California Rural Health Transformation - EHR Modernization Grant FAQs

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This Frequently Asked Questions (FAQ) document provides guidance for organizations interested in applying for the California Rural Health Transformation (CalRHT) Electronic Health Record (EHR) Modernization Grant. These are intended to clarify eligibility requirements, application process, project scope, allowable costs, funding, and payment requirements.

Applicants should review the CalRHT EHR Modernization Grant Guide and Request for Applications (RFA), available on the CalRHT Funding Opportunities webpage, before submitting an application. The Grant Guide and RFA remain the primary sources of program requirements and eligibility criteria. For application materials and program resources, visit the CalRHT Grant Funding Opportunities webpage.

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Eligibility and Organizational Type

1. **What are the eligibility requirements for the Electronic Health Record (EHR) Modernization grant?**
   The eligibility requirement for the CalRHT EHR Modernization program can be found in the program Grant Guide located on the CalRHT Grant Funding Opportunities webpage.

2. **Would my organization be able to apply?**
   Only eligible rural provider organizations may apply as defined in the CalRHT EHR Modernization Grant Guide. If your organization is a vendor, health information exchange (HIE), Qualified Health Information Organization (QHIO), joint applicant, consortium, or pass-through applicant, it would not be eligible to apply under this grant program.

3. **How is rural defined for eligibility?**
   CalRHT uses the federal definition of rural established by the Health Resources and Services Administration (HRSA). Applicants can determine whether their service areas qualify by using the HRSA Rural Health Grants Eligibility Analyzer.

4. **How does HCAI define an "Other Comprehensive Community Health Clinic"?**
   An "Other Comprehensive Community Health Clinic" means a licensed Community Clinic or Free Clinic. The facility must hold a clinic license and be located in a Health Resources and Services Administration (HRSA) eligible rural area to qualify under this category. Facilities may verify their license using the data set available at the Licensed and Certified Healthcare Facility Crosswalk.

5. **What facility types count as a "Skilled Nursing Facility" or "Long-Term Care Facility"?**
   A "Skilled Nursing Facility" or "Long-Term Care Facility" includes the following California-licensed facility types: Skilled Nursing Facilities (SNF); Intermediate Care Facilities (ICF); Intermediate Care Facilities for the Developmentally Disabled — Habilitative, Nursing, and Continuous Nursing (ICF/DD-H, ICF/DD-N, ICF/DD-CN); Congregate Living Health Facilities (CLHF); and Pediatric Day Health and Respite Care Facilities (PDHRCF). The facility must be located in a Health Resources and Services Administration (HRSA) eligible rural area to qualify. Facilities may verify their license using the dataset available at the at the Licensed and Certified Healthcare Facility Crosswalk.

6. **We are a health system with multiple sites — do we submit multiple applications?**
   A single entity can submit one application per grant cycle for a single award that includes multiple sites implementing an EHR, provided those sites are part of the same legal entity that will hold the grant agreement. Joint, consortium, and pass-through applications are not permitted.

7. **Do we need to be a Data Sharing Agreement (DSA) signatory to apply?**
   No. DSA signatory status is not required to apply, but it is required to receive the final payment (Milestone 3). All applicants must describe their California Data Exchange Framework (DxF) connectivity plan and planned approach to executing the DSA, regardless of current status.

8. **Can an enterprise EHR replacement include non-rural sites if the applicant has eligible rural sites?**
   An organization undertaking a broader enterprise-wide EHR replacement may still apply, but only its eligible rural sites may be included in the grant scope and budget, and costs must be attributable to those eligible rural sites. Applicants should provide total project cost and a credible co-funding plan for non-rural sites, which is evaluated under the Budget and Sustainability criterion specified in Attachment A of the EHR Modernization Grant Guide. Applicants must use a documented cost allocation methodology to ensure grant-funded costs are allocable only to eligible rural sites. Shared enterprise costs must be prorated using a reasonable and supportable allocation basis.

