$90,000	Support perinatal mental health certification training	Deliver perinatal mental health certification education document training participation, learning objectives, and outcomes	Competitive procurement and/or competitive subaward (RFGA) Qualified training vendors, academic institutions, nonprofit organizations with perinatal mental health expertise
Up to \$1,500,000	Operate and expand the Arizona Perinatal and Pediatric Psychiatry Access Line (APAL)	Provide real-time psychiatric consultation, provider education, referral/navigation support, and utilization reporting	Interagency Service Agreement (ISA) University of Arizona
Up to \$916,100	Support Tribal-focused maternal health supports, education, and services	Implement culturally and linguistically responsive maternal health activities; support community-informed training and care delivery models tailored to Tribal needs	Competitive subaward (RFGA) and/or intergovernmental agreements Tribal governments, Tribal health departments, Tribal-serving organizations

Priority Health Initiatives Grants (Chronic Disease Prevention & Management Grant) | Target Allocation: Up to \$12,000,000

AHCCCS will administer all subawards to the Arizona Department of Health Services (ADHS) in full compliance with the Uniform Guidance (2 CFR Part 200) and the Arizona Procurement Code (A.R.S. Title 41, Chapter 23). Consistent with 2 CFR §200.317, AHCCCS applies the same procurement policies and procedures used for non-federal funds and ensures that all required federal terms, conditions, and flow-down provisions are incorporated into each subaward. Subaward agreements will clearly define scope of work, performance and reporting requirements, budget parameters, and monitoring responsibilities. AHCCCS will conduct subrecipient risk assessments and ongoing fiscal and programmatic oversight, including review

of financial reports, deliverables, allowable costs, and compliance with federal and state requirements. ADHS will be required to follow competitive procurement practices and maintain written standards of conduct for any subsequent awards. This approach ensures funds are administered as true subawards, supports delegated programmatic responsibilities, and maintains AHCCCS’s accountability for federal stewardship, state law compliance, and CMS requirements.

Community Health Screening, Prevention, Outreach, Intervention, and Management | Target Allocation: Up to \$7,000,000

The funding will support rural health screening events and targeted outreach campaigns to identify and address chronic disease risk factors early. These investments improve access to preventive services in underserved areas and promote community engagement in evidence-based health interventions. Costs are justified as they reduce long-term healthcare expenditures by preventing disease progression.

- **County Health Chronic Disease Prevention Grant (Total Allocation: Up to \$4,900,000)**

Eligible activities include:

- Selection and implementation of evidence-based strategies across approved program areas, including chronic disease prevention, behavioral health, nutrition and physical activity, injury prevention, community health, youth substance use prevention, maternal oral health, and aging-related health priorities.
- Development and implementation of policy, systems, and environmental (PSE) strategies that support healthy behaviors, improve access to preventive services, and reduce chronic disease risk at the community, organizational, and policy levels.
- Programmatic and infrastructure activities that support prevention service delivery, coordination, and cross-sector integration.
- Development and submission of a Billing and Sustainability Plan that outlines governance structure, payer engagement strategies, and timelines for implementation.
- Integration of Community Health Worker (CHW) and workforce services, including evaluation of reimbursement opportunities aligned with ADHS and AHCCCS guidance on billing codes, documentation standards, and care coordination models.

Award Range / Amount	Purpose	Scope	Procurement Method & Target Applicants
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<p>Formula-based awards with minimum base amount, scaled by rural population size</p>	<p>Support implementation of chronic disease prevention and management activities in rural Arizona counties</p>	<p>Strengthen foundational infrastructure and service delivery for chronic disease prevention and management; advance sustainability through development of billing and reimbursement infrastructure, including support for community health worker (CHW) and workforce services</p>	<p>Intergovernmental Agreements (IGAs); draft agreements pending final budget approval</p> <p>Up to 15 county health departments, with priority to the seven 100% rural counties: Apache, Gila, Graham, Greenlee, La Paz, Navajo, and Santa Cruz</p>
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- Improving Cardiac Arrest Survival in Arizona (**Total Allocation: Up to \$1,000,000**)

Eligible activities include:

- Development of standardized curriculum and training modules for bystander CPR, including online and in-person/live training formats, with a focus on telecommunicator-assisted life support and law enforcement response.
- Maintenance and administration of an online training platform to host bystander CPR and dispatcher-assisted CPR training content.
- Implementation and support of telecommunicator-assisted CPR (T-CPR) programs, including dispatcher training materials, protocols, and guidelines.
- Development and dissemination of training materials and resources for download and print to support CPR and AED training.
- Outreach and promotional activities to increase participation in online and in-person bystander CPR training.
- Purchase and distribution of AED’s for use by law enforcement/first responding officers in the field when responding to cardiac arrest

ADHS Bureau of EMS and Trauma will contract with the University of Arizona via ISA to carry out the eligible activities in accordance with Arizona law.

- **Public Health Billing Consultant and Tribal Allocation (Target Allocation: Up to \$1,100,000)**

Eligible activities include:

- Providing technical assistance to county and Tribal health departments on billing infrastructure

- Developing and employing assessment tools for billing for county and Tribal health departments
- Selection and implementation of evidence-based strategies across approved program areas, including chronic disease prevention, behavioral health, nutrition and physical activity, injury prevention, community health, youth substance use prevention, maternal oral health, and aging-related health priorities among Tribal communities
- Development and implementation of policy, systems, and environmental (PSE) strategies in Tribal communities that support healthy behaviors, improve access to preventive services, and reduce chronic disease risk at the community, organizational, and policy levels.
- Programmatic and infrastructure activities that support prevention service delivery, coordination, and cross-sector integration.

Award Range / Amount	Purpose	Scope	Procurement Method & Target Applicants
Up to \$88,000	Support development of sustainable billing infrastructure for chronic disease services	Provide technical assistance to county health departments to assess current billing capacity, identify gaps, and develop or strengthen public health billing systems to support sustainability beyond the grant period	Competitive RGA State-approved vendor(s)
Up to \$1,010,000	Support chronic disease prevention and management interventions in Tribal communities	Design and implement culturally responsive chronic disease prevention and management interventions; participate in consultation, reporting, and coordination with ADHS	Intergovernmental Agreements (IGAs) / other allowable Tribal agreements following Tribal consultation Tribal Nations and Tribal health departments (specific Tribes to be determined through consultation)

Create and Bolster Programs Designed to Enroll Eligible Rural Arizonans in Health Insurance and Connect Them to Social Services | Target Allocation: Up to \$5,000,000

Eligible activities under the grant include:

- Assisting individuals to enroll in health insurance
- Connecting or referring individuals to healthcare clinics and social services
- Delivering appropriate support and education to help individuals connect to needed services
- Reducing barriers to treatment for substance use disorders
- Addressing obstacles in preventing and managing chronic disease
- Assessing needs to individuals to connect them to needed resources
- Strengthening community partnerships with local healthcare and social service providers

ADHS will issue a competitive grant opportunity Request for Grant Application (RGA) to procure services throughout rural Arizona. Eligible entities would include but are not limited to non-profit, community-based organizations, community health centers, rural health clinics, hospitals, Tribal organizations, and local jurisdictions serving rural Arizonans.

Making Rural Healthcare Accessible

- AHCCCS allocates \$38M for the Making Rural Healthcare Accessible initiative.
- AHCCCS shall award competitive grant applications, cooperative agreements, or amendments with managed care plans for annual awards, depending on an approved grant scope, project performance, and compliance with terms and conditions of award.
- Period of Performance start date will be dependent on successful receipt of RTHP funds from CMS and procurement processes as pursuant to RHTP terms and conditions, as well as State of Arizona policies. AHCCCS does not anticipate awarding funds before March 1, 2026 given the agency's procurement timeline.
- The end date is established as October 30, 2026. AHCCCS reserves the right to amend the subaward agreement to extend the period of performance beyond Budget Period 2026, subject to successful continuation of funding as awarded by CMS; as well as satisfactory vendor performance, as determined through AHCCCS' monitoring, compliance oversight, and risk re-assessment processes.

