Department of Health Care Access and Information

Small Rural Hospital Improvement Program (SHIP) Grant Program

Grant Guide For Cycle Year 2027

This guide outlines the Small Rural Hospital Improvement Program (SHIP) and the requirements necessary to apply. It provides step-by-step instructions for applicants and sets forth the rules and obligations grantees must follow to fulfil their service obligation. All applicants must agree to the terms and conditions prior to receiving funds. The Department of Health Care Access and Information will not make changes to the terms and conditions specified in this Grant Guide.

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Section I: SHIP Grant Information

A. Background and Mission

The Department of Health Care Access and Information (HCAI) administers the Small Rural Hospital Improvement Program (SHIP) through the California State Office of Rural Health (CalSORH). CalSORH offers SHIP grants to help small rural hospitals meet operational and quality of service needs.

SHIP was first authorized by the Balanced Budget Refinement Act of 1999 under Section 1820(g)(3) of the Social Security Act. The purpose was to help small rural hospitals meet the cost of implementing data systems required to meet the requirements of the Medicare Prospective Payment System. The Labor/HHS Appropriations Act for Fiscal Year (FY) 2002 provided initial funding for the program and expanded the purpose of this grant program to include helping small rural hospitals comply with provisions of the Health Insurance Portability and Accountability Act, reduce medical errors, and support improvements to quality of service.

This grant opportunity will result in grant agreement(s) with small rural hospitals to provide financial assistance for operational activities.

These activities include:

- Value-Based Purchasing (VBP) activities that support improved data collection to facilitate quality reporting and improvement.
- Accountable Care Organization (ACO) activities that support the development or the basic tenets of ACOs or shared savings programs.
- Payment Bundling (PB) or Prospective Payment System (PPS) activities that improve hospital financial processes.

B. Purpose and Description of Services

This program will result in funding small rural hospitals per direction provided by the Office of Rural Health Policy, Health Resources and Servicers Administration, U.S. Department of Health and Human Services.

This grant supports activities such as:

VBP Investment Activities

- Quality reporting data collection/related training or software
- Medicare Beneficiary Quality Improvement Project data collection process/related training
- Efficiency or quality improvement training in support of VBP related initiatives

- Provider-Based Clinic quality measures education
- Alternative Payment Model and Quality Payment Program training/education

ACO or Shared Savings Investment Activities

- Computerized provider order entry implementation and/or training
- Pharmacy services training, hardware/ software, and machines
- Population Health or disease registry training and/or software/hardware
- Social Determinants of Health Screening software/training
- Efficiency or quality improvement training or software in support of ACO or shared savings related initiatives
- Systems performance training in support of ACO or shared savings related initiatives
- Mobile health and telehealth hardware/software
- Community paramedicine hardware/software and training
- Health Information Technology training for value and ACOs

PB or PPS Investment Activities

- ICD-10/11 software
- ICD-10/11 training
- Efficiency or quality improvement training in support of PB or PPS related initiatives
- S-10 Cost Reporting training
- Price Transparency training

C. Available Funding

HCAI is offering a one-time grant opportunity with no implied or expressed guarantee of subsequent funding after the initial contract award resulting from this application. Awardees shall use the funding to improve the quality of services and meet other requirements set by the Federal Office of Rural Health (FORH).

HCAI will award equal funding amounts for each hospital that meets the funding criteria.

Eligible programs are expected to receive an award of approximately $15,277. The FORH will determine the final award amount.

D. Determining Eligibility

Small rural hospitals are eligible for SHIP funding. Small rural hospitals:

1. Have 49 or fewer staffed beds, as reported on the hospital’s most recently filed Medicare Cost Report.

2. Are located outside Metropolitan Statistical Areas (MSAs) or are in a rural census tract of an MSA.

3. Are a nonfederal, short-term, general acute care facility.

For-profit, not-for-profit, tribally-operated, and faith-based hospitals are eligible for SHIP funding if they meet the above criteria.

