



2026 Rural Hospital Capital Improvement Grant Program

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Program Description

- Authorized by [Minnesota Statutes Section 144.148](https://www.revisor.mn.gov/statutes/cite/144.148)
(<https://www.revisor.mn.gov/statutes/cite/144.148>)
- Funds rural hospital modernization projects to update, remodel or replace aging hospital facilities and equipment necessary to maintain the operations

Funds Available

Funding	Estimate
Estimated Amount to Grant	\$1,755,000
Estimated Number of Awards	18
Estimated Maximum Award	\$125,000
Estimated Minimum Award	\$45,000

- Funding is allocated through a competitive process
- No expenditures are to be incurred prior to the grant contract's full execution

General Information

- 25% match required from non-state sources
- Project Dates: June 1, 2026 to May 31, 2030
- Collaboration is not required, but is encouraged

Funding Eligibility

- Eligibility: Non-profit, non-federal, general acute care hospital in MN
 - Outside of the 7-county metro area
 - 50 beds or fewer
 - With a population of 15,000 or fewer according to U.S. Census Bureau
- Health care entities with multiple eligible hospital locations may submit a maximum of three separate applications for distinct projects happening at different hospitals or one application covering work that spans multiple hospitals
- A network or consortium of hospitals may submit a single application on behalf of one or more eligible hospitals. All hospitals included in the grant project must be eligible

Outcomes & Priorities

Grant outcomes:

- Hospitals will update, remodel, or replace aging facilities and equipment necessary to maintain operations
- Access to hospital services will be preserved and improved for rural Minnesota communities

Other Competitive Priorities:

- Collaborative projects are encouraged. Priority will be given to projects that take a collaborative approach and have additional contributing partners or collaborators
- Among applications with similar scores and funding recommendations from the review committee, priority will be given to applicants that have not received a Rural Hospital Capital Improvement grant in recent years

Eligible and Ineligible Expenses

- Eligible Expenses Include:

- Purchase and installation of new hospital equipment (including electronic health records systems)
- Construction of new or existing hospital spaces

- Ineligible Expenses Include:

- Indirect costs
- Fundraising
- Taxes, except sales tax on goods and services
- Lobbyists, political contributions
- Bad debts, late payment fees, finance charges, or contingency funds

Project Expenses

- Applicants must demonstrate that they have worked with other partners to identify needs and existing resources in their region.
- Proposed projects must be consistent with:
 - Findings and plans resulting from the hospital's collaboration with other health care entities in the region,
 - Key priorities in the hospital's strategic plan or capital improvement plan,
 - Patient satisfaction survey results and/or the results of the hospital's community health needs assessment.
- Applicants must show that the project will contribute to the hospital's financial stability and describe provisions to ensure proper and efficient operation of the facility once the project is completed.

Grant Contractual Obligations

- Work may not start prior to the full execution of agreement and the first day of the contract period (June 1, 2026)
- Grant activities approved for payment are outlined in Exhibits A & B of the contract
 - Any activities outside of this must be approved prior to action
- Grantees must report on financial and programmatic activities quarterly
 - January 20, April 20, July 20, October 20
- Grantees receiving over \$50,000 will have one grant monitoring visit and financial reconciliation per grant period

Reporting on Grant Outcomes

Grantees will report to MDH on how they achieve the following outcomes:

- Hospitals will update, remodel, or replace aging facilities and equipment necessary to maintain operations
- Access to hospital services will be preserved and improved for rural Minnesota communities

Review Process

- MDH reviews initial eligibility
- Review committee scores applications on the criteria in RFP Attachment A:
 - Applicant provides a clear and thorough overview of organization background and capacity– 20 points
 - Applicant clearly and fully describes the problem(s), project, and outcomes– 70 points
 - Applicant’s project budget is clear and reasonable– 10 points
- Review committee and MDH determine grant awards
- MDH conducts due diligence and past performance review prior to entering into grant agreements

