



Rural Health Transformation Program

Fiscal Year 2027 Guidelines and Criteria

Overview: The Rural Health Transformation Program (RHTP) was authorized by H.R. 1 (2025) (Section 71401 of Public Law 119-21) and empowers states to strengthen rural communities across America by improving healthcare access, quality, and outcomes by transforming the healthcare delivery ecosystem. Through innovative system-wide change, the RHTP invests in the rural healthcare delivery ecosystem for future generations. On December 29, 2025, Maryland was pleased to receive a notice of award from the [Centers for Medicare and Medicaid Services \(CMS\)](#) for \$168,180,837.61 for budget period one, of five, to develop the Maryland Rural Health Transformation Program. The Maryland Department of Health (MDH) proposal for CMS' Rural Health Transformation Program will enable our state to strengthen and improve the health and well-being of our rural residents. Maryland's program details three areas of transformation to significantly impact rural health: (1) Transform the Rural Health Workforce, (2) Promote Sustainable Access and Innovative Care for Rural Marylanders, and (3) Empower Rural Marylanders to Eat for Health. Each focus area highlights opportunities for: near-term Immediate Impact Funds and longer-term Transformation Funds. The Rural Maryland Council will manage the Pillar 3 Transformation Funds of the Maryland RHTP on behalf of the Maryland RHTP. For more information visit: <https://health.maryland.gov/pophealth/Pages/Rural-Health-Transformation-Program.aspx>

FY2027 Transformation Fund Opportunities: Empower Rural Marylanders to Eat for Health

Opportunity #1 – Increase Local Health Food Access: Aggregation

The establishment and expansion of local farm food aggregators in Maryland can help provide a link between the small to mid-size farmer and the large-scale buyer such as a wholesaler or large institution that is looking to purchase locally grown food. RHTP funds are allocated to the Rural Maryland Council for development and expansion of Maryland produced healthy food aggregation.

Background: Food aggregators, hubs, and associated coordination and IT infrastructure are critical in rural areas where farms are small and dispersed. Coordination prevents fragmentation and helps build economies of scale. The primary functions of food aggregators include coordination and planning, aggregation of food supply, and transportation. RHTP funds will cover the start-up costs for food aggregation systems. In addition to food aggregators, RHTP funds will help offset food safety equipment. A farm with good existing infrastructure may only spend a few hundred dollars, while a farm that needs to modify an aging packing area will spend significantly more. Examples of expenditures include harvest containers, cleaning tools and supplies, packing surfaces, packhouse modifications, and packing line equipment. Once operational, the revenue from foods sold will support ongoing food aggregation sustainability.

Objectives: Develop food aggregators and hubs to stimulate increased market access for small to mid-size Maryland farmers who wish to sell healthy food to wholesale and institutional buyers, ultimately increasing the volume and value of healthy local food sold. This investment will improve the dietary quality of Marylanders and will improve the economic viability of Maryland farmers.

Potential Applicants: Nonprofit organizations, units of local government and institutes of higher education, producers (including collaboratives of small to mid-sized farms or existing farming operation aggregators seeking to expand), and food councils.

Potential Activities: Local Food Access

Potential activities include, but are not limited to:

Needs Assessment and Planning

- Conduct a regional assessment to identify farm production, food demand (schools, hospitals, retailers, food banks), transportation links, and storage capacity.
- Map existing aggregation points (e.g., co-ops, cold storage, food pantries, wholesale markets).
- Identify aggregation deserts—areas without shared infrastructure or processing capacity.
- Assess potential anchor buyers (e.g., universities, hospitals, prisons) to guarantee demand.

Hub Development

- Create a shared logistics network (e.g., hub-and-spoke model) where smaller aggregation points feed into regional hubs or piloting innovative distribution models.
- Support shared services (e.g., food safety certification, training, insurance, coordinated marketing).
- Design protocols for collective product pooling and sales management.
- Develop memoranda of understanding.

Core Physical Infrastructure/ Supply Chain

- Aggregation and post-harvest processing centers for washing, packing, grading, light processing (e.g., cutting vegetables).
- Cold storage and refrigerated trucks to maintain food safety and freshness.
- Cross-docking site for regional redistribution.
- Support for last-mile delivery.