Grants for Telehealth Hubs, Remote Monitoring, Digital Infrastructure, and Care Coordination | Target Allocation: Up to \$17,000,000

This grant establishes and expands telehealth hubs, resources for telehealth equipment, permissible broadband access upgrades, and digital access supports. Telehealth hubs will be integrated with rural hospitals and community health centers, enabling virtual specialty consults and remote patient monitoring.

Eligible Activities:

- Telehealth hubs, mobile health units, and remote monitoring program establishment and expansion
- Digital infrastructure modernization and telehealth equipment acquisition
- Integration of services into care coordination platforms
- Tele-behavioral health and chronic care service integration

Rural Health Innovative Care Pilot Program | Target Allocation: Up to \$21,000,000

This program increases long-term access points to rural health care for preventive, specialty, and primary care services by piloting innovative care models and technologies, and alternative payment approaches.

Eligible Activities:

- Mobile and satellite service expansion for preventive, specialty, and primary care
- Innovative and alternative care models (community health workers, diversion models, in-home services, traditional healing supports, behavioral healthcare for school-aged children, etc.)
- Alternative payment and value-based care adoption initiatives.

Tiered Funding Opportunities:

AHCCCS will implement a tiered funding model for initiatives—*Grants for Telehealth Hubs, Mobile Health Units, Remote Monitoring, Digital Infrastructure, and Care Coordination, and Rural Health Innovative Care Pilot Program*—outlined above, to **ensure** rural and Tribal communities can access grants at a scale appropriate to their capacity. The following tiers are established for both the *Telehealth Digital Transformation Grant* and the *Rural Health Innovative Care Pilot Program*:

Tier	Annual Award Range	Duration	Target Applicants	Procurement Method
Tier 1: Micro-Grants	\$10,000 - \$75,000	12-18 months	Small rural clinics, Tribal health programs and 638 facilities, community-based organizations serving rural populations, rural EMS agencies and fire departments, school-based health centers in rural areas	Simplified /Competitive RGA
Tier 2: Mini-Grants	\$75,001 - \$500,000	18-36 months	Rural Health Clinics (RHC), Federally Qualified Health Centers (FQHCs) serving rural areas, small Critical Access Hospitals, Tribal health facilities and eligible Indian	Competitive RGA

			Health Service sites, county health departments, and rural provider consortiums	
Tier 3: Standard Grants	\$500,001 - \$2,000,000	24-36 months	Critical Access Hospitals (CAHs), regional health systems with rural service areas, large Tribal health facilities and Tribal health authorities, provider collaborative networks, multi-county health departments, and universities with rural health programs	Competitive RGA
Tier 4: Cooperative Agreements	\$2,000,001 - \$5,000,000	36-60 months	Anchor institutions (hospitals, universities, major nonprofit healthcare systems), AHCCCS-contracted Managed Care Organizations (MCOs), statewide or regional health systems, Tribal consortiums and inter-Tribal organizations, and multi-stakeholder collaborative networks	Subaward (Passthrough) Cooperative Agreement, Competitive Request for Grant Application (RGA), Interagency Service Agreement (ISA), Intergovernmental Service Agreement (IGA), and Managed Care Contract Amendment

Scope of Work Activities

Tier 1: Micro-Grants (Up to \$10,000 - \$75,000)

Purpose: Enable small-scale, community-driven initiatives that build foundational capacity for telehealth adoption and innovative care delivery in underserved areas.

Eligible Uses:

- Basic telehealth equipment (tablets, video conferencing equipment, peripherals)
- Digital literacy training for patients and staff
- Connectivity assessments and planning
- Community health navigation support
- Pilot programs for remote patient monitoring (small scale)

Tier 2: Mini-Grants (Up to \$75,001 - \$500,000)

Purpose: Support implementation of telehealth programs, digital infrastructure upgrades, and care coordination initiatives that can demonstrate measurable improvements in access and outcomes.

Eligible Uses:

- Establishment of telehealth hub sites
- Remote patient monitoring programs
- Digital infrastructure modernization

- Care coordination platform implementation
- Tele-behavioral health integration
- Community health worker programs
- Mobile health unit planning and initial deployment

Tier 3: Standard Grants (Up to \$500,001 - \$2,000,000)

Purpose: Fund comprehensive telehealth transformation projects, innovative care pilots, and regional care coordination initiatives with potential for scalability and sustainability.

Eligible Uses:

- Comprehensive telehealth hub establishment with multiple service lines
- Mobile health unit acquisition and deployment
- EMS service network expansion and integration
- Regional care coordination system development
- Satellite clinic establishment in underserved areas
- Innovative payment model pilots
- Culturally responsive care programs (Tribal communities)

Tier 4: Subaward (Passthrough) Cooperative Agreements (Up to \$2,000,001 - \$5,000,000)

Purpose: Support transformative, multi-site initiatives requiring substantial coordination, statewide impact potential, and significant federal involvement during implementation.

Eligible Uses:

- Regional telehealth network development spanning multiple counties
- Multi-site mobile health unit programs with integrated referral systems
- Statewide care coordination platform implementation
- Comprehensive EMS modernization and community paramedicine programs
- Value-based care transformation initiatives
- AZREACH Behavioral Health Transfer Program Expansion

Evaluation Criteria (applicable to all programs)

All applications will be evaluated using the following criteria, with weights adjusted by tier:

Evaluation Criterion	Tier 1	Tier 2	Tier 3	Tier 4
Rural Health Need and Impact	25%	20%	15%	12%
Organizational Capacity and Experience	20%	22.5%	22%	18%
Project Design and Feasibility	20%	22.5%	23%	25%
Sustainability and Scalability	10%	10%	15%	20%
Compliance History with State/Federal Grants	10%	10%	10%	10%
Budget Reasonableness	10%	15%	15%	15%
Bonus: Tribal Partnership	5% Bonus	5% Bonus	5% Bonus	5% Bonus

Tribal Community Considerations

Arizona is committed to meaningful engagement with the state's 22 Tribal communities. The tiered grant program incorporates the following Tribal-specific provisions:

Tribal Eligibility

- Tribal health programs, 638 facilities, and Tribally operated IHS facilities are eligible across all tiers
- Tribal behavioral health authorities may receive funding through IGAs
- Inter-Tribal organizations and Tribal consortiums are eligible for Tier 3 and Tier 4 awards.

Culturally Responsive Activities for Tribal Communities

Funding may support culturally responsive care models for Tribal communities and integration of traditional medicine practitioners in care delivery when proposed by Tribal partners and consistent with program goals

Government-to-Government Consultation

AHCCCS will conduct government-to-government consultation with Tribal nations throughout the grant program, including during RGA development, application review processes, and ongoing program implementation.

Technical Assistance for Tribal Applicants

AHCCCS will provide dedicated technical assistance to support Tribal applicants, including:

- Pre-application consultation and guidance
- Assistance with application development
- Budget development support
- Information sessions at Tribal Health Summits and forums

Evaluation Bonus

Applications demonstrating meaningful Tribal engagement are eligible for up to 5% bonus points in the evaluation process. Bonus points may be awarded for:

- Tribal applicants or consortium membership
- Formal partnerships with Tribal health systems
- Evidence of government-to-government consultation
- Culturally responsive project design for Tribal communities
- Letters of support from Tribal leadership or health authorities

Making Rural Health Resilient

- AHCCCS allocates \$30M for Medical Diagnostic Equipment and Technology
- AHCCCS shall award competitive grant applications, cooperative agreements, or amendments with managed care plans for annual awards, depending on an approved grant scope, project performance, and compliance with terms and conditions of award.

