STATE OF CALIFORNIA
DEPARTMENT OF HEALTH CARE ACCESS AND INFORMATION
RURAL HEALTH TRANSFORMATION PROGRAM (RHTP)

SUBRECIPIENT AGREEMENT

Federal Subaward under CMS Cooperative Agreement CMS-RHT-26-001 (Section 71401, Pub. L. 119-21).
Repeatable single-version template: the federal flow-down body (Sections 1 through 48) is constant across the portfolio; Attachments A, B, and C are tailored per Subrecipient; Attachment H (Negotiated Commercial Terms) applies on the Complex Track only; Attachment I (Tribal and Multi-Entity Rider) is attached only when applicable; and Attachment J (HCAI Program Covenant: Rural Workforce Participation and Competency-Based Credentialing) is attached for every Subrecipient, with Part A dormant at signing and Part B activated per Subrecipient through Attachment C under 2 CFR 200.208

This **Rural Health Transformation Program Subrecipient Agreement** ("Agreement") is entered into as of the Effective Date set forth in the Agreement Summary by and between the State of California, **Department of Health Care Access and Information** ("HCAI," "Pass-Through Entity," or "Prime Recipient"), and [Subrecipient Legal Name], a [TBD and entity type] with its principal office at [address] ("Subrecipient"). HCAI and Subrecipient may be referred to individually as a "Party" and collectively as the "Parties."

For purposes of this Agreement, "Effective Date" means the date on which the last Party signs this Agreement, unless a later date is expressly stated in the Agreement Summary.

Agreement Summary: Federal Award Identification (2 CFR 200.332(a)(1))

The following identifies the federal award and the Subaward as required of a pass-through entity. Items marked TBD or [bracketed] are completed per Subrecipient before execution.

Item	Description
Program	Rural Health Transformation Program (RHTP) / California Rural Health Transformation (CalRHT)
Federal Awarding Agency	Centers for Medicare & Medicaid Services (CMS), U.S. Department of Health and Human Services (HHS)
Pass-Through Entity (Prime Recipient)	California Department of Health Care Access and Information (HCAI)
Subrecipient (legal name; must match SAM.gov)	[Subrecipient Legal Name]
Subrecipient Entity Type (select all that apply for cost-principles and indirect-cost purposes)	☐ State/Local Gov ☐ Tribe ☐ IHE ☐ Nonprofit ☐ Hospital ☐ For-profit
Track Designation (assigned by HCAI based on Subaward value,	☐ Simple Track (locked terms; Attachments H and I not used) ☐ Complex Track (Attachment H applies;

Item	Description
risk, and complexity; see Section 4)	Attachment I attached if Subrecipient is Tribal, a consortium, or a lead entity that will sub-Subaward)
Federal Award Identification Number (FAIN / NOA Number)	FAIN # RHTCMS332078
Federal Award Date	03/31/2026
Assistance Listing (CFDA) Number and Title	93.798 — Rural Health Transformation Program
NOFO	CMS-RHT-26-001
Statutory Authority	Section 71401 of Public Law 119-21
Prime Award Period of Performance	December 29, 2025 through October 30, 2030, unless extended or modified by CMS
Subaward Period of Performance (start to end)	TBD through TBD
Budget Period(s) covered (start to end dates)	Budget Period 1; 12/29/2025 – 10/30/2026
Amount of federal funds obligated by this action	$ TBD
Total amount of federal funds obligated to the Subrecipient	Not to exceed $ TBD
Total amount of the Federal Award to HCAI	$ 233,639,308.47
Federal Award Project Description (FFATA)	[Brief description of the approved RHTP transformation activities the Subrecipient will perform]
Subaward is for Research & Development (Yes/No)	☐ Yes ☐ No (default: No)
Indirect cost rate basis (see Section 15)	☐ Current federally negotiated rate (NICRA) ___% ☐ De minimis 15% MTDC ☐ Other rate permitted by law and approved in writing by HCAI ___%
Subrecipient UEI	TBD
Subrecipient EIN / TIN	TBD
Subrecipient NPI (if applicable)	TBD
Approved Rural Service Area	[counties, ZIP codes, facilities, sites, communities]
HCAI Authorized Representative	[Name, Title, Email]
Subrecipient Authorized Representative (AOR)	[Name, Title, Email]
HCAI Program Representative	[Position Title; Name, Email], or designee