Establish Digital Infrastructure

- Implement IT infrastructure for virtual aggregation with an online coordination platform that manages ordering and logistics (e.g., trucking route optimization) but not physical storage.
- Develop e-commerce digital marketplaces and ordering systems to connect producers with institutional buyers.

Opportunity #2 – Increase Local Health Food Access: Purchasing Strategy

RHTP funds are allocated to the Rural Maryland Council to spur Maryland institutions to purchase locally grown food. This addresses the demand side to maximize the purchase of healthy foods and ensure that more Maryland food feeds Marylanders.

Background: Maryland institutions such as community colleges, childcare centers, local school systems, hospitals, and senior centers need support to pivot away from their current food acquisition

operations to develop new strategies to purchase local foods. Transitioning institutional purchasing towards fresh foods improves the diets of large numbers of Marylanders. RHTP funds will cover the start-up costs of pivoting away from traditional food purchasing systems to focus on locally produced foods. Once operational, the new system will be sustainable within existing institutional food budgets.

Objectives: This transformation fund will provide resources to food purchasers to plan for and implement processes to purchase local, healthy foods on an ongoing basis, ultimately increasing the volume and value of local food sold.

Potential Applicants: Nonprofit organizations, units of local government, institutes of higher education. Additional potential applicants include buyers and/or consortiums of buyers. These could also include county governments, municipalities, community colleges, universities, local school systems, food pantries, childcare centers, and healthcare facilities.

Potential Activities: Purchasing Strategy

Potential activities include, but are not limited to:

Policy and Procurement Framework

- Alignment with federal and state rules, e.g., USDA National School Lunch Program cost and competition requirements.
- Administrative support and training for food service directors and procurement officers on how to legally and efficiently source local food.
- Policies to prioritize local sourcing, such as a “geographic preference” in bids.
- Clear procurement guidance with simplified templates, vendor qualification processes, and model contracts for local vendors.
- Incorporate local food goals into health improvement and economic development.

Menu Planning and Culinary Capacity

- Volume coordination systems to forecast demand and match it with supply (e.g., forward contracts or seasonal menus).
- Menu alignment for seasonal menu planning based on local availability.
- Scratch cooking capacity and training for kitchen staff to prepare fresh, whole foods.
- Equipment upgrades including better refrigeration, preparation, and cooking equipment to handle raw or minimally processed ingredients.
- Nutrition education to integrate local food into curriculum and cafeteria promotions to increase consumer acceptance.

Data systems

- Dashboards tracking purchases, pricing, sales to assess/refine procurement and menu planning and justify continued investment.

Decisions: Grant award determinations for the Rural Health Transformation Program Transformation Funds are reviewed by the independent Maryland Agricultural Education and Rural Development Assistance Fund (MAERDAF) Grant Review Board set by law and consisting of the Secretaries (or their designee) of the Departments of Agriculture, Commerce, Health, Housing and Community Development and Natural Resources as well as the Chair (or the designee) of the Rural Maryland Council. Recommendations are submitted to the Maryland Department of Health and forwarded to the Centers for Medicare and Medicaid Services for final budget approval.

Fiscal Year 2027 Funding Availability: For Fiscal Year 2027, the RMC has received \$4,664,777 for Rural Health Transformation Program funding. *Grant awards are subject to funding availability.*

Important Grant Application and Award Dates:

- Grant Process Opening: Monday, April 20, 2026
- Full Application Deadline: Friday, May 15, 2026
- Decisions by the Grant Review Board: June 2 and 3, 2026
- Decisions forwarded to MDH and CMS: June 10, 2026
- Grantees notified by: August 17, 2026 (subject to CMS approval)
- Grant agreements distributed for execution by: September 14, 2026
- Signed Grant agreements to RMC by October 1, 2026
- Funds obligated by October 30, 2026
- Funds spent by grantees by September 30, 2027

CSM Reporting Requirements	
Reporting Period	Grantee Report Due to RMC
July – September	October 9, 2026
October-December	January 8, 2027
January-March	April 9, 2027
April-June	July 9, 2027

Key Deadlines:

- Funds must be expended by: September 30, 2027
- Project Year One Final Report: October 15, 2027

Guidelines and Criteria for FY2027 RHTP Grant Applications

Eligible Applicants: Applicants must be a local government, institute of higher education, regional council, or be a 501(c)(3) IRS tax designation or similar.