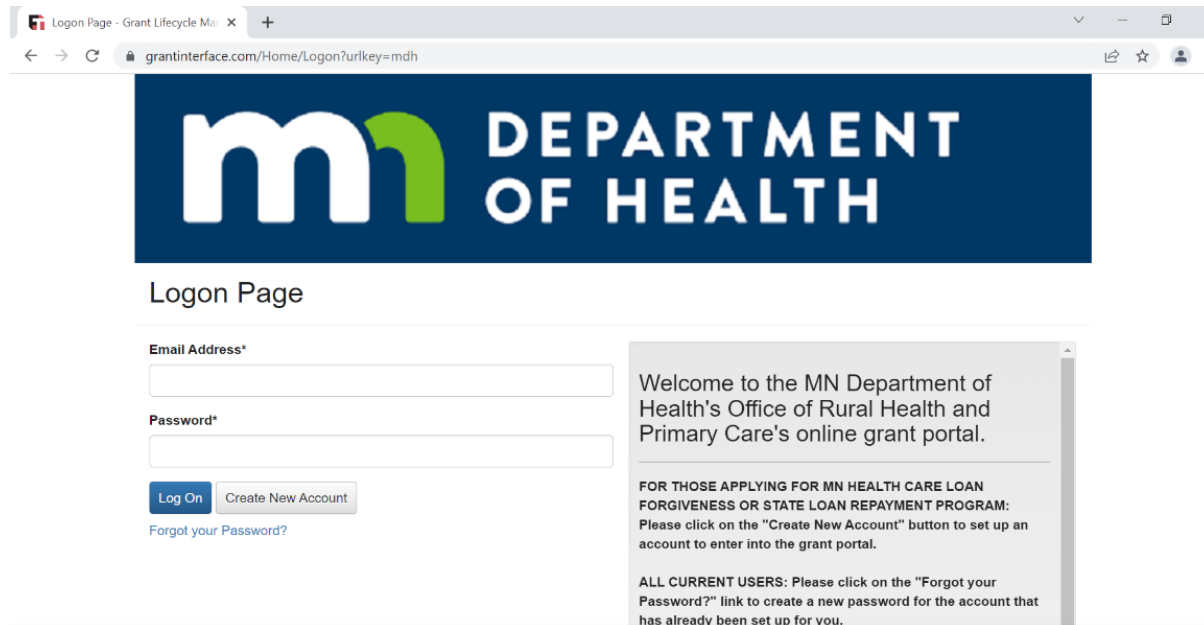
Submitting Questions

- All questions regarding this RFP must be submitted via email to Health.ruralhospitalgrants@state.mn.us
- Answers will be posted within 5 days on the ORHPC Grants and Funding website [ORHPC Grants and Funding webpage](https://www.health.state.mn.us/facilities/ruralhealth/funding/grants/index.html#rhci) (<https://www.health.state.mn.us/facilities/ruralhealth/funding/grants/index.html#rhci>)
- Please submit questions no later than 4:30 p.m. Central Time on November 21, 2025.

Application Submission

- Applications due December 12, 2025 at 4:30 pm
- All applications will be completed and submitted via the online [ORHPC Grants Management System](https://www.grantinterface.com/Home/Logon?urlkey=mdh)
(<https://www.grantinterface.com/Home/Logon?urlkey=mdh>)
- The next slides show how to create a profile and begin an application in the online system

Creating/Managing Users



The screenshot shows a web browser window with the URL `grantinterface.com/Home/Logon?urlkey=mdh`. The page features the MN Department of Health logo at the top. Below the logo, the text "Logon Page" is displayed. The login form includes fields for "Email Address*" and "Password*", a "Log On" button, and a "Create New Account" button. A link for "Forgot your Password?" is also present. A sidebar on the right contains a welcome message and instructions for new and current users.

Logon Page

Email Address*

Password*

Log On Create New Account

[Forgot your Password?](#)

Welcome to the MN Department of Health's Office of Rural Health and Primary Care's online grant portal.

