South Dakota Health Link Members and Health Care Partners,

By now you are aware that South Dakota has been awarded over $189 million in Rural Health Transformation (RHT) Project funding for fiscal year 2026. The RHT initiative is a statewide effort focused on strengthening rural healthcare systems and improving access to quality care across South Dakota. Through strategic investments, innovative care models, and cross-agency collaboration, Rural Health Transformation is designed to build a more resilient, connected, and sustainable rural health system for communities across the state.

South Dakota Health Link will be finalizing and releasing a Request for Applications posting for the Digital Health Modernization and Technology Grant Program (Program), found under the Tech and Data Initiative of the RHT grant over the next few months.

The Program is designed to support healthcare entities and providers, particularly those serving underserved and rural communities in South Dakota, in modernizing their digital health technology and equipment to enhance patient safety, improve interoperability, increase operational efficiency, and improve patient outcomes.

We would like to provide you with a tentative timeline for activities under this Program and steps you can take now to prepare to apply when the request for applications is released.

What steps have South Dakota Health Link taken to prepare for the Grant Program?

We have released a Request for Proposals (RFP #26-09RHT-005) seeking a consulting firm to assist with implementation, application process, and all necessary requirements to ensure the grant program runs smoothly and efficiently.

We have drafted a Request for Applications (RFA) guidance document and application worksheet that we plan to release by the end of Q1 or early Q2 2026. This RFA will contain all relevant information including eligibility requirements, funding tiers available, application cycle due dates along with other detailed information.

What can you do now to prepare for the release of the RFA?

Applicants can begin to gather your teams and review the proposed funding tiers and associated examples (Attachment A) and begin documenting your needs based around those tiers.

Applicants should consider all needs in addition to the technology or equipment itself such as consultants or other technical expertise you may need to ensure you have successful implementations.

Gathering as much information now will ease your application process once the RFA is released. We have provided a Grant Application Sample Worksheet (Attachment B) that will help you as you begin to gather necessary information.

Applicants should also register with the SD Office of Procurement Management (www.sd.gov/bhra) and complete the SB198 Vendor Certification Form to ensure you can review and apply for the RFA.

Applicants should ensure you have an active SAM.gov (www.SAM.gov) registration that is searchable and ensure you have a Unique Entity Identifier (UEI).

What is the grant period we should prepare our budget for?

Applicants should align their projects with the start and end dates of grant period one below and <u>ensure that proposed projects can be completed by the spending deadline</u>:

Grant Period	FFY	Start Date	End Date	Deadline for Spending
1	2026	02/20/2026	10/30/2026	09/30/2027

Applicants can request funds back to the start date of the grant period with proper documentation.

Will there be opportunities to apply for funding in future years?

Yes. The chart below shows the additional grant periods and spending deadlines.

Grant Period	FFY	Start Date	End Date	Deadline for Spending
2	2027	11/01/2026	10/30/2027	09/30/2028
3	2028	11/01/2027	10/30/2028	09/30/2029
4	2029	11/01/2028	10/30/2029	09/30/2030
5	2030	11/01/2029	10/30/2030	09/30/2031

Applicants should think about a multi-year plan as you are gathering your needs. You may want to propose projects in grant period one that you will use as building blocks to projects you propose in grant period two or beyond.

How much funding is available for Grant Period One?

Grant Period one has approximately $89.4 Million available.

When can I submit my application?

Application deadlines and information will be found in the RFA when it's released.

What kinds of providers, entities, and/or organizations are eligible to apply?

- Federally Qualified Health Centers (FQHCs) and Look-Alikes
- Critical Access Hospitals (CAHs) and Rural Hospitals
- Tribally Operated Clinics and Facilities
- Community-Based Mental Health Centers
- Ambulatory, Specialty, and Rural Health Clinics
- Long-Term, Post-Acute Care Facilities
- Home Health and Hospice Agencies
- Other healthcare service providers and organizations

Applicants must be physically located in South Dakota or have locations in South Dakota that may be eligible for the Program.