E. Grant Questions and Answers

You can find answers to most questions in this Grant Guide. If you have any questions related to the intent or interpretation of grant language, email SHIP staff at ship@hcai.ca.gov.

F. Initiating an Application

1. By submitting an application, you and your organization agree to the grant terms and conditions specified in this Grant Guide.

2. HCAI does not accept alternate grant agreement language from a prospective Grantee. HCAI will consider an application with such language to be a counteroffer and will reject any such applications. HCAI will not negotiate the terms and conditions outlined in Attachment A: Sample Grant Agreement.

3. If your program requires approval to contract from a coordinating authority, you must inform the authority of the terms and conditions contained in this Grant Guide. HCAI considers that the submission of an application implies express acceptance of the terms. All applicants must agree to the terms and conditions prior to receiving funds. HCAI will not make changes to the terms and conditions specified in this Grant Guide.

4. Applicants must submit applications that are complete and accurate. HCAI may reject an application that contains omissions, inaccuracies, or misstatements.

5. Applicants must submit their applications by January 4, 2027, through the web-based SHIP Application and Work Plan located at https://funding.hcai.ca.gov/.

6. Applicants must submit work plans concisely describing their intended use of any SHIP funds awarded.

7. HCAI may reject an application if it is conditional or incomplete, or if the application contains any alterations of form or other irregularities of any kind. HCAI may reject any or all applications and may waive an immaterial deviation in an application. HCAI's waiver of an immaterial deviation shall in no way modify the Grant Guide or excuse the applicant from full compliance with all requirements if awarded the agreement.

8. Applicants are entirely responsible for costs incurred in developing applications in anticipation of award of the agreement and shall not charge the State of California for these costs.

9. Awardees must electronically sign and submit grant agreements to HCAI by the due date. Failure to sign and return the grant agreement by the due date may result in loss of awarded funds.

G. Budget Restrictions

The Grantee shall not use SHIP grant program funds to supplant existing state or local funds.

The SHIP grant program does not provide funding for indirect costs.

H. Review and Evaluation

All hospitals that meet the eligibility requirements described in Section D of this Grant Guide and who propose to use funds for allowable activities will receive funding through this program.

HCAI staff will review each submitted application and work plan and will provide technical and informational assistance to applicants as needed.

If in the opinion of HCAI, an application contains false or misleading information or provides documentation that does not support an attribute or condition claimed, HCAI shall reject the application. HCAI reserves the right to reject any or all applications.

I. Grant Deliverables and Payment Provisions

- Each Grantee will submit an annual application and work plan.
- HCAI requires each application include a work plan describing the applicant's intended use of grant funds for the upcoming program year.
- HCAI makes payments in arrears and requires each grantee submit a Year-End Report (YER) which includes a SHIP invoice and other supporting documents specified in the YER.
- All Grantees must submit the YER within 60 days of the end of each program year.
- HCAI will pay awardees for allowable expenses pending satisfactory completion of all terms and conditions required by the grant agreement, including review and approval of the YER.

J. Resources

For information about the program and to view all available resources, see https://hcai.ca.gov/workforce/financial-assistance/grants/ship/.

K. Key Dates

The key dates for the program year are:

Key Events	Dates and Times
Application opens	November 13, 2026
Application closes	January 4, 2027
Award notice (CY 2027)	April 1, 2027
Grant term (CY 2027)	June 1, 2027 through May 31, 2028
Year-End Report due (CY 2026)	April 30, 2028

L. Application Components

A submitted application must contain all information and conform to the format described in this Grant Guide and the online SHIP Application and Work Plan, at https://funding.hcai.ca.gov/.

The SHIP Application and Work Plan gathers information that HCAI will use to evaluate the eligibility of hospitals and proposed projects. The application seeks information that includes, but is not limited to, the hospital's participation in Medicare and Medicaid programs, the hospital's number of staffed beds, project proposals for the upcoming grant year, and progress on continuing applicants' the current approved Cycle year project(s).

M. Department Contact

For questions related to the SHIP Program application, please email HCAI staff at ship@hcai.ca.gov.