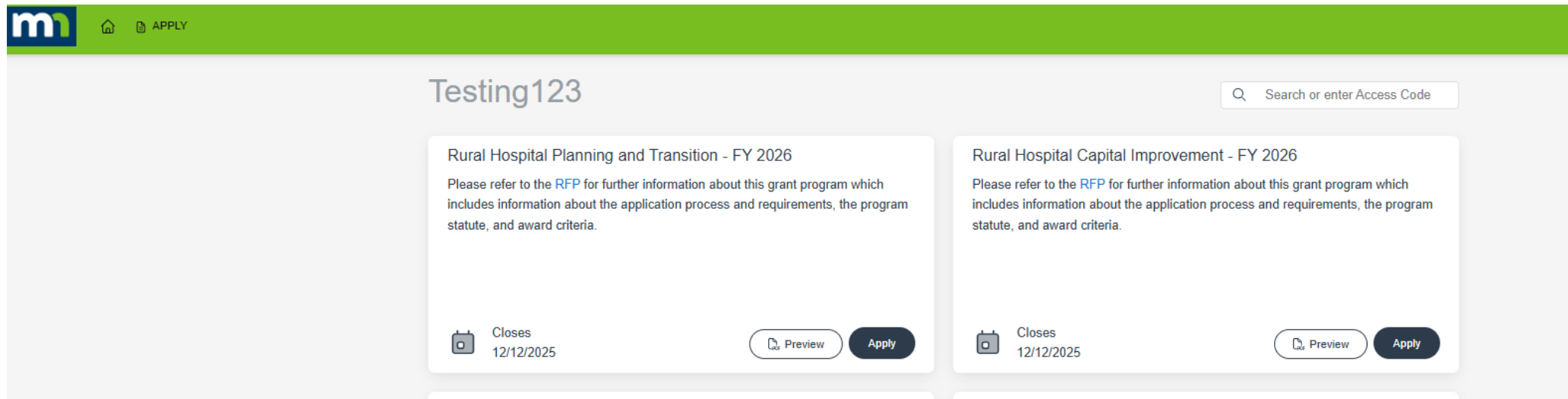
FOR THOSE APPLYING FOR MN HEALTH CARE LOAN FORGIVENESS OR STATE LOAN REPAYMENT PROGRAM: Please click on the "Create New Account" button to set up an account to enter into the grant portal.

ALL CURRENT USERS: Please click on the "Forgot your Password?" link to create a new password for the account that has already been set up for you.


- Existing Users: log in or use the forgot password button
- New Users: verify your organization has or doesn't have a profile & create profile(s)
- If you are unsure of organization's status, reach out to MDH


Starting an Application


- On the home page of the portal, find the FY2026
- Click Apply



Application Sections

 Application

 Due by 12/12/2025 04:30 PM CST.

 Fields with an asterisk (*) are required.

> Application Instructions
> Section 1: Organization and Applicant Information
> Section 2: Project Information
> Section 3: Organization and Background Capacity
> Section 4: Project Narrative
> Section 4: Project Narrative – Work Plan
> Section 5: Budget and Budget Narrative
> Section 6: Competitive Bidding
> Section 7: Required Attachments
> Section 8: Applicant Conflict of Interest
> Certification

- 8 sections to complete
- Refer to RFP for instructions on narrative questions
- Complete at your own pace
 - Save button vs Submit button

Application Sections: Organization & Applicant Information, Project Information

- Basic information about your organization
 - New supplier type question
- Important to note that applicant will be the individual to whom reports are assigned
- Collaboration is possible: can add others as collaborators in portal
- SWIFT information is very important – this is how MDH contracts
 - If unsure – contact SWIFT help desk **651-201-8106** or efthelpline.mmb@state.mn.us

Application Sections: Organization Background and Capacity

- Hospital location
 - Indicate whether your hospital is located in 1) a rural area as defined in federal Medicare regulations, and/or 2) a community with a population of less than 15,000 according to U.S. Census Bureau statistics, outside the 7-county metropolitan area.
- Number of Beds
 - Number of inpatient beds. Note this is overall number of beds, not beds staffed.
- Not for Profit and Non-federal
- Hospital Overview
 - Ownership, services, population, service area, age, size, and patients served

Application Sections: Organization Background and Capacity continued

- Hospital Financial and Census Data
 - Current Days Cash on Hand
 - Current Operating Margin
 - Current Total Margin
 - Average Daily Census
 - Percent of Revenue from Outpatient Services
- Hospital Financial and Census Information Narrative
 - Provide explanation of figures above
- Health Care in Region
- Collaboration with other Health Care Entities

Application Section: Project Narrative

- Type of Project
 - Purchase/installation of new hospital equipment (including establishing an electronic health records system) or construction work on new or existing hospital spaces
- Problem Statement
 - Document the need to repair, replace, or reconfigure facilities and/or equipment in response to current and anticipated changes in the hospital's services and operational environment
- Project Description
 - The proposed activities to purchase and install new hospital equipment or undertake construction work on new or existing hospital spaces. Identify contractors/suppliers
- How Project Addresses Problem
- Proposed Project's Alignment with Strategic or Capital Improvement Plan
- Needs Assessments/ Patient Satisfaction Survey Results
 - The findings of your community health needs assessment and/or patient satisfaction survey results, and how project will address those findings

