

Eligible and Ineligible Uses of Funds Guide



Rural Health Clinic Data Integration and Infrastructure 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 Data Integration and Infrastructure 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 requirement

Expenses the Funds May Support

The examples below are intended to help clinics develop a proposed budget. They are not exhaustive. Expenses must align with the clinic's selected cohort and approved project. Final approval will depend on the clinic's site-specific workplan, budget, and fully executed subgrant agreement.

Personnel expenses must support new or expanded project responsibilities during the approved funding period and may not replace existing funding for established positions, responsibilities, or activities.

Category	Examples
Data Integration Cohort activities	HIE connection, interface, onboarding, configuration, testing, and implementation costs; Onboarding with MiHIN coordination; secure messaging, electronic referral, care-notification, and other approved HIE workflows; onboarding to priority HIE use cases; and CMS application programming interface integration, when applicable and appropriate.
Community Information Exchange and referrals	CIE onboarding, licensing, configuration, resource-directory development, social drivers of health screening and referral tracking, closed-loop referral workflows, and activities that strengthen or expand technology-supported partnerships with community-based organizations.
Innovative Tools Cohort activities	Approved technology and implementation support for billing and coding documentation, revenue-cycle improvement and projections, prior authorization, automation, administrative workflow efficiency, and defined technology pilots.
EHR and workflow improvement	EHR software onboarding, optimization of existing systems, approved modules or interfaces, workflow mapping and redesign, configuration, testing, quality-reporting support, and development or revision of standard operating procedures.
Telehealth, remote monitoring, and home-based care tools	Platform onboarding, integration, configuration, workflow development, patient and staff onboarding, staff training, and other approved activities supporting telehealth, remote care monitoring, or home-based care tools and resources.

Digital literacy and patient access	Digital literacy screening and assessment tools, patient and community education, portal enrollment support, digital navigation, and assistance onboarding individuals to approved telehealth, remote monitoring, or other digital health platforms.
Implementation and workflow support	Approved costs associated with integrating new technology into clinical or administrative operations, including workflow assessment, process redesign, testing, implementation planning, and development of supporting procedures.
Project personnel	Salary, fringe benefits, or staff time directly attributable to new or expanded project implementation, workflow redesign, data collection, evaluation, training, or project coordination responsibilities.
Training and technical support	Vendor and staff training, technical assistance, and travel directly related to approved project activities. Consultant, contractor, and subject matter expert expenses may require additional review and approval.
Evaluation and improvement	Readiness and baseline assessments, data collection, performance measurement, testing, evaluation, and approved process-improvement support.
Software, licenses, and subscriptions	Software, licenses, subscriptions, and maintenance costs directly related to the approved project. Costs extending beyond September 30, 2027, require additional review and approval.
Equipment and infrastructure	Equipment, interfaces, connectivity improvements, installation, and other infrastructure expenses necessary to implement an approved project. These expenses may require additional review and approval.
Other project expenses	Other reasonable and necessary expenses approved by MCRH and included in the clinic's approved budget and site-specific workplan.

Expenses the 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 after September 30, 2027
- Expenses unrelated to the clinic's selected cohort, approved project, site-specific 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 activities
- 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
- Technology, software, equipment, subscriptions, or services that are not necessary for the approved project or are primarily intended to support routine organizational operations
- Technology or equipment purchased without required prior review and approval
- 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 may be appropriate for an approved data integration or technology project but may require additional information or prior approval before they are included in a final approved budget:

- Equipment or patient-facing devices
- Consultant, contractor, or subcontractor expenses
- Installation, connectivity, renovation, or other infrastructure expenses
- Indirect or administrative costs
- Expenses that may be included in the RHC cost report or reimbursable through another payer or funding 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 site-specific 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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