Can non-profit networks, universities, associations, or member organizations apply?

Yes. These organizations must have members/organizations they represent located in South Dakota and ensure they provide detail on how it will benefit their members, facilities, and patients. They must ensure they are not applying for the same projects their individual members/facilities may be applying for, and they must also demonstrate the ability to sustain the technology or equipment beyond the term of the grant.

Attachment A

Grant Application Tiers

Applicants should align their project(s) with one or more of the following funding tiers. Activities listed in each tier are examples of eligible activities, please submit all requests for consideration.

Tier	Category	Eligible Activities
A	**Electronic Health Record (EHR) Adoption**	**Implementation** • Adoption of Certified EHR Technology • Data migration and associated data cleanup • Technical or other consultants to assist with implementation **HIE Integration* (interoperability)** • Interface costs to connect to SDHL • Technical or other consultants to assist with integration **Maintenance and Support** • Maintenance and support costs for 3 years may be included for new EHRs
B	**EHR Upgrade or Enhancement**	**EHR Upgrades** • Upgrade to a newer version or significant improvements of your current Certified EHR Technology • Strategic EHR Optimization • Data migration and associated data cleanup • Technical or other consultants to assist with upgrades, improvements, or optimization **EHR Enhancement** • Implement new modules, third-party technology or enhancements to your current Certified EHR Technology that enhance or optimize your EHR • Data migration and associated data cleanup • Technical or other consultants to assist with enhancements **HIE Integration or Enhancement* (interoperability)** • Interface costs to connect to SDHL • Data enhancements to current interfaces with SDHL • Technical or other consultants to assist with integration or enhancements **Maintenance and Support** • Maintenance and support costs for 3 years may be included for the upgrade or enhancement

| C | EHR Replacement | **Replacement of Non-Certified EHR Technology**

• Replacement costs of a non-Certified EHR
• Data migration and associated data cleanup
• Technical or other consultants to assist with implementation

Replacement of Certified EHR Technology**

• Replacement of a current (as of 09/01/2025) Certified EHR is subject to a cap placed by CMS, please reach out to confirm eligibility before applying to replace a Certified EHR
    ○ Funding requests should focus on upgrades, enhancements, or new features that build on existing Certified EHR Technology

HIE Integration* (interoperability)

• Interface costs to reconnect/connect to SDHL
• Technical or other consultants to assist with integration

Maintenance and Support

• Maintenance and support costs for 3 years may be included for replacement EHR projects that begin after 02/20/2026 |
| D | Technology and Equipment | **Telehealth Technology**

• Purchase and deployment of mobile telehealth carts, secure patient portals, remote monitoring devices, and licensing for virtual visit platforms or other AI enabled technology or equipment
• Technical or other consultants to assist with implementation and deployment

Diagnostic Equipment

• Mobile or remote-enabled diagnostic equipment and associated licensing
• Other equipment or technology that ensures rural residents have access to care closer to home
• Technical or other consultants to assist with integration

Network Upgrades

• Servers, firewalls, network switches and routers or other hardware necessary to support increased digital demands and data throughput
• Technical or other consultants to assist with implementation

Maintenance and Support

• Maintenance and support costs for 3 years may be included for the new technology or equipment |