Section II: Hospital eApp Technical Guide

A. Hospital eApp Technical Guide

1. Accessing the Application System

HCAI uses the eApp to allow applicants to submit applications. This Grant Guide contains information hospital representatives need to complete and submit an application in the eApp.

To access the eApp, go to https://funding.hcai.ca.gov. To ensure proper functionality in the eApp, use Chrome or Microsoft Edge. Internet Explorer is no longer supported.

2. Registration and Login

All applicants must register in the eApp system before beginning an application. To register as a new user, click the “Create Account” button on the home page and follow the instructions. After submitting your email address and creating a password, you will receive an email with an account activation link. Click the link in the email to return to the eApp and complete your user account.

After registering with and logging into the eApp, you may begin an application by clicking “Apply Here” at the top of the eApp page.

3. Submitting an Application

- By submitting an application, you agree to the application Terms and Conditions.
- HCAI will not consider late or incomplete applications. For more detailed information, refer to Section I: K. Key Dates in this Grant Guide.
- Once you click the “Submit” button, you cannot go back to revise the application.
- The eApp will email you a confirmation of submission.

B. SHIP Grant Application Components

A submitted application must contain all required information and conform to the Grant Guide format.

The SHIP grant application has thirteen sections for new and returning applicants to complete:

1. General Information
2. Prior Year Activity
3. Hospital Information
4. VBP Investment Activities
5. Work Plan – VBP
6. ACO Investment Activities
7. Work Plan – ACO
8. PB PPS Investment Activities
9. Work Plan – PB PPS
10. Budget
11. Network Consortium Expenditures
12. Required Documents
13. Certification Signature

Each SHIP grant application page displays instructions. See the “Help” button located next to your username in the upper right corner of your browser window for additional assistance or explanation.

Thank you!

We would like to thank you for your interest in applying for the SHIP grant, and for your continued efforts in providing healthcare services in California’s underserved rural areas.

Attachment A: Sample Grant Agreement

GRANT AGREEMENT BETWEEN THE
DEPARTMENT OF HEALTH CARE ACCESS AND INFORMATION AND
[Hospital Name]
GRANT AGREEMENT NUMBER **[Grant Number]**

THIS GRANT AGREEMENT ("Agreement") is entered into on **[Agreement Start Date**] ("Effective Date") by and between the State of California, Department of Health Care Access and Information (hereinafter "HCAI"), and **[Hospital Name]** (hereinafter "Grantee").

WHEREAS, the Small Rural Hospital Improvement Grant Program (hereinafter "SHIP") is supported by the U.S. Department of Health and Human Services, Health Resources and Services Administration's (HRSA) Federal Office of Rural Health Policy (FORHP). Section 912(b)(5) of Title 42 of the United States Code authorizes FORHP to administer grants, cooperative agreements, and contracts to provide technical assistance and other activities as necessary to support activities relating to improving health care in rural areas.

WHEREAS, HCAI received funding through the HRSA grant for SHIP services.

WHEREAS, HRSA directed this money to enable SHIP to support eligible hospitals in meeting value-based payment and care goals for their respective organizations, through purchases of hardware, software and training. SHIP also enables small rural hospitals: to become or join Accountable Care Organizations (ACO); to participate in shared savings programs; and to purchase health information technology (hardware and software), equipment, and/or training to comply with quality improvement activities, such as advancing patient care information, promoting interoperability, and payment bundling.

WHEREAS, the California State Office of Rural Health (CalSORH) is implementing HRSA's SHIP program to support small rural hospitals.

WHEREAS, the Grantee is a small rural hospital in California with 49 general acute care beds or fewer. They may be for-profit or not-for-profit organizations.

WHEREAS, eligibility will be reviewed annually. Failure by the Grantee to maintain eligibility during the term of this Agreement may result in the termination of this Agreement.

NOW THEREFORE, HCAI and the Grantee, for the consideration and under the conditions hereinafter set forth, agree as follows:

A. Definitions

1. “Deputy Director” means the Deputy Director of Health Workforce Development or their designee.