Item	Description
HCAI Dispute Deputy Director	[Position Title], or designee
Third-Party Administrator (TPA), if designated	[Entity Name; Contact Name; Address; Email]. Functions: invoice receipt and processing; report intake; monitoring support (see Sections 1.24, 20(k), and 47(g))

No Agreement Funds may be obligated or reimbursed until all fields marked TBD or bracketed placeholders that are material to performance, payment, or compliance administration have been completed in writing.

Recitals

A. HCAI is the recipient of a CMS cooperative agreement under the Rural Health Transformation Program and is the pass-through entity responsible for performance, compliance, reporting, monitoring, and stewardship of federal funds awarded under the applicable Notice of Award ("NOA").

B. Subrecipient will carry out a portion of the Federal Award by performing approved RHTP activities under its own authority in furtherance of the program's objectives, including approved Transformative Care Model, Workforce, or Technology and Tools activities, service-area access improvements, operational sustainability activities, data reporting, and other approved activities described in this Agreement and its Attachments.

C. The CMS NOA incorporates Recipient-Specific Terms and Conditions, the CMS RHTP Program Terms and Conditions, the CMS Standard Grant and Cooperative Agreement Terms and Conditions (ver. 3.26.2026), the CMS, US Department of Health and Human Services, Notice of Funding Opportunity, Rural Health Transformation Program, Opportunity No. CMS-RHT-26-001, Assistance Listing No. 93.798 (NOFO), applicable HHS grants policy requirements, the HHS Grants Policy Statement, 2 CFR Part 200, and HHS-specific requirements in 2 CFR Part 300.

D. The Parties intend this Agreement to operate as a federal Subaward agreement and to include all necessary federal NOA flow-down provisions, including the subrecipient determination under 2 CFR 200.331, subrecipient monitoring under 2 CFR 200.332, internal controls under 2 CFR 200.303, prior-approval requirements under 2 CFR 200.308, mandatory disclosures under 2 CFR 200.113, suspension and debarment under 2 CFR 200.214, termination under 2 CFR 200.340, and audit requirements under 2 CFR 200.501.

E. Because the RHTP is a cooperative agreement involving substantial CMS programmatic involvement, the Subrecipient acknowledges that CMS's substantial involvement, approval, monitoring, and evaluation rights flow through this Agreement.

F. Subrecipient acknowledges that continued funding is conditioned on the availability of appropriated funds, CMS approval and continuation of the Federal Award, satisfactory performance, timely and accurate reporting, and compliance with this Agreement and all applicable NOA requirements.

NOW, THEREFORE, the Parties agree as follows:

1. Definitions

For purposes of this Agreement, the following terms have the meanings stated below.

1.1 **"Agreement Funds"** means federal award funds and any funds expressly subject to this Agreement that HCAI provides to the Subrecipient for approved RHTP activities, which derive from the Federal Award.

1.2 **"Approved Application"** means the application, workplan, budget, Transformative Care Model plan, Workforce, or Technology and Tools attachments, attestations, and any approved revisions submitted to and approved by HCAI and/or CMS for the RHTP activities covered by this Agreement.

1.3 **"Approved Budget"** means the line-item budget and budget narrative approved by HCAI and incorporated as Attachment B, including any approved amendments.

1.4 **"Approved Rural Service Area"** means the counties, ZIP codes, sites, facilities, communities, and other service-area descriptors stated in the Agreement Summary and Attachment A, as amended in writing.