9. **If an organization currently operates a certified EHR and is planning a full replacement with another certified EHR, would that project be eligible under this grant funding opportunity, assuming all other eligibility requirements are met?**
   Replacing an existing EHR with a certified EHR is an allowable use of funds, provided all other eligibility requirements are met. The project must be a full replacement rather than an upgrade, optimization, or feature addition to the existing system, which are not allowable. Per the scoring criteria specified in Attachment A of the EHR Modernization Grant Guide, an applicant that already operates a certified EHR with a strong replacement rationale will score fewer points under the Baseline Capability Gap category than an applicant with no EHR, paper-based records, or a non-certified EHR with a strong replacement rationale.

10. **We operate an EHR that is no longer certified. If we purchase a new version of an EHR from the same vendor which is certified, does that qualify for the EHR Modernization Grant?**
    A same-vendor replacement may qualify as an eligible full replacement where the organization's existing production EHR is no longer certified and the new product is a currently certified EHR as defined by the Centers for Medicare & Medicaid Services (CMS) and the Office of the National Coordinator (ONC) for Health Information Technology. The implementation must involve acquisition and deployment of a new certified EHR product and may not simply consist of software maintenance, version upgrades, or optimization activities. Applicants should document the current system's certification status, the certified status of the replacement product, and the scope of the implementation, so that HCAI can confirm the project is a full replacement and not an incremental upgrade. Per the scoring criteria specified in Attachment A of the EHR Modernization Grant Guide, an applicant with a strong replacement rationale that identifies the need for replacement and scope of the implementation will score higher points under the Baseline Capability Gap category than an applicant with a weak replacement rationale.

    CMS and ONC have established standards and other criteria for structured data that EHRs must meet to qualify for use in the Medicare Promoting Interoperability Program. These definitions and requirements can be found on the CMS Certified EHR Technology webpage.

11. **How does the CalRHT requirement to allocate at least 5% of program funding to support rural Tribal communities apply to the EHR Modernization Grant?**
    The 5% minimum Tribal set aside is being managed separately from individual grant programs. Tribal entities are welcome to apply for any of the open grant programs, but the 5% allocation will be separate and any grant funding received by tribal entities via open RFAs will not count toward the 5% set aside - it will be over and above that 5% minimum set aside.

12. **Are dental or ECM EHRs eligible under the EHR Modernization Grant program?**
    Only eligible rural provider organizations may apply as defined in the CalRHT EHR Modernization Grant Guide. If your organization is not an eligible organization type, it would not be eligible to apply under this grant program. Additionally, the planned EHR implementation must meet the criteria for a certified EHR as defined by CMS and ONC.

CMS and the Office of the National Coordinator (ONC) for Health Information Technology have established standards and other criteria for structured data that EHRs must meet to qualify for use in the Medicare Promoting Interoperability Program. These definitions and requirements can be found on the CMS Certified EHR Technology webpage.

Application Process

13. Can we self-submit an application without an invitation?

Yes. Eligible organizations can apply during the application period. The application window is July 20, 2026 through August 21, 2026 at 3:00 p.m. PT. Applications must be submitted through the web-based EHR Modernization Grant Application Portal linked on the CalRHT Grant Funding Opportunities webpage.

We recommend reviewing the CalRHT EHR Modernization Grant Guide and RFA before applying and confirming that your organization meets the eligibility requirements. When submitting an application, the applicant is responsible to ensure that the application is complete and accurate. CalRHT may reject incomplete, inaccurate or conditional applications.

14. What is the application process?

All potential applicants should carefully review the CalRHT EHR Modernization Grant Guide and RFA to confirm that their organization and proposed service site(s) meet all eligibility requirements.