An official W-9 form furnished by the IRS will be required by all applicants to include in their application. This allows RMC to verify an organization’s name, address, and tax identification number. The address included on the W-9 form must match the address of the organization receiving the grant award.

For non-profits, applicants must be in “Good Standing” with the State of Maryland. Go to <https://egov.maryland.gov/BusinessExpress/EntitySearch> to determine if your organization is in good standing with the State of Maryland. We do not require a copy of the certificate; it is sufficient to provide a screenshot and attach it with your application AS LONG AS IT SHOWS WHETHER THE ENTITY IS CURRENTLY IN GOOD STANDING. An explanation for an entity not in good standing must be included with the application otherwise, the application will be rejected.

For non-profits, applicants must be "CURRENT" with the Maryland Secretary of State Charitable Organizations Division. Go to: <https://sos.maryland.gov/Charity/Pages/default.aspx> to determine if your organization is in compliance with the Secretary of State. An explanation for any entity that is not current must be included with the application; otherwise, the application will be rejected.

Please include a copy of the organization's 990 (if applicable).

Eligible Projects: To be eligible, proposals be completed between August 1, 2026 and September 30, 2027.

Rural Counties: State-determined rural counties are Allegany, Calvert, Caroline, Carroll, Cecil, Charles, Dorchester, Frederick, Garrett, Harford, Kent, Queen Anne's, St. Mary's, Somerset, Talbot, Washington, Wicomico and Worcester.

Grant Amounts: GRANT AMOUNTS ARE SUBJECT TO FUNDING AVAILABILITY. There is no maximum grant amount; however, the Grant Review Board is optimally seeking to fund up to ten to fifteen projects in each funding opportunity.

Eligible Expenditures:

- Salaries and Wages associated with program and project delivery are allowable expenses. It is strongly encouraged to include a statement on sustainability for future years.
- Up to 20% of building renovation costs are eligible expenses.
- The purchase or rental of vehicles are eligible expenses.
- The purchase of equipment is an eligible expense.
- Administrative expenses should not exceed more than 10% of the grant request. *Quotes for purchases and construction work should be included.*

Ineligible Expenditures:

- Purchase of food or produce.
- Purchase of property.
- New construction of buildings.
- Contributions, donations, or subsequent sub-awards to third parties are ineligible expenses.
- Gift cards
- Organized fundraising including financial campaigns, solicitation of gifts or bequests, or similar expenses incurred to raise capital or obtain contributions regardless of the purpose for which the funds will be used are ineligible. Advocacy and lobbying activities are also ineligible.
- Replacement of existing operational costs necessary for the regular business of the applicant is not allowable. Funds must be used to supplement existing funds and not replace (supplant) funds that have been appropriated for the same purpose. Grant funds may not be used to pay for program activities that an applicant is already obligated to pay or has already funded. Grant funds must be used to increase the total amount of funds available to deliver program services.
- Pre-award costs.
- Goods or services not allocable to the approved project. Using funds in a manner inconsistent with activities described in the approved application, on activities explicitly limited or prohibited in the Terms and Conditions, and/or on activities not approved by CMS is a violation of the agreement.