1.5 **"CMS NOA Requirements"** means the Recipient-Specific Terms and Conditions, CMS Program Terms and Conditions, CMS Standard Grant and Cooperative Agreement Terms and Conditions, NOFO requirements, HHS grants policy requirements, applicable statutes and regulations, and any amendments, notices, instructions, or written approvals issued by CMS or HHS.

1.6 **"Contractor"** means an entity that receives a contract, as distinguished from a Subaward, under the standards applicable to 2 CFR Part 200.

1.7 **"Cost Principles"** means the federal cost principles applicable to the Subrecipient by entity type: 2 CFR 200 Subpart E for states, local governments, Indian tribes, institutions of higher education (IHEs), and nonprofit organizations; Appendix IX to 2 CFR Part 300 for hospitals; and 48 CFR Subpart 31.2 (FAR) for for-profit organizations.

1.8 **"De Minimis Rate"** means the de minimis indirect cost rate of 15% of modified total direct costs (MTDC) available under 2 CFR 200.414(f) to an entity that does not have a current federally negotiated indirect cost rate agreement.

1.9 **"Equipment"** means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost that equals or exceeds the lesser of the capitalization level established by the Subrecipient for financial statement purposes or ten thousand dollars ($10,000), as defined in 2 CFR 200.1.

1.10 **"Federal Award"** means the prime federal cooperative agreement awarded by CMS to HCAI and identified in the Agreement Summary.

1.11 **"Key Personnel"** means the Authorized Organizational Representative (AOR), the Principal Investigator/Project Director (PI/PD), and any other person who plays a

significant, measurable role in developing or executing the RHTP activities, whether or not the person receives compensation under the award.

1.12 **"Lower-Tier Subaward"** means any Subaward issued by the Subrecipient using Agreement Funds.

1.13 **"Modified Total Direct Costs"** or **"MTDC"** has the meaning set forth in 2 CFR 200.1.

1.14 **"NICRA"** means a current federally negotiated indirect cost rate agreement between the Subrecipient and its cognizant federal agency.

1.15 **"NOA"** means the federal Notice of Award issued by CMS for the Federal Award. Any reference in this Agreement to "NoA" means "NOA."

1.16 **"Pass-Through Entity"** or **"PTE"** means a non-Federal entity that provides a Subaward to a subrecipient, within the meaning of 2 CFR 200.1. HCAI is the Pass-Through Entity under this Agreement. The Subrecipient is a Pass-Through Entity as to any Lower-Tier Subaward it issues, and in that capacity shall discharge all obligations under 2 CFR 200.331, 200.332, and 200.101(b)(1). Except where the context requires otherwise, "the Pass-Through Entity" means HCAI.

1.17 **"Prohibited Individual Compensation"** means clinician salary or wage support prohibited by the CMS NOA Requirements; individual fellowship compensation; stipends; fringe benefits; payroll taxes; personal benefits; tuition; scholarships; loan repayment; housing; relocation; or other direct remuneration to or on behalf of a specific individual, unless expressly allowed in the Approved Budget and approved in writing by all required authorities.

1.18 **"Records"** means all financial, programmatic, performance, statistical, property, procurement, personnel-effort, and medical or client records, and other books, documents, data, and supporting materials, in any form, generated or maintained in connection with this Agreement. Records include, but are not restricted to, those related to financials, performance, use of funds, Subawards, contracts, and associated communications.

1.19 **"Research and Development"** or **"R&D"** means research and development as identified in the Agreement Summary and determined in accordance with applicable federal guidance.

1.20 **"State"** means the State of California, including its agencies, departments, boards, commissions, officers, and employees, unless the context indicates otherwise.

1.21 **"Supplies"** means all tangible personal property other than Equipment, as defined in 2 CFR 200.1. A computing device is a Supply if its per-unit acquisition cost is less than the lesser of the Subrecipient's capitalization level or ten thousand dollars ($10,000).