2. “Grantee” means the fiscally responsible entity in charge of administering the Grant Funds.

3. “Grant Agreement/Grant Number” means Grant Number **[Grant Number]** awarded to Grantee.

4. “Grant Funds” means the funds provided by HCAI to the Grantee for the project described by the Grantee in its Application and Work Plan.

5. “Hospital” means the Grantee.

6. Hospital Coordinator” is the individual designated to sign the Work Plan and other documents, and who represents the Grantee.

7. “Program” means the CalSORH, SHIP.

8. “Program Manager” means the HCAI manager overseeing the SHIP grant.

9. “State” means the State of California and includes all its Departments, Agencies, Committees and Commissions.

10. "Work Plan" means the project work plan submitted by Grantee.

B. Term of the Agreement

This Agreement shall take effect on **[Agreement Start Date]** and shall terminate on **[Agreement End Date]**.

C. Scope of Work

Grantee agrees to the following Scope of Work as set forth herein. In the event of a conflict between the provisions of this section and the Grantee’s program application, the provisions of the Scope of Work Section shall prevail.

Grantee shall:

1. For the period of **[Agreement Start Date]** through **[Agreement End Date]**, provide SHIP services at:

Hospital	Address
[Hospital Name]	**[Hospital Address]**

2. Accept funds for SHIP services from HCAI as outlined in the Agreement.

3. Use federal grant funds for hospital investments for quality improvement and operational efficiencies to achieve quality health care services in their underserved rural and remote area, as outlined in the federal Small Rural Hospital Improvement Program grant. Grantee shall:

    a. Maintain Federal Grant Eligibility: Grantee shall maintain federal eligibility for SHIP grant participation. Failure to maintain federal grant eligibility requirements may result in termination of this Agreement. These requirements shall include:

        i. Report Hospital Consumer Assessment of Healthcare Providers and Systems: Grantee must have ongoing public reporting to Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) during the grant term in addition to any other activity selected. Verification of HCAHPS submission to Hospital Compare during the grant year is required to substantiate compliance with FORHP program requirements.

        ii. Adhere to Funding Priorities: The FORHP develops an annual list of funding priorities which grantees must participate in to receive funding, although not attached, is incorporated into this Agreement by reference. HCAI will inform Grantee of the funding priorities and validate selected activities align.

    b. Year-End Report: Participating Grantee shall provide a Year-End Report at the end of each grant year. Year-End reporting is required to establish substantiation of funds received through this grant. The Report will solicit Work Plan outputs/outcomes; reimbursement for qualifying and substantiated expenses, and proof of HCAHP reporting. Year-End Reports, while not attached, are incorporated into the Agreement by reference.

    c. Provide Supplemental Reporting: At its discretion, HCAI may request that the Grantee provide supplemental Work Plan progress or outcomes reporting.

4. Propose, in writing, any changes and revisions sought to the Scope of Work contained in the agreement, utilizing the "allowable cost payment system." All requested changes and revisions are subject to the approval of HCAI. Failure to notify HCAI of proposed revisions to the Scope of Work may result in HCAI not reimbursing expenses associated with the changes and revisions, and an audit finding.

    a. HCAI will respond, in writing, as to the approval or disapproval of all such requests for changes or revisions to the Scope of Work within 30 calendar days of the date the request is received by the program.

    b. HCAI may also request changes and revisions to the Scope of Work. HCAI will make a good-faith effort to provide the Grantee 30 calendar days advance written notice of said changes or revisions.

5. Provide HCAI a list of equipment $5,000 or more per unit to get pre-approval from HCAI prior to purchase. Failure to submit required reporting may jeopardize participation in other HRSA and HCAI grant opportunities.

6. Apply all Grant Funds received to approved expenditures on the submitted Work Plan. Grantee must direct all received Grant Funds toward the qualifying schedule of deliverables during the term of this Agreement. Failure to adhere to this provision is a material breach of this Agreement and will result in in penalties HCAI as described below in Section G.