- Meeting matching requirements for any other federal funds or local entities.
- An expenditure that is attributable to an intergovernmental transfer, certified public expenditure, or any other expenditure to finance the non-Federal share of expenditures required under any provision of law.
- Services, equipment, or supports that are the legal responsibility of another party under federal, State, or tribal law, such as vocational rehabilitation or education services.
- Duplicate payments. Funds may not be used to replace payment for clinical services that could be reimbursed by insurance. Funds also may not be used for payments to clinical services if they duplicate billable services and/or attempt to change the payment amounts of existing fee schedules.
- Supplanting (not supplementing) non-federal funds that have been budgeted for the same purpose through non-federal sources including existing State, local, tribal, or private funding.
- Federal award funds must supplement, not replace (supplant) non-federal funds. All recipients who receive awards under programs must ensure that federal funds do not supplant funds.
- Funds may not be used for wage supports for facilities that subject clinicians to non-compete contractual limitations. This applies only to salaries and wages funded by the cooperative agreement award through an approved initiative described in the approved application.
- Construction or building expansion, purchasing or significant retrofitting of buildings, cosmetic upgrades, or any other cost that materially increases the value of the capital or useful life as a direct cost.
- The cost of independent research and development, including their proportionate share of indirect costs. See 2 CFR 300.477.
- Purchase of certain telecommunications and video surveillance equipment (See 2 CFR 200.216) as well as financial assistance to households for installation and monthly broadband internet costs.
- Meals, unless in limited circumstances as described in the NoA.
- Initiatives that fund certain cosmetic and experimental procedures that fall within the definition of a specified sex-trait modification procedure at 45 CFR 156.400 because that is beyond the scope of this program.
- Profit to any recipient even if the recipient is a for-profit organization. Profit is any amount in excess of allowable direct and indirect costs.
- Activities prohibited under 2 CFR 200.450 and the HHS Grants Policy Statement related to lobbying and influencing the enactment of legislation, appropriations, regulation, administrative action, or executive order proposed or pending before the Congress or any State government, State legislature, local legislature or legislative body.
- Costs of promotional items and memorabilia, including models, gifts, and souvenirs. Costs of advertising and public relations designed solely to promote the non-Federal entity.
- Total administrative costs including indirect are capped at 8.5% and maybe lowered depending funding availability.

Match Requirement: Applicants are encouraged to secure cash or in-kind match funds from non-state sources for the entire project proposed in the application. A stronger cash or in-kind match will result in a higher score on the grant evaluation.

Changes and Unused Funds: Only very minor changes in scope are allowed after a grant has been awarded. Some project timelines can also be modified. Unused grant funds must be returned to the Rural Maryland Council no later than October 15, 2027.

FUNDS MAY BE CLAWED BACK DUE TO NON-PERFORMANCE

Performance-Based: The Grantee must meet specific benchmarks regarding rural health access and quality to keep and secure additional Rural Health Transformation Program funds.

Policy Requirements: A funding clawback may be triggered if Maryland fails to implement promised program policies.

Ranking Criteria: The Grant Review Board uses the following criteria in reviewing applications:

1. Basic Criteria: Applicant meets all basic eligibility.
2. Applicant has clearly identified a well-substantiated need and developed a Scope of Work that clearly describes specific project activities and how an RHTP grant will be used.
3. Proposal will significantly meet RHTP objectives. Proposal demonstrates substantial value and lasting impact by providing information which includes relevant background research, opportunities for replication, and a statement of impact.
4. Specific goals and measurable objectives were clearly stated and appear to be achievable. Goals are specific, measurable, achievable, reasonable and time-bound. Its Mission Statement is included and lends itself to the activities and goals addressed in the proposal.
5. **SPECIFIC TO RHTP:** The applicant can or intends to report on health outcomes.
6. The organization has the experience, expertise and resources to deliver on this scope of work. Operational and line-item budgets were included and seem reasonable.
7. The applicant has cash match funds from other sources.
8. Other organizations, businesses, agencies, and/or other community-based entities have expressed strong support for the organization’s work and planned grant activities. Letters of support and other supportive materials (newspaper articles, etc.) were included.

Grant agreements: Awardees are required to execute a grant agreement. A sample blank grant agreement can be found on the RMC grant opportunities website – rural.maryland.gov.

Record Keeping and Reporting: Grantees are required to record expenditures and file quarterly reports with the RMC. Reporting guidelines can be found on the RMC grant opportunities webpage – rural.maryland.gov. Report due dates are October 9, 2026 | January 8, 2027 | April 9, 2027 | July 9, 2027. Funds must be expended by September 30, 2027. The final report is due October 15, 2027.