1.22 **"Third-Party Administrator"** or **"TPA"** means the entity, if any, designated in writing by HCAI as its designee to perform administrative functions under this Agreement, including receipt and processing of invoices, receipt of reports and data submissions, scheduling and support of monitoring activities, and related communications. The TPA acts on HCAI's behalf within the scope of its designation. The TPA has no authority to amend

this Agreement, approve budget or scope changes, waive any requirement, or issue final decisions, and no TPA instruction that would modify this Agreement is effective unless confirmed in writing by HCAI.

1.23 **"Transformative Care Model (TCM)"** means the RHTP care-delivery transformation framework and components selected and approved for the Subrecipient in Attachment A and the Approved Application.

1.24 **"2 CFR Part 200"** means the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, as applicable to this Agreement, together with any HHS-specific requirements incorporated through 2 CFR Part 300.

2. Subrecipient Determination; Relationship of the Parties

HCAI awards to the Subrecipient a federal Subaward in an amount not to exceed the total stated in the Agreement Summary for the approved activities described in this Agreement and its Attachments. Consistent with 2 CFR 200.331, this Agreement is a Subaward to a Subrecipient; it is not a procurement contract with a contractor, and not an employment agreement, personal services agreement, loan, scholarship, or fellowship award. The Parties acknowledge that subrecipient status is determined by the substance of the relationship and not solely by the label used in this Agreement. The Subrecipient carries out part of the Federal Award's program under its own authority, makes programmatic decisions, has performance measured against the program's objectives, and is responsible to HCAI for programmatic performance, financial management, compliance, reporting, recordkeeping, and achievement of performance goals.

3. Cooperative Agreement: Substantial Federal Involvement

The RHTP is a cooperative agreement under which CMS has substantial programmatic involvement. The following Recipient responsibilities flow down to the Subrecipient with respect to its approved activities, and the Subrecipient shall:

(a) collaborate with HCAI and CMS to implement and monitor the project, and submit performance measures agreed upon in the NOA and approved workplan revisions;

(b) participate in monitoring, evaluation, and program-audit activities requested by CMS, HCAI, and/or their contractors;

and

(e) recognize that CMS reviews and approves all Key Personnel and required submitted data, and provides substantial planning, implementation, and evaluation input, all of which flow through this Agreement.

4. Attachments and Incorporated Documents

The following Attachments are incorporated into this Agreement. Each Attachment is identified by letter, title, applicability, and the track(s) on which it is used.

Att.	Title	Applies To	Track
A	Scope of Work, Rural Service Area, TCM Plan, and Performance Measures	Every Subrecipient	Both
B	Approved Budget, Budget Narrative, Use-of-Funds Matrix, and Indirect Cost Rate Basis	Every Subrecipient	Both
C	Federal Award Identification and NOA Flow-Down / Recipient-Specific Terms	Every Subrecipient	Both
D	Reporting Calendar and Certification Forms	Every Subrecipient	Both
E	Prior Approval, Change Control, and Key Personnel Procedures	Every Subrecipient	Both
F	Data, Privacy, Security, Publications, and Acknowledgment Requirements	Every Subrecipient	Both
G	Monitoring, Audit, Records, Property, and Closeout Requirements	Every Subrecipient	Both
H	Insurance Schedule and Approved Commercial Terms	Complex Track only	Complex
I	Tribal and Multi-Entity Rider	Tribal / consortium / lead entity	When applicable
J	HCAI Program Covenant	Every Subrecipient (Part A dormant at signing; Part B activated per Subrecipient through Attachment C under 2 CFR 200.208	Both

Track structure. This is a single-version template administered on one of two tracks designated by HCAI in the Agreement Summary. On the Simple Track, Sections 1 through 48 and Attachments A through G apply as written, Attachment H and Attachment I are not used, and the indemnification and insurance terms in Section 46 apply without modification. On the Complex Track, Sections 1 through 48 and Attachments A through G apply as written, Attachment H states the insurance schedule and any HCAI-approved commercial terms, Section 46 applies without modification, and Attachment I is attached the Subrecipient is a Tribal entity, a consortium, or a lead entity that will issue Lower-Tier Subawards. The federal flow-down body (Sections 1 through 48) is identical across the portfolio and is not subject to negotiation; the negotiation surface is. confined to Attachments A, B, C, H (insurance schedule only), and I. No track designation, and nothing in any Attachment, may reduce the Subrecipient's obligations under the CMS NOA Requirements or applicable federal law.