Application Section: Project Narrative continued

- Collaborating Partners
- Health Equity and Social Drivers of Health
- Project Outcomes
 - How project will meet grant program outcomes as well as other short- and long-term outcomes
- Project Evaluation
- Plan to Maintain Facility/Equipment
- Hospital's Financial Stability
 - Hospital's plan to maintain or improve financial stability
- Funding Sources for Project
 - Other sources of funding explored
- Key Personnel Biographical Sketch
- Work Plan

Application Section: Timeline and Workplan

- Provide description and timeline of activities and tasks
 - Start and end date for each activity
 - Staff Responsible
 - Title/position only, do not include names
- Your work plan should include evaluation and reporting activities.

Application Section: Budget

- Identify all sources of funding, including the non-state 25% matching fund
 - Match source narrative, and match source identified in budget line items
- Identify consultants, contractors, and if bids have not been gathering, describe how costs are estimated
- Line Items – Match and State Funds
 - Salaries
 - Fringe
 - Travel
 - Supplies
 - Contracted Fees
 - Equipment
 - Other Expenses

Fringe - State Grant Request*

Requested grant amount. Please enter in 0 if there is not an amount requested.

Fringe - Match*

Matched amount. Please enter in 0 if there is not an amount requested.

Fringe - Total*

Total = Request grant amount + matched amount

Fringe - Match Funding Source*

Please enter N/A if request is 0.

1,000 characters left of 1,000

Fringe - Narrative*

Please enter N/A if request is 0.

1,000 characters left of 1,000

Application Section: Competitive Bidding

- Minnesota Statutes, Section 144.148 requires applicants to submit evidence that competitive bidding was used to select contractors for the proposed project
- Applicants will be asked to indicate which competitive bidding method your organization used to select contractors for the proposed project and attach documentation as indicated
- Applicants will upload bids from all contractors/suppliers who submitted a bid, to show that competitive bidding was used to select contractors/suppliers for your project, as well as any relevant organization procurement policies
- Applicants must also provide construction, remodeling, and/or equipment drawings or specifications as applicable to their project

Section 6: Competitive Bidding

Competitive Bidding*

Minnesota Statutes, Section 144.148 requires applicants to submit evidence that competitive bidding was used to select contractors for the proposed project.

Please indicate which competitive bidding method your organization used to select contractors for the proposed project and attach documentation as indicated. Upload documentation showing that competitive bidding was used to select contractors for your proposed project and any organization procurement policies, if needed.

Uniform Municipal Contracting: This hospital is owned by a local unit of government subject to the Uniform Municipal Contracting Law, M.S. section 471.345, and has complied with those requirements. (Attach documentation of the bid and award process.)

Organization Procurement Policy: This hospital is not subject to the Uniform Municipal Contracting Law but has its own procurement policy that requires competitive bidding. (Attach relevant sections of the policy and documentation of the bid and award process.)

Competitive Bidding: This hospital is not subject to the Uniform Municipal Contracting Law, does not have its own procurement policy that requires competitive bidding, but has followed a competitive bidding process. (Attach relevant sections of the policy and documentation of award process.)

Competitive Bidding not yet completed: Competitive bidding has not yet been completed for the proposed project but will be conducted through one of the above methods. (You will be required to submit documentation of the bid and award process before any state payment will be made.)

☐ Uniform Municipal Contracting

☐ Organization Procurement Policy

☐ Competitive Bidding

☐ Competitive Bidding not yet completed

Evidence of Competitive Bid*

Upload bids from all contractors/suppliers who submitted a bid, to show that competitive bidding was used to select contractors/suppliers for your project.

Upload a file

[70 MiB allowed]

Application Section: Required Attachments

- Audited Financial Statements
 - Note: Operating ratios reflected in Hospital Financial and Census Information should match the audited financial statements
- Construction, Remodeling, and Equipment Drawings/Specifications
- Due Diligence form (for certain supplier types)
- Strategic or Capital Plan(s)

Application Section: Certification and Conflict of Interest

- Complete both sections prior to submission
- Should you be aware of any conflict of interest, this does not disqualify you for funding but requires a mitigation plan to collaborate with MDH
- Reach out with any questions regarding conflict of interest

Questions?

Thank You!

Melanie Innes

Health.ruralhospitalgrants@state.mn.us