- After confirming eligibility, register for and log in to the web-based EHR Modernization Grant Application Portal on the CalRHT Grant Funding Opportunities webpage.
- Prepare a complete application package, including all required organizational information and supporting documentation, such as: eligibility documentation, budget, workplan, EHR needs assessment, vendor implementation and readiness information, cybersecurity and privacy information, and sustainability information.
- An authorized representative must complete and submit the application on behalf of the organization.
- Submit the completed application through the portal no later than 3:00 p.m. on August 21, 2026. Applications submitted after the deadline will not be considered.

Before final submission of the application, ensure that the application is complete and accurate. CalRHT may reject incomplete, inaccurate or conditional applications.

After submission, applications will be processed.

- Applications will be reviewed for required information, validated, and scored using the evaluation criteria as defined in the EHR Modernization Grant Guide.
- After review, CalRHT will select some applicants for tentative subawards.
- If selected for a tentative subaward, the organization must submit a detailed budget that aligns with the subaward amount offered.
- Once the detailed budget is approved and the grant agreement is issued, the organization must electronically sign and accept or decline the agreement.
- After the grant agreement is executed, the organization follows the required milestones, reporting, and payment process.
- For application questions or technical difficulties, applicants may contact info@calruralhealth.org.

15. How can I receive the link to apply?

The Application Portal for the EHR Modernization Grant is available on the CalRHT Grant Funding Opportunities webpage.

16. When is the EHR Modernization Grant Request for Application (RFA) open and closed?

The EHR Modernization Grant RFA for Budget Period 1 opens on July 20, 2026. Applications must be submitted by 3:00 p.m. PT on August 21, 2026.

17. If the application is closed, can I still apply?

Applications for CalRHT EHR Modernization program funding in Budget Period 1 will not be accepted after the submission deadline.

Please check the CalRHT homepage regularly at and subscribe to the CalRHT mailing list at to receive program updates and future announcements.

18. What are the key dates for the 2026 application cycle for the EHR Modernization Grant Program?

The key dates for the Budget Period 1 EHR Modernization Grant Program application cycle are:

Key event	Date or timeframe
RFA release date	July 20, 2026
Application window opens	July 20, 2026
Applicant Information Webinar	July 27, 2026, at 12:30 p.m. PT
Application window closes	August 21, 2026, at 3:00 p.m. PT
Completeness and scoring review	August/September 2026
Subaward notifications issued	September 2026
Grant agreements executed	September/October 2026
First payment disbursed	October/November 2026
Final payment disbursed	No later than September 30, 2027

19. How can I check the status on my application?

HCAI will begin issuing subaward notifications in September 2026 to applicants that are selected for EHR Modernization Grants. You can check the status of your application by logging into the Application Portal at any time. You can also contact the team at 1-855-225-7487 (855-Cal-RHTP).

20. When will applicants be selected and notified that they are awarded?

After applications are reviewed and scored, CalRHT will select and notify subaward recipients beginning September 2026. Final awards will be made no later than October 2026.

21. Where can I find information about the next application cycle?

Information and details for the Budget Period 2 applications will be posted on the CalRHT homepage as soon as they become available.

Please check the CalRHT homepage regularly at and subscribe to the CalRHT mailing list at to receive program updates and future announcements.

Project Scope and Allowable Costs

22. What is a certified EHR?

The Centers for Medicare & Medicaid Services (CMS) and the Office of the National Coordinator (ONC) for Health Information Technology have established standards and other criteria for structured data that EHRs must meet to qualify for use in the Medicare Promoting Interoperability Program. These definitions and requirements can be found on the CMS Certified EHR Technology webpage.

23. When does the new EHR have to be certified?

The Grant Guide's Allowable Use of Funds limits funding to two uses: "adopting and configuring a first-time certified EHR" or "replacing an existing EHR with a certified EHR." In both cases, the EHR adopted or implemented with grant funds must be a certified EHR, as defined by CMS and the Office of the National Coordinator (ONC). Grant funds may not be used to adopt or implement a system that is not certified.