If any Attachment conflicts with applicable federal statutes or regulations or the CMS NOA Requirements, those authorities control. If any Attachment conflicts with the body of this Agreement, the order of precedence in Section 48 controls. If two provisions at the same order-

of-precedence level conflict, the more restrictive provision controls unless prohibited by law or the CMS NOA Requirements.

5. Period of Performance; Budget Periods; Continuation

(a) **Subaward Period of Performance.** The Subrecipient may incur costs and obligations only during the Subaward Period of Performance, only within the applicable Budget Period, and only up to the amount of federal funds obligated to the Subrecipient as stated in the Agreement Summary, unless HCAI provides prior written approval and the cost is permitted by the CMS NOA Requirements. The Subaward Period of Performance ends no later than October 30, 2030, unless CMS extends or modifies the award and HCAI amends this Agreement in writing.

(b) **Prime Period of Performance.** The period of performance for the prime RHTP cooperative agreement is December 29, 2025 through October 30, 2030, unless CMS extends or modifies the award. The Subaward Period of Performance falls within, and may not exceed, the prime period of performance as CMS may modify this period.

(c) **Continuation Is Not Automatic.** Continuation of this Subaward into any subsequent Budget Period is not automatic. Continuation depends on each of the following: CMS issuing a Non-Competing Continuation (NCC) award to HCAI for the subsequent Budget Period; the availability of appropriated funds; the Subrecipient's satisfactory performance; the Subrecipient's timely and complete reporting; CMS and HCAI approval; and the Subrecipient's continued compliance with this Agreement.

(d) **Authority to Incur Subsequent-Period Obligations.** The Subrecipient shall not incur any obligation or cost attributable to a subsequent Budget Period unless and until HCAI has issued to the Subrecipient a written modification to this Agreement that (i) obligates continuation funding for that Budget Period to the Subrecipient and (ii) extends the Subaward Period of Performance and updates the corresponding Agreement Summary fields. HCAI's receipt of an NCC award from CMS does not, by itself, authorize the Subrecipient to incur any obligation or cost attributable to a subsequent Budget Period. Any obligation or cost the Subrecipient incurs absent such a written modification is incurred at the Subrecipient's sole risk and is not reimbursable by HCAI.

6. General Federal Compliance

The Subrecipient shall comply with all applicable federal statutes, regulations, NOFO requirements, CMS NOA Requirements, HHS grants policy requirements, and written instructions from HCAI necessary for compliance with the Federal Award, including: (a) the CMS Standard Terms and Conditions; (b) the CMS Program Terms and Conditions; (c) the authorizing statute (Section 71401, Pub. L. 119-21) and implementing regulations; (d) the HHS Grants Policy Statement (October 2025); (e) 2 CFR Part 200 and 2 CFR Part 300; (f) applicable appropriations-act provisions; and (g) the NOFO. The Subrecipient shall maintain effective internal controls over the federal award consistent with 2 CFR 200.303, and shall identify, document, and promptly correct noncompliance.

7. Cost Principles by Entity Type

All costs charged to this Agreement must comply with the applicable Cost Principles for the Subrecipient's entity type:

(a) states, local governments, Indian tribes, IHEs, and nonprofit organizations under 2 CFR 200 Subpart E (and HHS modifications at 2 CFR Part 300);

(b) hospitals under Appendix IX to 2 CFR Part 300 (Principles for Determining Costs Applicable to R&D Under Grants and Contracts with Hospitals); and

(c) for-profit organizations under 48 CFR Subpart 31.2 (FAR), with allowable travel costs not exceeding the Federal Travel Regulation.