- Period of Performance start date will be dependent on successful receipt of RTHP funds from CMS and procurement processes as pursuant to RHTP terms and conditions, as well as State of Arizona policies. AHCCCS does not anticipate awarding funds before March 1, 2026 given the agency's procurement timeline.
- The end date is established as October 30, 2026. AHCCCS reserves the right to amend the subaward agreement to extend the period of performance beyond Budget Period 2026, subject to successful continuation of funding as awarded by CMS; as well as satisfactory vendor performance, as determined through AHCCCS' monitoring, compliance oversight, and risk re-assessment processes.
- AHCCCS allocates up to \$389,960 to Provider Liaisons Pilot Project.
 - AHCCCS shall subaward to ADHS, \$129,987.
 - AHCCCS shall subaward to DIFI, \$129,987.
 - Period of Performance: March 1, 2026 (estimate) to October 30, 2026.
 1. The start date of the subaward is contingent upon the execution of the ISA award between AHCCCS and ADHS and AHCCCS and DIFI, and is dependent on the date on which CMS releases RHTP funding to AHCCCS.
 2. The period of performance will conclude on October 30, 2026. AHCCCS reserves the right to amend the subaward agreement to extend the period of performance beyond Budget Period 2026, subject to successful continuation of funding as awarded by CMS; as well as satisfactory performance as demonstrated by ADHS and DIFI, and determined through AHCCCS' monitoring, compliance oversight, and risk re-assessment processes.
- AHCCCS allocates up to \$5M for the Adopt Shared Services Consortium programming.
 - AHCCCS shall award competitive grant applications, cooperative agreements, or amendments with managed care plans for annual awards, depending on an approved grant scope, project performance, and compliance with terms and conditions of award.
 - Period of Performance start date will be dependent on successful receipt of RTHP funds from CMS and procurement processes as pursuant to RHTP terms and conditions, as well as State of Arizona policies. AHCCCS does not anticipate awarding funds before March 1, 2026 given the agency's procurement timeline.
 - The end date is established as October 30, 2026. AHCCCS reserves the right to amend the subaward agreement to extend the period of performance beyond Budget Period 2026, subject to successful continuation of funding as awarded by CMS; as well as satisfactory vendor performance, as determined through AHCCCS' monitoring, compliance oversight, and risk re-assessment processes.
- AHCCCS allocates up to \$2.8M to Technical Assistance for Operational & Fiscal Performance programming.

- AHCCCS shall award competitive grant applications, cooperative agreements, or amendments with managed care plans for annual awards, depending on an approved grant scope, project performance, and compliance with terms and conditions of award.
- Period of Performance start date will be dependent on successful receipt of RTHP funds from CMS and procurement processes as pursuant to RHTP terms and conditions, as well as State of Arizona policies. AHCCCS does not anticipate awarding funds before March 1, 2026 given the agency's procurement timeline.
- The end date is established as October 30, 2026. AHCCCS reserves the right to amend the subaward agreement to extend the period of performance beyond Budget Period 2026, subject to successful continuation of funding as awarded by CMS; as well as satisfactory vendor performance, as determined through AHCCCS' monitoring, compliance oversight, and risk re-assessment processes.

Medical Diagnostic Equipment and Technology, incl. EHR Upgrades & Data Sharing | Target Allocation: Up to \$30,000,100.32

This grant program supports the modernization of medical equipment and health information technology infrastructure at rural healthcare facilities across Arizona. Funding enables rural providers to acquire high-need clinical and diagnostic equipment, enhance data interoperability, and strengthen cybersecurity protections. These actions will enhance clinical and diagnostic capabilities, improve the quality of care, enhance data interoperability, and strengthen cybersecurity protections. This comprehensive approach will reduce administrative burdens and unnecessary emergency room visits, helping to avoid transfers to urban hospitals and keep essential care closer to home for rural Arizonans.

Eligible Activities:

- Clinical and Diagnostic Medical Equipment: Acquisition or upgrade of any high-need medical equipment that enables rural providers to deliver care locally, reducing unnecessary emergency room visits and avoid costly transfers or referrals to urban hospitals and care providers. Examples include:
 - Diagnostic imaging equipment (X-ray, ultrasound, CT scanners, MRI)
 - Laboratory and point-of-care testing equipment
 - Cardiology equipment (EKG, stress testing, cardiac monitors)
 - Respiratory and pulmonary function equipment
 - Emergency and trauma care equipment
 - Surgical and procedural equipment for outpatient services
 - Maternal-fetal health equipment (fetal monitors, ultrasound)
 - Infusion pumps, patient monitors, and other essential clinical devices
- Electronic Health Record (EHR) Systems:
 - Implementation of new EHR systems where no HITECH-certified system exists
 - Upgrades, enhancements, and added modules to existing EHR systems
 - Substitution of G10 certified modules (not subject to 5% replacement cap)

- Health Information Exchange (HIE) Integration: Connectivity to Arizona’s statewide HIE, single sign-on capabilities, interoperability improvements aligned with TEFCA standards
- Cybersecurity: Security assessments, implementation of HHS Cybersecurity Performance Goals, HIPAA compliance tools, staff training, and incident response planning
- Data Infrastructure: Data analytics platforms, population health management tools, clinical decision support systems

Tiered Award Structure

AHCCCS will implement a tiered funding model to ensure rural and Tribal communities can access grants at a scale appropriate to their capacity. The following tiers are established for the Medical Equipment and Technology Modernization Program:

Tier	Annual Award Range	Target Applicants	Scope	Procurement Method
Tier 1: Micro-Grants	\$10,000 - \$75,000	Small rural clinics, Rural Health Centers, Tribal clinics	Basic EHR modules, point-of-care equipment, essential clinical devices, and cybersecurity basics	Simplified/Competitive RGA
Tier 2: Standard Grants	\$75,001 - \$500,000	Critical Access Hospitals, FQHCs, large Tribal facilities, and provider collaboratives	EHR upgrades, HIE integration, clinical/diagnostic equipment, and comprehensive cybersecurity	Competitive RGA
Tier 3: Cooperative Agreements	\$500,001 - \$5,000,000	Anchor institutions, health systems, managed care plans, multi-site/regional networks, and large Tribal facilities	Major equipment modernization, network-wide EHR deployment, advanced imaging and clinical systems	Competitive RGA, ISA, IGA, or MCO Contract Amendment

Special Requirements:

- Equipment Eligibility Criteria: All equipment requests must demonstrate how the investment will reduce unnecessary emergency room visits, avoid patient transfers to urban hospitals, or enable specialty care to be delivered locally. Applications must include documentation of current referral patterns or transfer data to justify need.
- 5% EHR Replacement Cap: No more than 5% of total funding awarded in a budget period may support replacement of an existing HITECH-certified EMR system (as of September 1, 2025). Upgrades, enhancements, and module additions are NOT subject to this limitation.

- Interoperability Standards: All EHR investments must align with CMS’s Health Technology Ecosystem criteria, the CMS Interoperability Framework, and ASTP/ONC criteria as applicable.
- Capital Expenditure Cap: Equipment purchases that constitute capital expenditures (>\$10,000 or recipient’s capitalization threshold) contributing to investment in existing facilities count toward the 20% capital expenditure limitation.

Provider Liaisons Pilot Project | Target Allocation: Up to \$389,960

Funding will support establishing dedicated Rural Health Provider Liaison positions within state agencies to reduce administrative burden on rural healthcare providers, streamline credentialing processes, support regulatory compliance, and serve as a coordinated point of contact for provider concerns.

Scope

Funding supports one (1) FTE Health Provider Liaison position at each of the following state agencies:

- Arizona Health Care Cost Containment System (AHCCCS)
- Arizona Department of Insurance and Financial Institutions (ADIFI)
- Arizona Department of Health Services (ADHS)

Liaison Responsibilities

- Administrative Burden Reduction: Identify and address systemic barriers that create unnecessary administrative work for providers
- Credentialing Support: Expedite credentialing processes and coordinate multi-payer enrollment
- Issue Resolution: Serve as escalation point for provider concerns across agencies
- Coordination: Regular co-reporting to agency leadership and AHCCCS RHTP Project Director

Sustainability

If the pilot demonstrates value to the rural healthcare community through measurable reductions in administrative burden and provider satisfaction metrics, Arizona intends to make this program permanent using State General Fund appropriations.

Award Structure

This initiative will be funded through ISA’s and direct allocations to DIFI and ADHS, as well

as a retained allocation for AHCCCS. Each of the three agencies will fund one (1) FTE, with an approximate allocation of \$129,987 per position.

