



Health and Human Services

Rural Hospital Advisory Committee

May 5, 2026

This summary contains supplemental information from reliable sources where that information provides clarity to the issues being discussed. Power Point tables used in the presentations may also be used in this summary. Names of individuals may be misspelled but every attempt has been made to ensure accuracy. Tables and Text have been used from executive and legislative agencies and departments' presentations and publications.





The Rural Hospital Advisory Committee (RHAC) is a subcommittee of HPAC mandated by Senate Bill 1621, 86th Legislature, Regular Session, 2019, to advise HHSC of issues relating specifically to rural hospitals. Members

Frank L. Beaman (RHAC member)

Faith Community Health System
Jacksboro

John Henderson (RHAC member)

Texas Organization of Rural and
Community Hospitals (TORCH)
Round Rock

Jerry Pickett (RHAC member)

Bosque County District Hospital
Clifton

Todd Scroggins (RHAC member)

Wise Health Systems
Decatur

1. Welcome, introductions, and roll call. The meeting was convened by Frank Beaman Chair

2. Consideration of February 3, 2026, draft meeting minutes. The minutes were approved as drafted.

3. Announcements from the Office of Rural Hospital Finance

April Ferrino (Director, Office of Rural Hospital Finance) introduced new staff additions.

- Revell Goins joined the technical assistance team (market research/design background; focuses on translating data into visualizations for TA and grants work).
- Logan Norris joined the grants team as a grants advisor for HB18-created grants.

The Second regional meeting of the year announced for May 14 at Children's Regional Medical Center with the purpose of networking, HHSC updates, and sharing rural hospital best practices. The Chair emphasized the value of the regional meetings and encouraged attendance

4. Update on the State's One Big Beautiful Bill Act, Rural Health Transformation Program, Section 71401 of Public Law 119-21, Rural Texas Strong Program

Summary



Nicole Oria provided the procurement and contract services context and explained the “quiet period” rules during active RFAs/solicitations. HHSC can meet with current contractors/grantees about existing contracts/grants, but staff cannot share information about active solicitations or topics outside scope.

For open RFAs, questions must go through the formal Q&A process and the sole point of contact listed in the RFA. Do not contact program staff.

The GMS (Grant Management System) is new, and technical questions should go through the GMS technical support website listed in the RFA.

Tori Grady (Deputy CFO, HHSC) provided a high-level update on Rural Texas Strong (Texas’s Rural Health Transformation program).

- Federal notice of award was received at end of December; Year 1 award is \$281,319,360.67 (100% federally funded).
- Revised budget was submitted at the end of January and an agreement with CMS was reached April 7.
- The first solicitation was posted April 22; three additional solicitations posted over the following weeks (all active/live).
- Strategy shift described as accelerating some initiatives for faster but compliant deployment; six initiatives remain unchanged since scope changes are not expected to be approved.
- Provider next steps would be to gather cost estimates (Initiatives 1, 4, 6), ensure Texas Comptroller TIN setup, and establish a sam.gov account.
- Administrative costs are expected to remain well under 5% (cap is 10%); Year 1 is higher due to added GMS support; any unspent admin dollars will be redirected to program activities.

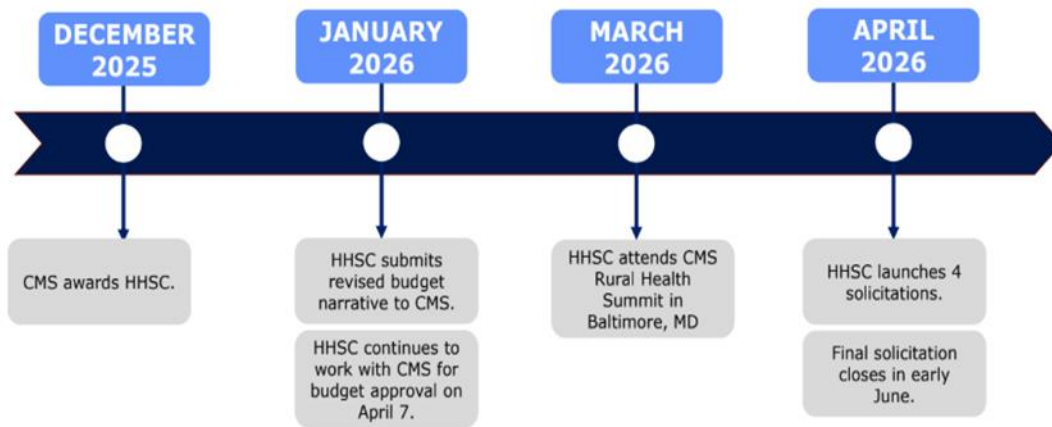
Funding timing/requirements:

- HHSC must obligate Year 1 funds by October 30.
- Grantees must expend/liquidate funds by September 30, 2027.
- Initiative 1 status: Part 1 launched April 22; Part 2 launched “last night” and is live.
- Member feedback/issues were raised. The pace of multiple concurrent RFAs (including HB18) is overwhelming hospitals; some had trouble accessing a webinar and requested slides/recording. There was a request for clearer explanation of calendar/state/federal fiscal timelines; some applicants had

issues with a dropdown menu and reported that their county was not found and were directed to the RFA's sole point of contact.