Applicants with an identified or anticipated vendor at time of application should demonstrate that the proposed EHR product holds current CMS/ONC certification, as defined on the CMS Certified EHR Technology webpage. Applicants who have not yet selected a vendor may still apply and should describe their procurement approach and confirm that the EHR they ultimately select and fund will be a certified product.

24. What can the funding be used and not used for?

Allowable uses of funds for the EHR Modernization Grant include adopting and configuring a first-time certified EHR or replacing an existing EHR with a certified EHR. Allowable cost categories for this grant include:

A. EHR Software Licensing and Subscription Fees
B. Implementation and Configuration
C. Data Migration
D. Interface and Interoperability Development
E. Training and Change Management
F. IT Hardware and Equipment
G. Program Costs Allowance

Details about allowable use of funds, cost categories, and restrictions for the CalRHT EHR Modernization program can be found in the program Grant Guide available on the CalRHT Grant Funding Opportunities webpage.

25. Can I use the funds for technology beyond an EHR?

The allowable uses of funds for the EHR Modernization Grant are limited to adopting and configuring a first-time certified EHR or replacing an existing EHR with a certified EHR. However, there will be additional CalRHT opportunities that have allowable uses of funds to support other technology needs.

The Accelerator Partners Program is intended to be a real-world test environment for groups of organizations that support rural regions and demonstrate strong readiness and commitment to implement the CalRHT Transformative Care Model (TCM) initiatives which seek to strengthen primary, maternity, and specialty care in rural communities. Please refer to the Accelerator Partners Program Grant Guide for allowable use of funds, application dates and eligibility requirements found on the CalRHT Grant Funding Opportunities webpage.

Additionally, the Technology and Tools initiative will introduce a Technology Improvement Grants program starting in Budget Period 2, pending CMS approval. This grant is intended to fund the tools and capabilities enabled by foundational EHR systems. Those tools may include telehealth, eConsult, cybersecurity, population health, consumer-facing technology, performance analytics, care coordination, and advanced interoperability.

When details for the Budget Period 2 applications are available, this information will be posted to the CalRHT homepage.

26. Can we use these funds to upgrade or optimize our existing EHR?

No. Allowable uses include first-time EHR adoption or full replacement only. Upgrades, optimization, feature additions, and configuration changes to an existing certified EHR are not eligible under this grant but may be addressed in the future Technology & Tools Improvement Grants (Budget Period 2 onward).

When details for the Budget Period 2 applications are available, this information will be posted to the CalRHT homepage.

27. Can grant funds pay for QHIO/HIE onboarding or participation fees?

No. QHIO/HIE onboarding and participation fees are not an allowable use of funds. Internal configuration of interoperability capabilities within the new or replaced EHR — such as enabling Fast Healthcare Interoperability Resources (FHIR) application

programming interfaces (APIs) or configuring interface connections — is an allowable use of funds. For example, a rural health clinic that currently participates in a health information exchange (HIE) and replaces their existing EHR with a new EHR may use grant funds towards the interoperability capabilities necessary to enable continued participation in the HIE.

28. Is hardware eligible?

Yes, but only hardware directly required for the EHR implementation that existing equipment cannot support, such as servers, network equipment, workstations, medical devices, and printers. Hardware purchases remain subject to all applicable federal grant requirements, including documentation of necessity, reasonableness, allocability, and any required federal approvals. Purchases must be documented and supported by evidence that existing equipment is insufficient for the new EHR or its interoperability functions. A general hardware refresh not tied to the EHR implementation is not an allowable use of funds.

29. Can grant funds cover ongoing EHR subscription or maintenance costs after Budget Period 1?

Grant funds may cover first-year EHR software licensing and subscription fees as part of the initial adoption or replacement. Ongoing costs beyond the period of performance — recurring subscription fees, annual maintenance, and routine IT operations — are not allowable and must be addressed in applicants required Sustainability Plan.