Adopt Shared Services Consortiums | Target Allocation: Up to \$5,000,000

Funding will support the development and implementation of shared service models that reduce operational costs, eliminate duplication, and strengthen the collective capacity of rural healthcare organizations. By pooling resources and expertise, rural providers can achieve economies of scale typically available only to larger health systems.

Eligible Activities:

- Shared Staffing Models: Joint employment arrangements, traveling clinician programs, shared administrative personnel, and locum tenens coordination
- Shared Training Programs: Joint continuing education, simulation training centers, competency development, and cross-training initiatives
- Shared Data Systems: Joint IT infrastructure, shared billing/coding services, centralized data analytics, and common scheduling platforms
- Shared Facilities: Co-located service hubs, shared specialty clinic space, joint equipment utilization, and collaborative care sites
- Joint Purchasing: Group purchasing arrangements, shared supply chain management, and equipment procurement cooperatives
- Compliance Functions: Shared compliance officers, joint audit preparation, coordinated regulatory reporting

Tiered Award Structure

AHCCCS will implement a tiered funding model to ensure rural and Tribal communities can access grants at a scale appropriate to their capacity. The following tiers are established for the Adopt Shared Service Consortia Program:

Tier	Annual Award Range	Consortium Size	Scope	Procurement Method
Tier 1: Micro-Grants	\$10,000 - \$95,000	2-3 organizations	Single function (e.g., shared billing)	Simplified/Competitive RGA
Tier 2: Standard Grants	\$95,001 - \$500,000	4-6 organizations	Multiple functions, formal governance structure	Competitive RGA
Tier 3: Cooperative Agreements	\$500,001 - \$1,500,000	7+ organizations	Comprehensive shared services, regional hub model	Competitive RGA, ISA, IGA, or MCO Contract Amendment

Special Requirements:

- Minimum of two (2) participating organizations for any shared service award
- Executed or drafted Memorandum of Understanding (MOU) between consortium members
- Clear governance structure identifying decision-making authority and dispute resolution.
- Sustainability plan demonstrating how shared services will continue after the grant period.

Technical Assistance for Operational & Fiscal Performance | Target Allocation: Up to \$2,800,000

Resources will provide targeted technical assistance to rural organizations for operational improvement, financial management, and network administration. These investments build local capacity, improve fiscal sustainability, and support the formation of integrated rural health networks. Costs are critical to ensure long-term viability and compliance with federal and state performance standards.

Eligible Activities:

- Operational Improvement: Workflow optimization, process redesign, quality improvement initiatives, performance benchmarking, and efficiency assessments
- Financial Management: Revenue cycle optimization, billing and coding support, cost accounting, financial planning, and sustainability assessments
- Network Administration: Support for forming integrated rural health networks, governance development, legal/regulatory compliance assistance, and affiliation agreements
- Value-Based Care Readiness: Training on quality metrics, risk stratification, population health management, and participation in alternative payment models
- Compliance Support: Federal grant requirements, audit preparation, reporting systems, and internal controls development.

Tiered Award Structure

AHCCCS will implement a tiered funding model to ensure rural and Tribal communities can access grants at a scale appropriate to their capacity. The following tiers are established for the Technical Assistance for Operational & Fiscal Performance Program:

Tier	Annual Award Range	Target Applicants	Scope	Procurement Method
Tier 1: Micro-Grants	\$10,000 - \$50,000	Individual providers, small clinics	Operational assessments, billing audits, compliance reviews	Simplified/Competitive RGA
Tier 2: Standard Grants	\$50,001 - \$150,000	Critical Access Hospitals, FQHCs, Tribal facilities, and provider collaboratives	Comprehensive TA engagement, training programs, and system implementations	Competitive RGA
Tier 3: Cooperative Agreements	\$150,001+	Anchor institutions, health systems, managed care plans, regional networks,	Network-wide initiatives, multi-site implementations, VBC readiness programs	Competitive RGA, ISA, IGA, or MCO Contract Amendment

		and large Tribal facilities		
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Eligibility Requirements (applicable to all programs)

- **Eligible Applicants**

The following entities are eligible to apply for Making Rural Health Resilient grants:

- **Healthcare Facilities**
 - Critical Access Hospitals (CAHs)
 - Rural Emergency Hospitals (REHs)
 - Sole Community Hospitals (SCHs)
 - Medicare Dependent Hospitals (MDHs)
 - Low Volume Hospitals (LVHs)
 - Other rural hospitals (located in HRSA-defined rural areas or reclassified as rural)
- **Primary Care and Outpatient Provider**
 - Rural Health Clinics (RHCs)
 - Federally Qualified Health Centers (FQHCs)
 - Section 330 Health Centers serving rural populations
- **Behavioral Health Providers**
 - Community Mental Health Centers (CMHCs) in rural areas
 - Certified Community Behavioral Health Clinics (CCBHCs) in rural areas
 - Opioid Treatment Facilities in rural areas
- **Tribal Health Entities**
 - Tribally-operated healthcare facilities (638 compacts/contracts)
 - Tribal health departments
 - Urban Indian health organizations serving rural populations
 - Note: Federally-operated IHS facilities are NOT eligible as they are federal entities. Tribally-operated facilities ARE eligible. Applicants should verify operational status with CMS and AHCCCS prior to application.
- **Other Eligible Entities**
 - Local and county public health departments serving rural areas
 - Nonprofit healthcare organizations with rural service areas
 - Regional healthcare coalitions and networks
 - AHCCCS-contracted Managed Care Organizations (for specific initiatives)

- **Geographic Requirements**

Applicants must demonstrate service to rural populations in Arizona. Rural Areas are defined using HRSA’s definition on rurality, which includes:

- Non-metropolitan areas, OR
- Rural census tracts with metropolitan areas

Applicants may reference HRSA Rural Health Grants Eligibility Analyzer or Arizona’s rural county designations to confirm eligibility.

- **Organizational Requirements**

- Legal Entity: Must be a legally established organization capable of entering into contracts and receiving federal funds.
- Registration: Active registration in SAM.gov with a valid Unique Entity Identifier (UEI)
- Financial Capability: Demonstrated capacity to manage federal funds and comply with 2 CFR Part 200
- Good Standing: No current debarment, suspension, or exclusion from federal programs
- Audit Compliance: If expending \$750,000+ in federal funds annually, must be current on Single Audit requirements

Evaluation Criteria (Applicable to all programs)

All applications will be evaluated using the following criteria, with weights adjusted by tier:

Evaluation Criterion	Tier 1	Tier 2	Tier 3
Rural Health Need and Impact	25%	20%	15%
Organizational Capacity and Experience	20%	22.5%	22%
Project Design and Feasibility	20%	22.5%	23%
Sustainability and Scalability	10%	10%	15%
Compliance History with State/Federal Grants	10%	10%	10%
Budget Reasonableness	10%	15%	15%
Bonus: Tribal Partnership	5% Bonus	5% Bonus	5% Bonus

Tribal Community Considerations

Arizona is committed to meaningful engagement with the state’s 22 Tribal communities. The tiered grant program incorporates the following Tribal-specific provisions:

Tribal Eligibility

- Tribal health programs, 638 facilities, and IHS-operated facilities are eligible across all tiers
- Tribal behavioral health authorities may receive funding through IGAs
- Inter-Tribal organizations and Tribal consortiums are eligible for Tier 2 and Tier 3 awards.

Culturally Responsive Activities for Tribal Communities

Funding may support culturally responsive care models for Tribal communities and integration of traditional medicine practitioners in care delivery when proposed by Tribal partners and consistent with program goals

Government-to-Government Consultation

AHCCCS will conduct government-to-government consultation with Tribal nations throughout the grant program consistent with AHCCCS’s Tribal Consultation Policy, including during RGA development, application review processes, and ongoing program implementation.