Application Instructions

Application Process:

- Access to the online grant platform:
<https://www.grantinterface.com/Home/Logon?urlkey=ruralmaryland>
You can also access the portal from the RMC website under the Grant Opportunities Page. Simply click on the RMC logo icon to access the grant portal and create an account or access an existing account.
- Create an account:
Please have the following information on hand to create your organization's account. An email address will act as your username and you can make up your password. Please retain a record of your login information as you will need it in the future to access your in-progress applications and your online application history. If at any time you forget your password, simply click 'Forgot Password' and you can easily generate a new one.
- Begin application. It is recommended that you work on your project summary in Word or Google Docs and copy and paste it into the document once finalized. An application can be saved throughout the process. Access to the application can also be given to a collaborator.
- Application Information needed:
 - a. Grant Opportunity Selection – Aggregation or Purchasing Strategy
 - b. Organization Mission Statement
 - c. Is your organization a 501(c)3 as designated by the IRS? Provide details on organizational structure
 - d. Has your organization received grant funding from RMC in the past 5 years?
 - e. If your organization has received grant funding in the past 5 years, select the awarded years.
 - f. SDAT Status
 - g. Maryland Secretary of State registration
 - h. Organization's County
 - i. Organization's legislative district
 - j. Contact information: Project name, project point of contact name, project point of contact email, fiscal point of contact name, fiscal point of contact title, fiscal point of contact email, fiscal address, Federal Employer Identification Number (must match w-9)
 - k. Grant amount requested
 - l. Total match
 - m. Total project budget
 - n. Project start date and end date
 - o. Project narrative (2,500 words or 5 pages single-spaced)
 - p. Project Summary
 - q. Project goals and anticipated outcomes
 - r. Partnerships
 - s. Rural geographic area and region served
 - t. Population Served

- u. Managing for Results
- v. Accounting systems and financial capability
 - a. Has your organization received a Federal award within the past 3 years?
 - b. Does your organization utilize accounting software to manage financial records?
 - c. Does your accounting system identify the receipt and expenditures of program funds separately for each grant?
 - d. Does your organization have a dedicated individual responsible for monitoring organizational funds, such as an accountant or finance manager?
 - e. Does your organization have the ability to specifically identify and allocate employee effort to an applicable program?
 - f. Does your organization have a property/inventory management system in place to track location and value of equipment purchased under the award?
- w. Audit Reports and Findings
 - a. Does your organization expend \$1M or more in federal funds annually?
 Yes No
 - b. If yes, has your organization completed a Single Audit in the most recent fiscal year?
 Yes No
 - c. Were there any audit findings in the most recent audit?
 No findings
 Yes (please explain below)
 - d. If yes, did the findings include any of the following?
 Material Weakness
 Significant Deficiency
 Other (please describe)
 - e. Provide a link to your most recent audit report or upload a copy (if available):
[Link / Upload]
 - f. Additional Information (if applicable):
[Open text]
- x. Attestation and Funding Assessment Form
- y. Forms to complete and upload:
 - a. Board I Commission I Town Council Resolution Letter
 - b. Goals & Measurable Objectives Chart - provide a clear and concise summary of the project's goals and measurable objectives, assisting both the applicant in planning and the reviewer in evaluation.
 - ii. Budget Submission –provide reviewers with a general understanding of the financial scope and key expenses associated with your proposed project.
 - iii. Vendor form or quotes
 - iv. Matching Funds
 - v. Evidence of matching funds
 - vi. Project Readiness

- iv. Form 990 (if applicable)
- v. Copy W-9
- vi. IRS Determination Letter
- vii. Supportive Materials

- **Applications due MAY 15, 2026**

- Awards will be announced by the week of August 17, 2026.
- Don't let your proposal be declared ineligible on a technicality:
 - Proposals received after the deadline will not be accepted and will be deemed ineligible.
 - Proposals must be submitted electronically through the RMC's grant portal to be received.

Please contact the RMC at rmc.mda@martyland.gov or (410) 841-5772 for any administrative guidance or questions.

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