

Eligible and Ineligible Uses of Funds Guide



Rural Health Clinic Chronic Disease and Collaborative Care Fund

Michigan Center for Rural Health | Rural Health Transformation Program

Purpose

This guide helps applicants determine whether proposed expenses are generally appropriate for the **Rural Health Clinic Chronic Disease and Collaborative Care Fund**. Applicants only need to submit a high-level estimate of anticipated expenses. Selected clinics will work with MCRH to develop a detailed budget and workplan before grant-funded activities begin.

General Requirements

To be eligible, an expense must:

- Directly support an approved project activity
- Be included in the clinic's approved budget and workplan
- Be reasonable, necessary, and adequately documented
- Be incurred during the approved funding period and after required approvals are complete
- Add to or meaningfully strengthen existing work
- Not replace existing funding or duplicate an expense paid or reimbursed by another source
- Follow the requirements of the clinic's subgrant agreement and applicable federal and state requirements

Expenses Funds May Support

The examples below are intended to help clinics develop a proposed budget. They are not exhaustive, and final approval will depend on the clinic's approved project, workplan, and budget.

Personnel expenses must support new or expanded project responsibilities and may not replace existing funding for established positions or activities

Category	Examples
Self-measured blood pressure	Validated blood pressure monitors provided as part of an approved self-measured blood pressure activity, patient education materials, staff training, workflow development, and other approved implementation expenses.
Preventive care and chronic disease management	New or expanded evidence-based activities addressing diabetes, hypertension, behavioral health, prenatal care, and other approved chronic disease prevention and management priorities. Activities may include education, screening, monitoring, risk-factor tracking, team-based care, self-management support, telehealth, and structured patient follow-up.
Community Health Workers	Salary and fringe benefits for new or expanded CHW capacity; CHW core competency training, certification, continuing education, and other approved training; integration into care teams and workflows; supervision; documentation; outreach, education, referral, and follow-up processes; reimbursement and billing readiness; and sustainability planning.
Staff training	Education related to diabetes, hypertension, preventive care, behavioral health, prenatal care, chronic disease management, care management, team-based care, and other approved project activities.
Workflow development	Design or improvement of chronic disease, preventive care, care coordination, screening, monitoring, referral, and follow-up workflows.

Community partnerships	Activities that establish or strengthen coordination with Michigan Hubs and other healthcare, behavioral health, social care, and community partners.
Patient engagement	Patient education, outreach, navigation, self-management support, and engagement resources directly related to the approved project.
Screening, monitoring, and referrals	Approved screening and monitoring activities, including digital literacy, social drivers of health, chronic disease, and other health indicators; routine assessments; risk-factor tracking; referral coordination; closed-loop referral processes; and follow-up.
Quality improvement and evaluation	Baseline assessments, data collection, tracking, performance measurement, evaluation, PDSA cycles, and approved process-improvement support.
Technology and tools	Technology or tools that directly support approved chronic disease management, screening, care coordination, referrals, documentation, performance measurement, patient engagement, or follow-up. Software, subscriptions, licenses, equipment, and maintenance expenses may require additional review and approval.
Project personnel	Salary, fringe benefits, or staff time directly attributable to new or expanded project implementation, coordination, data collection, evaluation, training, or other approved activities.
Training and travel	Approved training, registration, certification, continuing education, mileage, and travel directly related to required project activities.
Other project expenses	Other reasonable and necessary expenses approved by MCRH and included in the clinic's approved budget and workplan.

Expenses Funds May Not Support

The following expenses may not be supported by this funding opportunity:

- Costs incurred before the subgrant agreement is fully executed, before required approvals are complete, or outside the approved funding period
- Expenses unrelated to the clinic's approved project, workplan, or budget
- Costs already supported, paid, or reimbursed by Medicare, Medicaid, Indian Health Service, another payer, another grant, or another funding source
- Routine operating expenses that do not represent new or expanded project work
- Salary, fringe benefits, or other personnel expenses that replace existing funding for established positions or responsibilities
- Direct cash assistance to individuals that is not tied to an approved program activity
- Incentives such as cash, cash equivalents, gift cards, stipends, vouchers, merchandise, or entertainment that are not directly tied to participation in or associated with an approved program activity
- Meals, except in limited circumstances when specifically approved as part of an eligible program activity or allowable travel expense
- Land acquisition, real estate purchases, vehicle purchases, new construction, or major facility renovations
- Direct patient care or clinical services that are billable to Medicare, Medicaid, Indian Health Service, another payer, or another funding source
- Lobbying, political activity, fundraising, unrelated entertainment, alcohol, tobacco, cannabis, promotional items, memorabilia, or gifts
- Legal fees, fines, penalties, interest, bad debt, late fees, bonuses, or severance
- Expenses prohibited by the subgrant agreement or applicable federal or state requirements

Expenses That May Require Additional Review

The following expenses are not automatically prohibited, but additional information or approval may be required before they are included in a final approved budget:

- Equipment or patient-facing devices not otherwise identified as an eligible project expense

- Software, subscriptions, licenses, maintenance, or other technology costs, particularly when the purchase or service period may extend beyond the approved funding period
- Renovation, installation, or infrastructure expenses
- Indirect or administrative costs
- Expenses that may be included in the RHC cost report or reimbursed through another source

Applicants may include these expenses in their high-level budget estimate. Selected clinics will work with MCRH to determine whether the expenses are allowable and what documentation or approvals are required before the final budget and workplan are approved.

Payment and Documentation

Funding will be provided on a reimbursement basis. Selected clinics will first incur and pay eligible, approved expenses and then submit the required documentation to MCRH. Reimbursement schedules, documentation requirements, invoicing procedures, and fiscal reporting instructions will be outlined in the subgrant agreement. Clinics should not incur grant-funded expenses until the required subgrant agreement is fully executed and the clinic's workplan and budget have been approved.

Questions and Contact Information

For questions about eligibility, the application, proposed activities, budgets, technical assistance, or whether a proposed expense may be eligible, contact the Michigan Center for Rural Health RHTP Team. Applicants are encouraged to ask questions before submitting an application or including a significant or uncertain expense in their proposed budget.

Michigan Center for Rural Health RHTP Team

Email: RHTP.MCRH@msu.edu

Program webpage: <https://mcrh.msu.edu/programs/primary-care/rhc-rhtp26applications>

Dates and funding levels are subject to final MDHHS approval. Funding priorities were determined by MDHHS.

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