7. Notify HCAI, in writing, of any and all, name, mailing address, phone number, and email address changes within 30 days of the changes.

D. Payment Provisions and Reporting Requirements

1. HCAI shall make a single payment for the full amount of the Grant Funds within the initial Service Term from **[Agreement Start Date]** to **[Agreement End Date]**, payable directly to the Grantee. HCAI reserves the right to change payment provisions within the Agreement term, if needed. Any unused funds shall be returned to HCAI at the end of the grant period.

2. The total obligation of HCAI under this Agreement shall not exceed $15,277 to the Grantee.

3. HCAI does not allow indirect costs for SHIP grants.

E. Budget Contingency Clause

1. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, HCAI shall have no liability to pay any funds whatsoever to Grantee or to furnish any other considerations under this Agreement and Grantee shall not be obligated to perform any provisions of this Agreement.

2. If funding is reduced or deleted by the Budget Act for purposes of this Program, the HCAI may void this Agreement or may offer an agreement amendment account for the reduced amount; if HCAI offers an agreement amendment consistent with the terms of this budget contingency clause, HCAI may void the Agreement until the Parties sign the offered amendment.

F. Federally Funded Agreements

1. The parties understand that this Agreement has been written for the mutual benefit of both parties before ascertaining the availability of congressional appropriation of funds to avoid program and fiscal delays that would occur if the Agreement were executed after that determination was made.

2. This Agreement is valid and enforceable only if sufficient funds are made available to the State by the United States Government for Cycle Year (CY) 2027-28, for the purpose of this Program. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by the United States Congress, or to any statute enacted by Congress that may affect the provisions, terms, or funding of this Agreement in any manner.

3. The parties mutually agree that if the United States Congress does not appropriate sufficient funds for the Program, HCAI has the option to void this Agreement after providing a 30-day written notice.

G. Breach

1. HCAI reserves the right to recover any and all amounts provided to Grantee, if Grantee fails to perform the obligations set forth in this Agreement. HCAI expressly reserves the right to pursue all legal and equitable remedies in the event of a breach by Grantee, including the right to disqualify Grantee from future funding opportunities.

2. If HCAI files a civil action to recover sums per this section, HCAI shall be entitled to recover reasonable attorneys' fees, costs, and expenses directly related to such collection actions.

3. Any amount HCAI is entitled to recover from the Grantee for breach of this agreement shall be paid within one year of the date HCAI determines that the Grantee is in breach of this Agreement.

4. Per Government Code 16580-16586, HCAI has statutory authority to collect on any outstanding debts. HCAI may attempt to collect from the Franchise Tax Board or any Medicaid (Medi-Cal) offsets. HCAI may contact the Employment Development Department, the Board of Equalization, and/or a collection agency to obtain repayment of the funds owed.

H. Compliance with Statutes and Regulations

1. Grantee shall comply with all California and federal law, regulations, and published guidelines, to the extent that these authorities contain requirements applicable to Contractor's performance under the Agreement.

2. These authorities may include, but are not limited to, Title 2, Code of Federal Regulations (CFR) Part 200, subpart F, Appendix II; Title 42 CFR Part 431, subpart F; Title 42 CFR Part 433, subpart D; Title 42 CFR Part 434; Title 45 CFR Part 75, subpart D; and Title 45 CFR Part 95, subpart F. To the extent applicable under federal law, this Agreement shall incorporate the contractual provisions in these federal regulations and they shall supersede any conflicting provisions in this Agreement.

I. Media and Press Engagements:

1. Any discussion regarding media engagements or press releases (see below) should be directed only to HCAI staff.

2. All Grantee organizations are required to submit press releases for review by HCAI at a minimum of two weeks in advance of the intended publication date for review and approval.

3. Grantee organizations understand that portions, or the entirety, of its press release may be used by HCAI, CalHHS or the Governor’s Office and may be changed without notice to the Grantee.

4. If HCAI, CalHHS, or the Governor’s Office issues a press release or statement about an award the Grantee received, but does not use the awarded organization’s press announcement, the awardee may issue its release after HCAI, CalHHS or the Governor’s Office issues a statement. The release must still be reviewed by HCAI before release.