Technical Assistance for Tribal Applicants

AHCCCS will provide dedicated technical assistance to support Tribal applicants, including:

- Pre-application consultation and guidance
- Assistance with application development
- Budget development support
- Information sessions at Tribal Health Summits and forums

Evaluation Bonus

Applications demonstrating meaningful Tribal engagement are eligible for up to 5% bonus points in the evaluation process. Bonus points may be awarded for:

- Tribal applicants or consortium membership
- Formal partnerships with Tribal health systems
- Evidence of government-to-government consultation
- Culturally responsive project design for Tribal communities
- Letters of support from Tribal leadership or health authorities

Budget Period 1: Total Costs

Budget Period 1–5 reflect full 12-month allocations for each performance year.

Cost Category	Total Cost
Personnel	\$1,417,500.00
Fringe Benefits	\$567,000.00
Travel	\$14,408.00
Equipment	
Supplies	\$32,750.00
Contractual	\$150,290,060.32
Construction	
Other	
Total Direct	\$152,321,718.32
Total Indirect	\$14,667,237.60
Total	\$166,988,955.92

Budget Period 2: Total Costs

Budget Period 1–5 reflect full 12-month allocations for each performance year.

Cost Category	Total Cost
Personnel	\$1,417,500.00
Fringe Benefits	\$567,000.00

Travel	\$15,000.00
Equipment	
Supplies	\$1,100.00
Contractual	\$180,000,000
Construction	
Other	
Total Direct	\$182,000,600
Total Indirect	\$17,999,400
Total	\$200,000,000.00

Budget Period 3: Total Costs

Budget Period 1–5 reflect full 12-month allocations for each performance year.

Cost Category	Total Cost
Personnel	\$1,417,500.00
Fringe Benefits	\$567,000.00
Travel	\$15,000.00
Equipment	
Supplies	\$1,100.00
Contractual	\$180,000,000
Construction	
Other	
Total Direct	\$182,000,600
Total Indirect	\$17,999,400
Total	\$200,000,000.00

Budget Period 4: Total Costs

Budget Period 1–5 reflect full 12-month allocations for each performance year.

Total Costs

Cost Category	Total Cost
Personnel	\$1,417,500.00
Fringe Benefits	\$567,000.00
Travel	\$15,000.00
Equipment	
Supplies	\$1,100.00
Contractual	\$180,000,000
Construction	
Other	
Total Direct	\$182,000,600
Total Indirect	\$17,999,400
Total	\$200,000,000.00

Budget Period 5: Total Costs

Budget Period 1–5 reflect full 12-month allocations for each performance year.

Total Costs

Cost Category	Total Cost
Personnel	\$1,417,500.00
Fringe Benefits	\$567,000.00
Travel	\$15,000.00
Equipment	
Supplies	\$1,100.00
Contractual	\$180,000,000
Construction	
Other	
Total Direct	\$182,000,600
Total Indirect	\$17,999,400
Total	\$200,000,000.00

Additional Information

- **Explain how you separate costs and funding administered directly by you as the lead agency, from funding you subcontract to other partners.**

AHCCCS utilizes the State of Arizona’s enterprise resource planning (ERP) financial system, AZ360, which provides robust functionality for segregating funding sources through its Chart of Accounts (COA) structure. Federal funds are deposited into and expended from designated accounts, with additional COA elements applied as needed to track revenue sources and departmental allocations. This system ensures compliance with federal and state accounting standards and supports transparent financial reporting.

To distinguish costs administered directly by AHCCCS as the lead agency from those subcontracted to partners, AHCCCS will implement a parent/child grant structure within AZ360. This configuration allows subcontracted funding to be tracked separately while maintaining linkage to the primary RHTP award for consolidated reporting. The parent/child relationship enables detailed cost segregation, facilitates generation of comprehensive reports, and supports high-fidelity monitoring and compliance oversight. This approach ensures that all expenditures, whether managed internally or through subrecipients, are auditable, accurately associated with the RHTP program, and aligned with federal requirements under 2 CFR Part 200.

- **Provide a narrative rationale for any anticipated or planned funding allocations like subawards, subgrants, or subcontracts to specific provider groups, health care systems, hospitals, health care facilities, organizations, or other entities. Clearly outline your methodology, process, and specific criteria for selection of who receives these allocations.**

The State of Arizona is committed to partnering with trusted, Arizona-based organizations that have demonstrated measurable impact and experience in rural communities. These entities must

possess the infrastructure, rural competency, and operational capacity necessary to advance the strategic priorities of the Rural Health Transformation Project (RHTP). The State's approach prioritizes local organizations with proven ability to deliver high-quality services in rural health settings, rather than routing funds through large national organizations or universities for redistribution. This ensures that funding directly supports partners best positioned to achieve sustainable improvements in rural health care delivery.

Methodology and Process: Funding allocations will be made through competitive grant processes in accordance with Arizona Revised Statutes and State procurement policies. AHCCCS will issue Requests for Grant Applications (RGA), Requests for Proposals (RFP), add to existing Managed Care contracts where MCOs agree to assist, make subawards to sister agencies or state programs, or other approved procurement sourcing mechanisms for procurements exceeding \$100,000, consistent with State requirements for transparency and fairness. The procurement postings will include:

- **Project Description:** Scope of work aligned with RHTP strategic priorities, and their activities as outlined in the budget justification and program narrative.
- **Funding Details:** Identification of the funding source as a federal award
- **Collaboration Encouragement:** Language promoting partnerships among community-based entities where appropriate.
- **Evaluation Criteria:** Clear factors and relative weights for scoring applications, including:
 - Demonstrated experience in rural health delivery and innovation.
 - Compliance history with state/federal grant requirements.
 - Capacity for performance monitoring and reporting.
 - Alignment with CMS strategic priorities and RHTP objectives.

Timeline: Due date for application submission, anticipated award date, and notice of any pre-application conference. Adequate public notice will be provided at least six weeks before the application deadline, and all procurement posts will be posted in the Arizona Procurement Portal (APP) and on the AHCCCS procurement list. A pre-application conference may be held at least 21 days prior to the deadline to clarify requirements. Applications will be publicly received, and evaluator assessments will be documented and made available for public inspection within 30 days of award.

Evaluation and Selection: Applications will be reviewed by at least three qualified evaluators based solely on published criteria. Evaluators may allow oral or written presentations and request revisions to reflect clarifications. Recommendations will be submitted to the head of the State governmental unit, who may affirm, modify, or reject them with written justification. This process ensures compliance with 2 CFR Part 200 and State procurement standards, maintaining transparency and accountability throughout. By leveraging a competitive, criteria-driven process and prioritizing local expertise, the State ensures that subawards and subcontracts are allocated to organizations best equipped to deliver measurable outcomes and sustain long-term improvements in Arizona's rural health workforce.

Monitoring & Reporting Expectations

Method for Monitoring Contractual Agreements:

AZ's RHT program employs a comprehensive tiered accountability framework designed to ensure effective oversight of all the contractual agreements while maintaining compliance with 2 CFR Part 200, CMS terms and conditions, and federal and state requirements. This framework operates through a coordinated system of primary accountability at the state level, delegating respective monitoring responsibilities to pass-through state agencies (e.g., ADHS and OEO), and standardized reporting requirements that flow from individual grantees through agency partners (if required) and ultimately to the AHCCCS RHT Program Office.

Primary Accountability Structure: AHCCCS, as the designated recipient and pass-through entity under the CMS cooperative agreement, maintains ultimate legal and financial accountability for all aspects of the award, including all funds provided to subrecipients. The AHCCCS RHT Program Office serves as the primary accountability hub, responsible for establishing monitoring protocols, aggregating performance data, ensuring federal compliance, and providing technical assistance across all initiative areas. All subaward agreements clearly define scope of work, performance and reporting requirements, budget parameters, and monitoring responsibilities consistent with 2 CFR §200.332 requirements for pass-through entities.

Delegated Monitoring for Portfolio-specific Subrecipients: The RHTP utilizes a portfolio-based organizational structure that delegates day-to-day monitoring responsibilities to designated state agency partners while maintaining centralized oversight at AHCCCS. This approach leverages existing agency expertise and relationships while ensuring consistent federal compliance standards.