Presentation

Timeline of Recent Key Events



Key Changes Since Initial Application Submission:

- Planned amount from CMS: \$200,000,000.
- Award received from Budget Period 1: \$281,319,360.67
- Strategy shift: Prioritize fast and compliant deployment of funds in accordance with CMS.
- Implementation focus: high-impact investments under Initiatives 1, 4 and 6.
- Grant programs will be launched earlier than originally proposed.

What Didn't Change?

- HHSC will still receive \$281,319,360.67 this year and an estimated \$1.4 billion over the 5 years of the program.
- Continue with the same 6 initiatives in original application.
- Continue with making transformational change in rural health care and direct awards under Initiative 1.

Next Steps for Providers

- Plan and gather cost estimates for ideas for Initiatives 1, 4 and 6.
- Monitor updates through the HHSC website and sign up for Gov Delivery for additional announcements.
- Ensure you have a Taxpayer Identification Number set up through the Comptroller of Texas.

Budget Period 1 Funding Distribution

Budget Period 1 Purpose

Initiative 1

- Prevention, wellness, nutrition, chronic disease reduction
- and rural hospital/provider awards.

Initiative 4

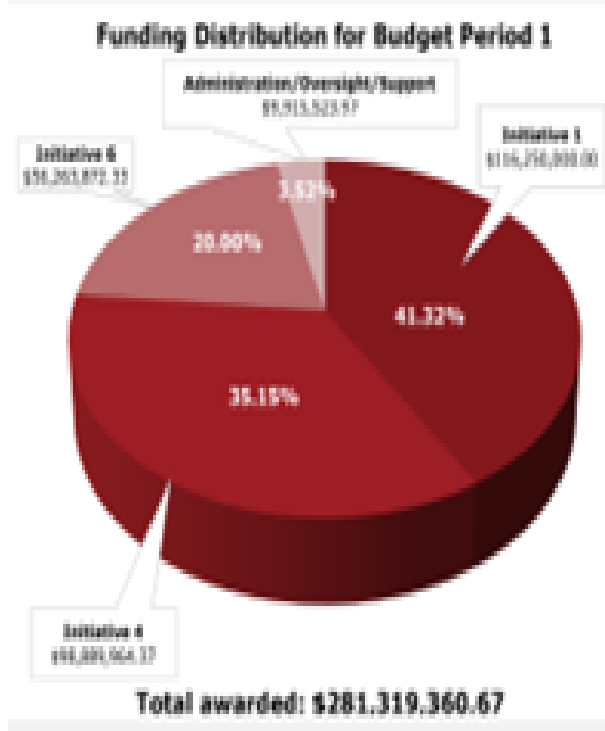
- Rural workforce development, behavioral health
- expansion, provider support and CHW initiatives.

Initiative 6

- Capital improvement, infrastructure, AMBUS deployment,
- equipment modernization, and IDD provider capacity.

Administration/Oversight/Support

- Personnel, fringe, travel, external monitoring,
- performance monitoring, GMS support and indirect costs.



How to Stay In Touch

Official Announcements. HHSC will share procurement opportunities, grant postings and deadlines via public channels.

Where?

[Rural Health Transformation Program | Provider Finance Department](#)
[Texas Health and Human Services Commission Subscriber](#)
[Grants | Texas Health and Human Services](#)



Email: RuralTexasStrong@hhs.Texas.gov

Ongoing coordination: HHSC will continue to work with CMS as awards launch and details are finalized.

Acknowledgment of Support STEVENS AMENDMENT Texas' Rural Health Transformation Program, Rural Texas Strong, is supported by:

- Centers for Medicare & Medicaid Services (CMS) of the U.S. Department of Health and Human Services (HHS).
- Total financial assistance award (Budget Period 1): \$281,319,360.67. (100 percent federally funded by CMS/HHS.)

The contents are those of the author(s) and do not necessarily represent the official views of, nor an endorsement, by CMS/HHS, or the U.S. Government.

Procurement Disclaimer

HHSC is not meeting with potential vendors or applicants. This ensures fairness and protects future grant and procurement opportunities under the federal Rural Health Transformation Program.

Procurement and Eligibility Status: Eligibility and final determinations will be made through internal contracting and procurement processes. Procurement details are still in development as we work through the approval process for our project design with CMS.

Important: HHSC is unable to discuss or answer any questions related to procurement and eligibility at this time. Please refer to the "How to Stay in Touch" slide for updates as they are released.