5. For some grants or programs, a pre-approved press release template may be developed in a tool kit for the program, which may reduce the review/approval time by HCAI. (This does not apply to all grants.)

J. Executive Order N-6-22 – Russia Sanctions:

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. “Economic Sanctions” refers to sanctions imposed by the U.S. government in response to Russia’s actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine Contractor is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this agreement. The State shall provide Contractor advance written notice of such termination, allowing Contractor at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.

K. General Terms and Conditions

1. Timeliness: Time is of essence in this Agreement. Grantee will submit the required deliverables as specified and adhere to all deadlines as specified in this Agreement. Anticipating potential overlap, conflicts, and scheduling issues, to adhere to the terms of the Agreement, is the sole responsibility of the Grantee.

2. Final Agreement: This Agreement, along with the Grantee’s Work Plan, exhibits, and forms constitutes the entire and final agreement between the parties and supersedes any and all prior oral or written agreements or discussions. In the event of a conflict between the provisions of this Agreement and the Grantee’s Work Plan, exhibits, and forms, the provisions of this Agreement shall prevail.

3. Ownership and Public Records Act: All reports and the supporting documentation and data collected during the funding period which are embodied in those reports, shall become the property of the State and subject to the California Public Records Act (Gov. Code § 6250 et seq.).

4. Audits: The Grantee agrees that HCAI, the Department of General Services, the State Auditor, or their designated representatives shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. The Grantee agrees to maintain such records for possible audits for a minimum of three years after final payment unless a longer period of records retention is stipulated by the State.

The Grantee agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the Grantee agrees to include a similar right of the State to audit records and interview staff in any subcontract related to the performance of this Agreement. (Gov. Code §8546.7, Pub. Agreement Code §10115 et seq., Cal. Code Regs. tit. 2, §1896).

5. Non-Discrimination Clause (See Cal. Code Regs., Title 2, §11105):

   a. During the performance of this Agreement, Grantee and its subcontractors shall not deny the Agreement's benefits or discriminate against any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, reproductive health decision making, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Grantee shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.

   b. Grantee and its subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12900 et seq.), the regulations promulgated under the California Code of Regulations, Title 2, §11000 et seq., the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§11135-11139.8), and any regulations or provisions adopted by HCAI to implement such article.

   c. Grantee shall permit access by representatives of the Civil Rights Department and HCAI upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to its books, records, accounts, and all other sources of information and its facilities as said Department or HCAI shall require to ascertain compliance with this clause.

   d. Grantee and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

   e. Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

6. Independence from the State: The Grantee and the agents and employees of the Grantee, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees, or agents of the State.

7. Waiver: The waiver by HCAI of a breach of any provision of this Agreement by the Grantee will not operate or be construed as a waiver of any other breach. HCAI expressly reserves the right to disqualify the Grantee from any future grant awards for failure to comply with the terms of this Agreement.

8. Approval: This Agreement is of no force or effect until signed by both parties. The Grantee may not commence performance until such approval has been obtained.

9. Amendment: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties, and approved as required. No oral understanding or arrangement not incorporated in this Agreement is binding on any of the parties.

10. Assignment: This Agreement is not assignable by the Grantee, either in whole or in part, without the consent of HCAI in the form of a formal written amendment.

11. Indemnification: Grantee agrees to indemnify, defend, and save harmless the State, its officers, agents, and employees from (i) any and all claims and losses accrued by any and all Grantee's, subcontractors, suppliers, laborers, and any other person, firm, or corporation furnishing or supplying work services, materials, or supplies resulting from the Grantee's performance of this Agreement, and from (ii) any and all claims and losses accruing or resulting to any person, firm, or corporation who may be injured or damaged by Grantee in the performance of this Agreement.