1. **Workforce Development & Training:** The Office of Economic Opportunity (OEO), as the State's workforce strategy agency, receives subaward funding to oversee and coordinate rural health workforce initiatives. OEO is delegated responsibility for monitoring compliance activities and aggregating performance reporting on its respective subrecipients, contractors, and consultants engaged in pipeline development, preceptor training, provider upskilling, and recruitment and retention initiatives. OEO program managers embed reporting requirements in all program contracts and conduct implementation monitoring through required reporting from program participants and contracted agencies. OEO provides status updates and consolidated reports to the AHCCCS RHT Central Grants Office on a quarterly basis.
2. **Priority Health Initiatives Portfolio:** The Arizona Department of Health Services (ADHS) receives subaward funding to administer the Improving Rural Maternal-Fetal Health Grant and Chronic Disease Prevention and Management Grant. ADHS is delegated responsibility for monitoring compliance activity and aggregating performance reporting on its respective subrecipients, contractors, and consultants. ADHS administers contracts, Inter-Agency Agreements, and competitive Request for Grant Application processes, requiring quarterly performance reports with standardized indicators. ADHS provides consolidated status updates and reports to the AHCCCS RHT Central Grants Office.
3. **Making Healthcare Accessible and Making Healthcare Resilient Portfolios:** AHCCCS directly administers initiatives within these portfolios through the RHT Program Office, including the Behavioral Health and Substance Use Disorder

Expansion Grant, Telehealth Digital Transformation Grant, and Rural Health Innovative Care Pilot Program. Direct monitoring is conducted by Program Area Analysts assigned to each initiative, with oversight from the Compliance Manager and the Evaluation and Data Manager.

Risk-Based Monitoring Approach: AHCCCS conducts subrecipient risk assessments prior to award and implements ongoing fiscal and programmatic oversight calibrated to identified risk levels. The monitoring framework includes risk-based subrecipient monitoring systems, quarterly financial and performance reporting systems, site-visit protocols, financial review procedures, and closeout protocols. Higher-risk subrecipients receive more intensive monitoring, including more frequent site visits, enhanced financial documentation requirements, and increased technical assistance support.

Contractual Flow-Down Requirements: All applicable general terms and conditions from the CMS Notice of Award flow down to subrecipients through subaward agreements. Subrecipients and their contractors are required to maintain compliance with federal statutes, regulations, and award terms and conditions. AHCCCS maintains an affirmative duty to track all parties to the award, including subrecipient key personnel and subcontractors in SAM.gov, verifying eligibility status for all first-tier subawards regardless of value and procurement contracts of \$40,000 or more.

Performance Monitoring During and at Close of Period of Performance

Ongoing Performance Monitoring Requirements: All grantees, subrecipients, contractors, and consultants operating under RHTP funding are subject to comprehensive monitoring requirements throughout the period of performance. These requirements ensure consistent data collection, enable continuous quality improvement, and support federal reporting obligations.

1. **Quarterly Reporting:** All grantees submit quarterly reports within 15 days after the end of the reporting period, documenting progress for that quarter. This includes: spending data broken down by use of funds and initiatives, milestone progress, and technical assistance request(s).
2. **Annual Reporting:** All grantees submit annual progress reports within 30 days before the end of the budget period, documenting cumulative activities completed during the annual reporting period. These include: qualitative progress updates on milestones and implementation, quantitative updates on metrics tracked as part of the approved workplan, quantitative descriptions of funds expenditure by initiative and use of funds, and any additional information that should be used as part of CMS' annual workload funding recalculation for the subsequent budget period.
3. **Performance Demonstration:** Grantees demonstrate improvements in access, availability, timeliness, or capacity appropriate to each initiative.
4. **Care Coordination Tracking:** Grantees report on coordination and transitions, including cross-agency referrals and warm handoffs to treatment, crisis stabilization, mobile/tele-behavioral health, or community services.

5. **Personnel Records:** Grantees maintain documentation of staff qualifications, training, supervision and certification status, and fidelity/coaching records as applicable to their initiative area.
6. **Fiscal and Compliance Tracking:** All grantees meet compliance and fiscal tracking standards, including maintaining procurement documentation, submitting quarterly budget-to-actual reporting, and conducting inventory management for equipment, vehicles, and digital assets acquired with grant funds.

Site Visits and Direct Monitoring: The AHCCCS RHT Program Office conducts monthly site visits to rural counties to verify program implementation, assess subrecipient performance, and provide on-site technical assistance. Site visits verify that high-quality care and services reach intended rural and remote populations, that grant-funded equipment is maintained and in active use, and that program activities align with approved work plans and federal requirements. Site visit findings are documented and used to inform technical assistance priorities and identify high-performing models for replication. If necessary, site visit findings will also be used to develop and verify compliance with corrective action plans.

Initiative-Specific Evaluation and Monitoring: Each program portfolio maintains evaluation and monitoring plans tailored to its specific activities and outcomes:

1. **Workforce Development (OEO):** Implementation monitoring is conducted through required reporting from program participants and contracted agencies. OEO leverages its Integrated Data System (IDS), a centralized, privacy-protected platform for linking education, workforce, and licensure data to evaluate how training investments translate into employment outcomes. Metrics are updated quarterly, with data aggregated through a centralized system designed to meet federal audit and reporting standards.
2. **Priority Health Initiatives (ADHS):** ADHS uses a combination of process and outcome measures to assess implementation fidelity, reach, and health impact. Subgrantees submit quarterly reports detailing service delivery metrics, participant demographics, and outcomes using standardized templates. A midpoint evaluation in FY28 assesses progress and guides adjustments, while a final evaluation in FY31 measures overall impact and informs future funding and policy decisions.
3. **Priority Health Initiatives (AHCCCS) and Healthcare Access/Resilience (AHCCCS):** Subrecipients submit quarterly reports capturing patient reach, service utilization, cost avoidance, and care coordination metrics. State-level aggregation is conducted using AHCCCS and ADHS data systems, supplemented by Health Information Exchange analytics for referral and utilization tracking. Evaluation includes quantitative tracking of adoption rates, utilization volumes, and interoperability levels, with structured feedback from providers, health plans, and community partners informing qualitative assessment.

Technical Assistance and Continuous Quality Improvement: Subrecipients submit quarterly reports capturing patient reach, service utilization, cost avoidance, and care coordination metrics. State-level aggregation is conducted using AHCCCS and ADHS data systems, supplemented by Health Information Exchange analytics for referral and utilization tracking. Evaluation includes quantitative tracking of adoption rates, utilization volumes, and

interoperability levels, with structured feedback from providers, health plans, and community partners informing qualitative assessment.

Corrective Action Process: The Compliance Manager leads corrective action planning when monitoring activities identify performance gaps, compliance deficiencies, or risks. Subrecipient oversight includes implementation of corrective actions as needed, with escalation of risks or performance gaps to leadership for timely resolution. Persistent non-compliance may result in enhanced monitoring, withholding of funds, or termination of subawards consistent with 2 CFR 200.339 remedies for noncompliance.

Period of Performance Closeout: At the close of each subrecipient's period of performance, the AHCCCS RHT Program Office executes closeout protocols consistent with federal requirements. Final progress reports are required within 60 days of the period of performance end date, providing cumulative documentation of all activities completed. Final Federal Financial Reports (FFRs) are required within the same timeframe, showing cumulative expenditures and any unobligated balance of federal funds. The Fiscal Manager coordinates verification of final expenditures against federal cost principles, maintenance of audit-ready documentation, and proper disposition of any remaining equipment or assets. All obligations must be liquidated within 90 days after the end of the period of performance unless an extension is approved by the CMS Grants Management Specialist.

Personnel Responsible for Monitoring Activities

Monitoring responsibilities are distributed across a dedicated team within the AHCCCS RHT Program Office, with delegated monitoring conducted by designated personnel at OEO and ADHS for their respective portfolios.