30. Do we need a vendor selected before we apply?

Vendor selection is not a prerequisite to apply, but Feasibility & Vendor Readiness is the highest-weighted criterion (30 of 100 points) of application scoring specified in Attachment A of the EHR Modernization Grant Guide. An application that reflects having a named vendor, a signed letter of intent, and a detailed implementation plan in place, may be more competitive. If an applicant is selected for an EHR Modernization Program subaward, HCAI will not release the first subaward payment until a signed vendor contract is in place. Subrecipients remain responsible for complying with applicable procurement requirements and organizational procurement policies when selecting vendors.

Funding, Budget, and Payments

31. What award amount can we expect?

The subaward amount for each application will be determined through the CalRHT EHR Modernization Grant application and review process. Individual subaward amounts for this funding cycle will not exceed the maximum of $2 million.

32. If an applicant is eligible, when will CalRHT notify applicants about grant awards?

Eligibility alone does not guarantee funding. Eligible applicants must submit a complete application by the grant deadline, and all applications will be evaluated and scored according to the criteria described in the EHR Modernization Grant Request for Application (RFA).

Applicants selected for a tentative award will receive a notification from HCAI that includes the proposed award amount and any next steps required before finalizing the award. Funding will be distributed based on the recipient's completion of required milestones and submission of approved supporting documentation.

33. Our total project cost is more than $2 million — should we still apply?

Yes. The $2 million ceiling is a per-award maximum, not a target, and total costs above it are common for rural-serving hospital and multi-site EHR replacements. Disclose your total project cost and provide a credible plan to fund the unfunded balance from committed or anticipated sources. The co-funding plan is scored; applications that fail to address the gap will score lower against this criterion.

34. Can grant funds cover an EHR implementation that has already begun?

No. Pre-subaward costs — those incurred before the grant agreement start date — are not allowable. Do not execute vendor contracts or incur implementation expenses in anticipation of an award. Funds may only support activities that begin after the grant subaward agreement is executed.

35. When do we get paid, and is any funding provided upfront?

This is a milestone-based, reimbursement-oriented grant. Funds are released in two payments: 40% at Milestone 1 (Technology Readiness Assessment complete and a signed vendor contract dated after grant execution) and 60% at Milestone 3 (go-live and final report). Milestone payments are contingent upon verification of milestone completion and supporting documentation demonstrating allowable grant

expenditures. First payments are anticipated October–November 2026; no payments may be made after September 30, 2027. All Budget Period 1 funds must be for qualifying expenses incurred before September 30, 2027.

36. **Is the EHR Modernization Grant the only opportunity for the Technology and Tools category?**
    For the 2026-2027 Budget Period 1, the EHR Modernization Grant is the only grant opportunity in the Technology and Tools category. For Budget Period 2 and subsequent years, CalRHT will release separate Technology and Tools Improvement Grant opportunities, pending CMS approval, to fund expanded technologies, tools, and related capabilities. These future programs may support initiatives that seek to implement telehealth, eConsult, cybersecurity, population health, consumer-facing technology, performance analytics, care coordination, and advanced interoperability. When details for the Budget Period 2 applications are available, this information will be posted to the CalRHT homepage.

Resources

Please check the CalRHT homepage regularly at and subscribe to the CalRHT mailing list at to receive program updates and future announcements.

Please review the resources below for any further questions.

- HCAI CalRHT homepage
- CalRHT FAQs – July 2026
- CalRHT FAQs – March 2026
- Centers for Medicare & Medicaid Services (CMS) RHT Program webpage
- CMS RHT Program FAQs - April 2026
- CMS RHT Program FAQs - October 2025
- CMS Notice of Funding Opportunity (NOFO)
- Health Resources and Services Administration (HRSA) Rural Health Grants Eligibility Analyzer

For questions regarding grant applications, please contact us at info@calruralhealth.org or call 855-CAL-RHTP (855-225-7487).

For general CalRHT questions contact the team at CalRHT@hcai.ca.gov.