If the Subrecipient is both a hospital and a for-profit entity, the indirect cost treatment and cost-principles framework expressly identified in Attachment B and supported by the Subrecipient's current governing rate documentation shall control, provided that such treatment is permissible under applicable federal law. The Subrecipient shall provide all documentation reasonably requested by HCAI to substantiate the applicable cost-principles framework and indirect cost rate basis.

Profit is unallowable. No Agreement Funds may be used to provide profit to the Subrecipient or any lower-tier recipient, even if the Subrecipient is a for-profit organization. Profit is any amount in excess of allowable direct and indirect costs.

8. Use of Funds

The Subrecipient shall use Agreement Funds only for purposes stated in the NOFO, the CMS NOA Requirements, the Approved Application, the Approved Budget, and this Agreement. Each cost must be allowable, reasonable, necessary, allocable to the approved project, consistently treated, adequately documented, incurred during the approved period, and not prohibited by the CMS NOA Requirements. To the extent these sources differ as to whether a use or cost is permitted, the most restrictive applicable limitation governs, and nothing in this Agreement or the Approved Budget authorizes any use or cost prohibited by the CMS NOA Requirements or applicable law.

9. NOA Use-of-Funds Restrictions and Program-Specific Limitations

Without limitation, Agreement Funds may not be used for:

(a) pre-award costs, unless expressly approved in writing and permitted by the NOA;

(b) meeting matching requirements for any other federal funds or local entities;

(c) goods, services, equipment, or supports that are the legal responsibility of another party under federal, state, tribal, civil rights, employment, education, vocational rehabilitation, or other law;

(d) goods or services not allocable to the approved project;

(e) supplanting existing state, local, Tribal, private, or other funding of infrastructure or services, including staff salaries;

(f) new construction, building expansion, purchasing buildings, significant retrofitting, cosmetic upgrades, or costs that materially increase capital value or useful life, except minor renovations or alterations expressly permitted with prior written approval;

(g) the cost of independent research and development, including its proportionate share of indirect costs (2 CFR 300.477);

(h) covered telecommunications or video surveillance equipment or services prohibited by 2 CFR 200.216;

(i) financial assistance to households for installation or monthly broadband internet costs;

(j) meals, except in the limited circumstances expressly allowed by the CMS NOA Requirements and approved in writing;

(k) lobbying or activities designed to influence legislation, appropriations, regulations, administrative action, or executive orders, except as permitted using properly segregated non-federal funds (31 U.S.C. 1352; 2 CFR 200.450; 45 CFR Part 93);

(l) promotional items, memorabilia, gifts, or souvenirs, or advertising and public relations designed solely to promote the Subrecipient;

(m) intergovernmental transfers, certified public expenditures, or other expenditures used to finance a non-federal share required under another provision of law;

(n) payments for clinical services that duplicate billable services, insurance reimbursement, or existing fee schedules;

(o) cosmetic or experimental procedures outside the scope of the program, including specified sex-trait modification procedures referenced at 45 CFR 156.400;

(p) expenditures inconsistent with SSA 2105(c) paragraphs (1), (7), and (9) (general limitations, limitations on payment for abortions, and citizenship documentation requirements) SSA § 2105(c)(1), (7), (9), 42 U.S.C. § 1397ee(c)(1), (7), (9).; or

(q) any other cost prohibited by the CMS NOA Requirements, 2 CFR Part 200, 2 CFR Part 300, or written direction from HCAI.

10. Specific Funding Caps and Prior Approval for Restricted Activities

HCAI, as the prime Recipient of the RHTP award from CMS, must comply with all applicable NOA funding caps and limitations, including the following unless CMS modifies them in writing. Caps are calculated against the total funding awarded for the applicable budget period.