AHCCCS RHT Program Office

- 1. State Project Officer:** Provides daily operational oversight of all RHT initiatives, ensuring alignment with CMS-approved workplans. Monitors subrecipient performance, expenditures, and compliance with grant terms and conditions. Reviews and approves draft Federal Financial Reports, progress reports, and subrecipient data prior to Principal Investigator sign-off. Serves as the primary liaison for CMS coordination and participates in monthly CMS coordination calls with grants management and project specialists.
- 2. Program Area Manager:** Serves as the operational lead for programmatic components, translating strategic priorities into actionable workplans and coordinating stakeholder engagement. Supervises the Program Area Analysts and ensures initiative-level milestones are achieved. Escalates risks or performance gaps to leadership for timely resolution.
- 3. Program Area Analysts (5 FTE):** Each Program Area Analyst manages implementation portfolios for assigned initiative areas, providing direct monitoring of subrecipients within their portfolio. Responsibilities include coordinating and monitoring initiative-level milestones, preparing data inputs for CMS progress reports, and maintaining documentation to support performance assessments and financial audits. Analysts collaborate with fiscal and compliance teams to validate expenditures and proactively identify risks or delays.

4. **Evaluation and Data Manager:** Leads development and execution of the RHTP evaluation framework, ensuring program performance is measured accurately and reported in compliance with CMS and HHS requirements. Designs and maintains the RHTP metrics and evaluation plan, aggregates and analyzes data across all initiative areas, and produces actionable insights for program improvement. Provides technical assistance to the full spectrum of subrecipients, contractors, and partners on evaluation methodology and data collection. Prepares evaluation summaries and data-driven analyses for Non-Competing Continuation applications and annual reports.
5. **Senior Business Analyst:** Supports the Evaluation and Data Manager in data validation and performance monitoring. Develops and maintains dashboards, analyzes program performance metrics, and identifies operational efficiencies. Supports risk assessments and contributes to quarterly and annual reporting to ensure program activities remain audit-ready.
6. **Compliance Manager:** Oversees adherence to federal and state regulatory requirements governing the RHTP award, including 2 CFR Part 200, CMS terms and conditions, and any applicable federal and state grant rules and requirements. Develops compliance protocols, monitors subrecipient performance against compliance standards, and conducts internal reviews to mitigate risk and ensure audit readiness. Leads corrective action planning and provides technical assistance to program teams and partners on regulatory standards.
7. **Fiscal Manager:** Oversees subrecipient and contractor financial documentation, validates expenditures against federal cost principles, and maintains audit-ready records to support risk reviews and monitoring. Coordinates financial review procedures including quarterly budget-to-actual reconciliation and preparation of Federal Financial Reports. Collaborates with program and data teams to align financial outlays with performance outcomes.

Delegated Monitoring at Partner Agencies

1. **Office of Economic Opportunity (OEO):** OEO program managers are delegated responsibility for monitoring Workforce Development portfolio subrecipients and contractors. Monitoring activities include embedding reporting requirements in program contracts, conducting implementation monitoring through required reporting, and aggregating quarterly performance data for submission to AHCCCS. OEO coordinates with ADHS to leverage existing EMS infrastructure and participates in regular coordination meetings with AHCCCS and the Governor's Office.
2. **Arizona Department of Health Services (ADHS):** ADHS program staff are delegated responsibility for monitoring Priority Health Initiatives portfolio subrecipients and contractors. ADHS monitors implementation through performance measures, requires quarterly performance reports with standardized indicators, and provides technical assistance to grantees. ADHS draws on public health dashboards, subgrantee reports, and encounter data for comprehensive evaluation and reporting to AHCCCS.

Coordination and Reporting Structure: The monitoring structure ensures information flows from individual grantees through agency partners to the AHCCCS RHT Program Office and ultimately to CMS. OEO and ADHS provide consolidated quarterly status updates and reports to AHCCCS, which aggregates all portfolio data for federal reporting. The State Project Officer maintains regular communication with CMS through monthly conference calls and technical assistance consultations. All monitoring personnel participate in CMS-led evaluation and monitoring activities as requested, including learning collaboratives that share lessons learned across RHT Program recipients nationally.

In summary, all grantees will be required to:

- Submit quarterly reports documenting service delivery and workforce/prevention activities, including counts of encounters/participants, unique rural residents served, staffing updates, and modality mix (as applicable).
- Provide county- or Tribal-level metrics for all core outputs and outcomes, consistent with geographic reporting expectations.
- Demonstrate improvements in access, availability, timeliness, or capacity appropriate to the initiative (e.g., faster crisis response, increased supervision slots, fidelity achievement).
- Report on coordination and transitions, including cross-agency referrals and warm handoffs to treatment, crisis stabilization, mobile/tele-BH, or community services.
- Maintain documentation of staff qualifications, training, supervision/certification status, and fidelity/coaching records (as applicable).
- Meet compliance and fiscal tracking standards, including procurement documentation, quarterly budget-to-actual reporting, and inventory management for equipment/vehicles/digital assets.
- Participate in AHCCCS-led TA, data validation, and evaluation activities, including learning collaboratives and CQI reviews.

Budget & Allowability Guide (Summary) (applicable to all programs)

All grantees must comply with the following funding limitations consistent with CMS RHTP requirements:

Expenditure Caps

- Capital Expenditures and Infrastructure: 20% cap on minor renovations, equipment, and infrastructure improvements
- Provider Payments: 15% cap on payments to healthcare providers for healthcare items or services
- Admin Costs: 10% cap on administrative expenses.
- EMR/EHR Replacement: 5% cap only on replacing existing HITECH-certified systems

Prohibited Uses

- New construction or building expansion
- Supplanting existing state, local, or private funding
- Payments duplicating services reimbursable by insurance
- Lobbying or political activities
- Costs not allocable to the approved project

- Telecommunications and video surveillance equipment prohibited under 2 CFR 200.216

Explicitly show that your administrative expenses are less than or equal to 10%. Identify which line items count as administrative expenses (such as salaries of program management and contracts for administrative support) and show that their sum is 10% or less of the total.

Indirect Administrative Cost | Up to \$14,667,237.60

The State will manage indirect costs in accordance with 2 CFR 200 and the approved indirect cost methodology. Allowable indirect activities supported under this award include HR/payroll administration, accounting and fiscal oversight, procurement and contract administration, organization-wide IT/cybersecurity support, executive administration, legal and audit services, and shared facilities operations. These functions support the overall operation of the organization and are not directly tied to program service delivery.

To ensure compliance with the NOFO requirement that administrative expenses (direct + indirect) do not exceed 10% of total award funds. The State will implement quarterly administrative roll-up reviews, pre-encumbrance screening, strict category coding, and monthly indirect allocation checks. Administrative spending will be reconciled against the 10% threshold throughout each budget period, with mid-year and annual assessments informing any necessary corrective actions. All calculations and reviews will be documented to maintain full auditability and federal compliance.

Contractual

AHCCCS allocates \$2.21M to professional services firms to provide support for RHTP administration including stakeholder engagement, monitoring and compliance, reporting, program standup, and procurement.

- AHCCCS shall award one or more task order contractual agreement(s) to existing State-contracted vendors, consistent with and subject to all applicable State procurement requirements and contractual authorities.
- The period of performance will begin upon receipt of RHTP funding from the Centers for Medicare & Medicaid Services (CMS) and will end on October 30, 2026.

Purpose: Accelerate the delivery of AZ RHT plan through Professional Services | Up to \$2M | Indirect Administrative Costs

AHCCCS proposes a strategic investment in professional services to address critical operational needs and accelerate the delivery of life-saving resources to approximately 786,000 rural Arizonans, including 22 Tribal communities.

AHCCCS must immediately establish a sophisticated grant management infrastructure to oversee Arizona's RHT plan and funding portfolios, encompassing rural health workforce development, priority health initiatives, rural health care access, and resilience. Successful program delivery hinges on achieving rapid operational readiness, ensuring strict federal compliance with 2 CFR

Part 200 and CMS terms and conditions, and fostering effective engagement with diverse rural and Tribal partners.