12. Disputes: Grantee shall continue with the responsibilities under this Agreement during any dispute. Any dispute arising under this Agreement, shall be resolved as follows:

    a. The Grantee will discuss the problem informally with the Program Manager. If unresolved, the problem shall be presented, in writing, to the Deputy Director stating the issues in dispute, the basis for the Grantee's position, and the remedy sought. Grantee shall include copies of any documentary evidence and describe with specificity any other evidence that supports its position with its submission to the Deputy Director.

    b. Within ten working days after receipt of the written grievance from the Grantee, the Deputy Director or their designee shall make a determination and shall respond in writing to the Grantee indicating any decision and reasons for it.

c. Within ten working days of receipt of the Deputy Director's decision, the Grantee may appeal the decision of the Deputy Director by submitting a written appeal to the Chief Deputy Director stating why the Grantee does not agree with the Deputy Director's decision.

d. Within ten working days after receipt of the appeal, the Chief Deputy Director or their designee shall respond in writing to the Grantee with their decision. The Chief Deputy Director's decision will be final.

13. Termination for Cause: In addition to the Breach provisions above, HCAI may terminate this Agreement and be relieved of any payments should the Grantee fail to perform the requirements of this Agreement at the time and in the manner herein provided. Grantee shall return any Agreement funds that were previously provided to Grantee within 60 days of the date of termination.

    If all grant funds have not been expended upon completion of the Agreement term, HCAI will request the remittance of all unexpended funds. If HCAI determines that improper payments have been made to Grantee, HCAI will request disgorgement of all disallowed costs. Grantee may dispute disallowed costs in accordance with Section J, Paragraph 13. Grantee will submit a check or warrant for the amount due within 60 days of the Grantee's receipt of HCAI's disgorgement request or 30 days from the Grantee's receipt of HCAI's last Dispute decision. If Grantee fails to remit payment, HCAI may withhold the amount due from any future grant payments.

14. Grantee's Subcontractors: Nothing contained in this Agreement shall create any contractual relationship between the State and the Grantee or any subcontractors, and no subcontract shall relieve the Grantee of its responsibilities and obligations hereunder. The Grantee agrees to be as fully responsible to the State for any and all acts and omissions of its subcontractors and of persons either directly or indirectly employed by the Grantee. The Grantee's obligation to pay its subcontractors is an independent obligation from the State's obligation to disburse funds to the Grantee. As a result, the State shall have no obligation to pay or to enforce the payment of any money to any subcontractor.

15. Governing Law: This Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

16. Unenforceable Provision: If any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

17. Use of Funds: The funding established pursuant to this act shall be utilized to fund approved, eligible projects supporting operational and quality of service needs. These funds shall not be used to supplant existing state or local funds to provide primary care services.

L. Grant Representatives

The grant representatives during the term of this Agreement are listed below. Direct all inquiries to:

State Agency: Department of Health Care Access and Information	Hospital Name: [Hospital Name]
Section/Unit: Health Workforce Development/CalSORH SHIP	
Name: [Grant Administrator]	Hospital Coordinator Name: [Coordinator Name]
Address: 2020 West El Camino Avenue, Suite 1222 Sacramento, CA 95833	Hospital Address: [Hospital Address]
Phone: [Grant Admin Phone No.]	Phone Number: [Phone]
Email: SHIP@hcai.ca.gov	Email: [Coordinator Email Address]

By signing this Grant Agreement, I acknowledge that I am subject to the eligibility requirements identified in the CY 2027-28 SHIP Grant Guide (the "Grant Guide"), which is incorporated into this Agreement in its entirety by reference. I understand that I may be disqualified from the process if an eligibility conflict is identified based on the criteria set forth in the Grant Guide.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of [Agreement Start Date]:

Department of Health Care Access and Information	[Grantee]
Signature:	Signature:
Name:	Name:
Title:	Title:
Date:	Date:

By signing below, the Department of Health Care Access and Information (HCAI) and Grantee acknowledge that this Agreement accurately reflects the understanding of HCAI and Grantee with respect to the rights and obligation under this Agreement.

_____ _____
Date

For the Department of Health Care Access and Information:

_____ _____
Date