Meeting with Current Contractors/Grantees

- Agency staff frequently meet with current contractors/grantees about existing contracts and are an important part of the contractual relationship.
- Agency staff cannot share any information about active solicitations or information outside the scope of the existing contract. • An existing contractor/grantee that wants to introduce the agency to key personnel, capabilities or anything outside the scope of the current contract must provide information to the agency and the request be vetted by the PCS office



Quiet Period

- Statute allows exchange of information between agency and vendors/applicants relating to future solicitations
- Once solicitation drafting begins, communications must cease.
- Time period includes drafting, posting and through contract negotiation.
- During the Quiet Period, contact must be through the PCS contact identified in the solicitation.

During an Open Solicitation

- Discussions that occur during negotiations continue to be part of the “quiet period.”
- Example: discussions between agency staff and potential awardee may occur-- vendors/grantees should refrain from having discussions outside of this process so that the procurement/application process is not compromised

5. Update on the Rural Health Stabilization and Innovation Act, House Bill 18, 89th Legislature, Regular Session, 2025. Grants Financial Stabilization Grant Program

Summary April Ferrino provided HB18 grant updates:

The Financial Stabilization Grant opened Jan 15 and closed Feb 5. The grant supports rural hospitals/districts/authorities at moderate/high risk of financial instability. As of April 24: 72 of 76 grant agreements executed; 4 pending hospital signatures; payments begin after HHSC approves a prepayment deliverable plan for use of funds over two years.

The Innovation Grant is funded up to \$25M total with estimated awards of \$2M–\$5M. The application closes May 28 and awardees could be as few as 5 depending on award size.

Pediatric Teleconnectivity Grant has a funded planned amount up to \$10M total with awards \$1M–\$2M. This procurement is currently in the quiet period.

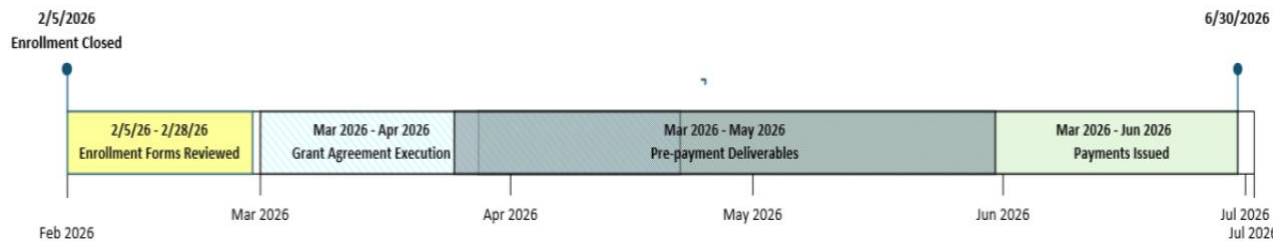
Procurement questions must go to the solicitation’s sole point of contact.



Presentation

Enrollment forms were due on **February 5**

- Status as of 4/24:
- Executed grant agreements: 72
- Hospitals received first payment: March 2026



Innovation Grant - \$25 million

Purpose: Will provide funding for initiatives that (1) provide access to health care and improve the quality of health care provided to residents of a rural county; (2) improve financial stability of the hospital; and (3) are sustainable and can be maintained without additional state funding.

- Up to \$25 million per fiscal year.
- Maximum award: \$5 million
- Minimum award: \$2 million
- Competitive grant for rural hospitals, rural hospital districts, and rural hospital authorities

Priority given to initiatives impacting:

- Women who are pregnant or recently gave birth;
- Individuals under the age of 20;
- Older adults residing in a rural county; or
- Individuals who are uninsured

Pediatric Tele-Connectivity Resource Program for Rural Texas - \$10 million

Purpose: To award grants to facilitate connections with pediatric specialists and pediatric subspecialists who provide telemedicine medical services.

- Competitive grant, all rural hospitals and certain rural health clinics are eligible
- Maximum award: \$2 million
- Minimum award: \$1 million



Funding can be used to:

- Purchase equipment necessary for a telemedicine service
- Modernize the hospitals or clinics' information technology infrastructure
- Pay a service fee to a pediatric tele-specialty provider
- Pay for other activities, service, supplies, facilities, resources, and equipment HHSC determines necessary for telemedicine

Grant-Related Questions

HHSCRuralHospitalFinance@hhs.Texas.gov

Technical Assistance Questions

RuralHospitalHelp@hhs.Texas.gov

6. Public comment. No public comment was offered.

7. Review of action items and agenda for next meeting.

Future Meetings.

- August 6, 2026
- November 5, 2026

Potential topics for future meetings

- HB18 Activities
- Rural Texas Strong
- ATLAS Update (if it is not on the HPAC agenda)

8. Adjourn There being no further business, the meeting was adjourned.

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