Award Amount	Purpose	Procurement Method	Target Applicants
\$2,000,000	Professional Services: RHT PMO Office Launch to accelerate the delivery of Arizona RHT plan	Execute through one or more Task Order Contract(s)	State Contracted Vendor(s)

Justification

This strategic investment will address critical operational needs for specialized expertise that exceed current internal capacity and accelerate the flow of funds to rural communities:

- **Timeline Compression:** The projected timeline estimates the launch of competitive solicitations by March 2026, with obligations anticipated by October 30, 2026. This aggressive schedule necessitates immediate CMS approval and requires surge capacity and specialized expertise beyond the scope of current internal staff resources.
- **Federal Compliance Complexity:** Strict adherence to federal compliance standards, specifically a deep operational knowledge of 2 CFR Part 200 and the requirements of the CMS cooperative agreement, is paramount to mitigating the risk of audit findings that could jeopardize up to \$167 million in funding for budget year one (December 31, 2025, to October 30, 2026).
- **Multi-portfolio Coordination:** The effective and simultaneous management of the rural health workforce, public health priorities, accessibility, and provider resilience initiatives mandates the implementation of sophisticated grant management frameworks specifically tailored to address the distinctive needs of rural stakeholders.
- **Capacity Building and Sustainability:** Year 1 is dedicated to establishing the permanent infrastructure, frameworks, tools, and trained personnel, which will substantially reduce the dependency on external support in subsequent fiscal years.
- **Fiscal Responsibility:** An investment of up to \$2 million in the Year 1 budget constitutes 1.2% of the total award, a critical allocation that supports AHCCCS in ensuring the proper and accountable stewardship of the remaining 98.8%.

Scope of Work Activities

The contractor(s) shall provide project management support and professional services to rapidly establish and operationalize the Arizona RHT program management office within AHCCCS across five core areas:

1. **Grant Program Infrastructure and Compliance**

- a. **Grants Management System Development:** Design and implement a comprehensive grant management infrastructure, including systems, databases, and workflows, capable of managing the full award lifecycle across tiered funding structures (e.g., micro-grants through cooperative agreements). Establish audit-ready documentation systems and performance dashboards in alignment with the CMS cooperative agreement terms and conditions, the State of Arizona's Grants Manual and grants management system, and the AZ365 financial system.
 - b. **Federal Compliance and Policy Framework:** Develop and maintain comprehensive compliance protocols ensuring strict adherence to 2 CFR Part 200, CMS cooperative agreement terms and conditions, and the HHS Grants Policy Statement. This includes establishing internal controls documentation, developing cost allocation methodologies to maintain the required administrative cap, and preparing for Single Audit procedures.
 - c. **Policy and Instrument Development:** Develop and standardize essential templates, including Requests for Grant Applications (RGAs), Requests for Proposals (RFPs), cooperative agreements, evaluation criteria, monitoring instruments, and corrective action procedures.
2. **Competitive Award Administration**
- a. **Competitive Procurement Execution:** Support the program office in designing and executing competitive processes for funding across multiple portfolios. This includes designing objective evaluation criteria emphasizing rural competency, health disparity impact, and sustainability.
 - b. **Award Management and Review:** Establish and manage objective review panels, conduct pre-award technical assistance, and manage award negotiations. Ensure fair and transparent processes, with specific attention to promoting Tribal access and building the capacity of small organizations.
 - c. **Post-Award Monitoring Framework:** Create and implement a comprehensive post-award monitoring framework. This includes establishing risk-based subrecipient monitoring systems, quarterly financial and performance reporting systems, site-visit protocols, and financial review procedures. Develop and execute closeout protocols.
3. **Capacity Building and Technical Assistance**
- a. **Training Curriculum Development:** Develop and disseminate a comprehensive training curriculum for program staff, pass-through agencies, and subrecipients. This curriculum will encompass federal regulations, financial management principles, and performance measurement methodologies specifically aligned with Arizona's RHT plan.
 - b. **Technical Assistance Delivery:** Provide staff with guidance and tools to deliver ongoing, portfolio-specific technical assistance to subrecipients in the areas of grant compliance, financial management, and program evaluation.

4. **Governance and Stakeholder Engagement**

- a. **Program Governance and Coordination:** Support the Program Director and staff in managing the RHT Steering Committee operations and establish guidance on allowable activities for portfolio-specific advisory workgroups, ensuring compliance with state and federal open meeting laws. Facilitate necessary interagency coordination among AHCCCS, ADHS, OEO, the Governor’s Office, and other involved stakeholders.
- b. **Stakeholder and Tribal Engagement:** Develop and execute a comprehensive stakeholder engagement strategy tailored to promote active participation and cooperation among rural healthcare stakeholders. This strategy will formally incorporate established Tribal government-to-government consultation protocols.

5. **Federal Reporting and Documentation**

- a. **Federal Reporting:** Support the preparation and submission of all required federal reports, including quarterly progress reports, annual performance reports, and Federal Financial Reports (FFRs).
- b. **Audit Readiness:** Maintain comprehensive, audit-ready documentation for all grant activities.

Impact

Funding professional services to establish AZ’s RHT program is a strategic, essential investment. The scope addresses the critical Year 1 operational need to rapidly create a sophisticated grant management infrastructure capable of administering the \$167M federal investment while ensuring rigorous federal compliance. This proposal delivers immediate operational capacity, mitigates compliance and performance risk, and builds permanent institutional capabilities for the five-year program and beyond.

With proper infrastructure and expert guidance from the start, Arizona will maximize the transformative impact of this unprecedented federal investment in rural health, demonstrating exemplary stewardship and sustainable improvements in healthcare access and outcomes in partnership with CMS.

Funding Mechanism: Execution through one or more Task Order Contract(s) with state-contracted vendor(s). Segmentation of these awards will be based on specialized expertise required within the five core areas of the Scope of Work Activities.

Purpose: Surge Capacity Procurement through Professional Services | Up to \$117,120 Y1 and \$140,544 Years 2-5 | Indirect Administrative Costs

The purpose of this engagement is to secure specialized contractual expertise to manage all grant-funded procurement and contractual activities, ensuring compliance with all applicable federal, state, and agency regulations. This role is essential for establishing a robust procurement framework that supports the successful execution of the grant objectives, mitigates financial risk,

and maintains audit readiness.

Award Amount	Purpose	Procurement Method	Target Applicants
16 hrs/week × \$183 Year 1 (10 months, 40 weeks total) Up to \$117,120 Year 2-5 (12 months, 48 weeks total) Up to \$140,544	Surge Capacity Procurement through Professional Services	Execute through one or more Task Order Contract(s)	State Contracted Vendor(s)

Scope of Work Activities

The Procurement Consultant shall be responsible for the following key activities:

- Manage all grant-funded procurements and contracts
- Serve as the procurement point of contact for the grant
- Attend planning or project management meetings
- Issue, award, and manage new solicitations (RFP’s, RFQ’s, RGA and Task Orders)
- Issue and Manage ISAs with Governor’s Office, ADHS, and ADES relating to the grant
- Assist in aligning procurement activities with grant requirements, ensuring proper documentation, audit readiness, and proactive risk mitigation
- Maintain continuous coordination with program leadership, finance, and the CPO to ensure procurement strategies support agency outcomes and regulatory expectations

Justification

The specialized requirements and heightened scrutiny associated with grant-funded projects necessitate the immediate deployment of a highly experienced procurement professional.

This consultant role is justified by the need for:

- **Expertise:** Access to specialized knowledge in complex federal and state procurement regulations applicable to grants.
- **Capacity:** Provision of dedicated capacity to manage the significant volume and complexity of procurements required for the grant’s success, which exceeds the current internal staff capacity.
- **Compliance:** Direct focus on ensuring all procurement actions meet grant-specific

documentation and audit standards, thereby minimizing the risk of adverse findings, expenditure disallowances, or grant funding loss.

Impact

To meet the immediate surge in procurement workload, we are strategically engaging a part-time Procurement Consultant who has prior experience and familiarity with Arizona and AHCCCS procurement rules. This approach, rather than hiring a full-time employee, allows us to immediately enhance financial integrity, accelerate compliant procurement execution, reduce audit risk through robust documentation, and ensure strategic alignment with program goals.

Funding Mechanism: Task order contract with a state-contracted vendor.