E	Digital Security	**Cybersecurity** • Implementation of advanced threat detection, intrusion prevention systems, and secure cloud or storage backup solutions • Network penetration testing or risk assessments • Multi-factor authentication systems • Technical or other consultants to assist with implementation, testing, and assessment **Virtual Desktop/Remote Access** • Secure solutions for staff to access patient data remotely • Technical or other consultants to assist with implementation **Maintenance and Support** • Maintenance and support costs for 3 years may be included for digital security
F	**Workforce Technology Training**	**Workforce Training** • Training to ensure staff competency with new technologies or equipment deployed under this Program • Comprehensive training for staff on new EHR usage, data security protocols, telehealth equipment use, HIE integration and workflow management, or other related training courses • Training materials, attendance at professional development courses directly related to digital health systems implemented or deployed under this Program
G	**Regional Innovation Centers**	**Regional Innovation Centers** • Costs to create Regional Innovation Centers to assist other regional partners with technical or clinical resources for EHR implementation, HIE use and integration or other assistance with implementation or deployment of technology or equipment under this Program. • Regional Innovation Centers may also create regional collaborations to reduce chronic disease, use technology to help patients with navigation across multiple care settings, or other health improvements through use of digital technology and partnership. • Training materials, workshop participation, travel and other expenses necessary to achieve the goals of your Regional Innovation Center.

* All applicants applying for funding in Tier A, B, and C must include costs associated with interfacing and integration with SDHL (unless already connected) to ensure interoperability among digital technologies funded under this Program. Other tiers may consider integration with SDHL.

** If the applicant has Certified EHR Technology as of 09/01/2025, CMS has placed a cap on replacement of current Certified EHR technology, please reach out to confirm eligibility before applying to replace your Certified EHR (replacement refers to the purchase of a completely new EHR to take the place of an existing one).

Attachment B

Grant Application Sample Worksheet

I. **Organization or Applicant Profile (all fields required):**
   a. Applicant/Organization Name:
   b. Address:
   c. City:
   d. State:
   e. Zip Code:
   f. Tax ID / EIN:
   g. Unique Entity Identifier (UEI):

II. **Organization Type (select one):**
   a. 501(c)(3) Non-Profit
   b. Educational Institution
   c. Individual / Sole Proprietor
   d. For-Profit Business
   e. Other

III. **Service Area Covered (required):**
   a. Describe the service area that is covered by the organization / applicant.

IV. **Individual Authorized to Approve this Application (required):**
   a. Name:
   b. Title:
   c. Email:
   d. Phone:

V. **Project Lead(s) (required for each tier/project):**
   a. Name:
   b. Title:
   c. Email:
   d. Phone:

VI. **Needs Assessment (required):**
   a. Describe the current gap(s), the impact on service delivery, and the specific challenge the grant funding will address. Applicants should include details on how this funding will improve patient outcomes, operational efficiently, or improve service delivery.

VII. **Funding Tier(s) requested (required):**
   a. Electronic Health Record (EHR) Adoption
   b. EHR Upgrade or Enhancement
   c. EHR Replacement (see Grant Guidance Attachment A Section III. C.)
   d. Technology and Equipment
   e. Digital Security
   f. Workforce Technology Training
   g. Regional Innovation Centers

VIII. **Funding Tier Narrative (required):**
   a. Describe the technology, equipment, consulting services, or other needs being requested for each Funding Tier selected.

IX. **Implementation Plan (required):**
   a. Provide high-level details of proposed implementation plan for <u>each item and/or tier</u> proposed along with responsible party, tentative start/end dates, and the deliverable or milestone that will be achieved.
      i. Funding Tier:
      ii. Lead / Responsible Party:
      iii. Start Date:
      iv. End Date:
      v. Deliverable / Milestones:

X. **Project Budget (required):**
   a. Provide detailed budget for <u>each item and/or tier</u> requested as part of this application. Applicants should submit a budget request for the current Grant Period only; additional requests may be submitted for subsequent grant periods annually.
      i. Funding Tier:
      ii. Grant Period:
      iii. Vendor (if known)
      iv. Product or Service:
      v. Funds Requested:

   b. Applicants should submit a budget request according to the start and end dates of Grant Period 1 below. <u>Applicants should ensure proposed projects can be completed by the spending deadline.</u>

Grant Period	FFY	Start Date	End Date	Deadline for Spending
1	2026	01/01/2026	10/31/2026	09/30/2027

XI. **Sustainability Plan (required):**
   a. Applicants must describe their capacity to maintain, support, and operate new technology or equipment after the grant funding is expended.