Restricted Activity	Limitation
Minor renovations or alterations (Category J capital expenditures and infrastructure)	Clearly linked to program goals; prior written approval required; may not exceed 20% of total funding for the applicable budget period, or any lower cap imposed by HCAI.
Provider payments for health care items or services	May not exceed 15% of total funding for the applicable budget period; require justification that payments do not duplicate reimbursable or billable services or change existing fee schedules.

Restricted Activity	Limitation
Replacement of an existing HITECH-certified EMR system	May not exceed 5% of total funding for the applicable budget period if a previous HITECH-certified EMR system was in place as of September 1, 2025.
Rural Tech Catalyst Fund-type initiatives	May not exceed the lesser of 10% of total funding for the applicable budget period or $20,000,000 and must comply with all applicable initiative restrictions.

HCAI has determined the Subaward provided under this Agreement aligns with the CMS funding caps. The Subrecipient shall only use the funds provided for the approved purposes described herein. The Subrecipient shall not divide, reclassify, shift, or route costs through affiliates, contractors, partners, or lower-tier entities to avoid any cap, prohibition, or prior-approval requirement.

11. Salary Limitation

No Agreement Funds shall be used to pay the direct salary of an individual at a rate in excess of Executive Level II. The Subrecipient may pay salaries above the cap only with non-HHS funds. The applicable Executive Level II rate is published annually by the U.S. Office of Personnel Management.

12. Clinician Salary, Wage Support, Fellow Compensation, and Non-Compete Restriction

The Subrecipient shall not use Agreement Funds for clinician salaries or wage supports except to the extent expressly permitted in writing by HCAI, included in the Approved Budget, and approved under the CMS NOA Requirements, and shall not use Agreement Funds for clinician salaries or wage supports for facilities that subject clinicians to non-compete contractual limitations where the NOA prohibits such use. The Subrecipient shall not use Agreement Funds for Prohibited Individual Compensation unless expressly authorized in writing by HCAI and all required approving authorities, and shall not indirectly provide prohibited compensation through any intermediary.

13. Non-Supplanting and Non-Duplication

The Subrecipient shall use Agreement Funds to supplement, and not supplant, existing federal, state, local, Tribal, private, or other funding, and shall not use Agreement Funds to replace funds already budgeted, committed, awarded, legally required, or otherwise available for the same purpose. The Subrecipient shall maintain documentation showing that each expenditure is non-duplicative, is not paid by another source, and supports new, expanded, preserved, or materially enhanced rural health transformation activities.

14. Direct Tie to Approved Rural Health Transformation Activities

Each expenditure must be directly tied to the Approved Rural Service Area, approved RHTP transformation activities, TCM components, Workforce, or Technology and Tools, rural access gaps, operational needs, milestone objectives, or performance measures described in Attachment A. Costs benefiting general institutional operations, non-rural service lines, unrelated

programs, urban sites, or activities outside the Approved Application are unallowable unless supported by a documented allocation methodology and prior written approval.

15. Indirect (F&A) Cost Rate

Indirect costs shall be determined under 2 CFR 200.332(a)(4), 2 CFR 200.414, and other applicable federal requirements as follows:

(a) If the Subrecipient has a current federally negotiated indirect cost rate agreement (NICRA), that rate applies and a copy of the NICRA shall be attached to Attachment B.

(b) If the Subrecipient does not have a NICRA, the Parties may negotiate a rate acceptable to HCAI to the extent permitted by applicable law, or the Subrecipient may elect the De Minimis Rate of 15% of modified total direct costs (MTDC), if eligible.

(c) If the Subrecipient is a for-profit entity, the Subrecipient shall provide documentation of any federally recognized or otherwise permissible indirect cost basis relied upon, and HCAI may require confirmation of the legal basis for that rate before approving reimbursement.

(d) If the Subrecipient is a hospital, the Subrecipient shall identify the applicable hospital cost-principles basis and provide supporting documentation reasonably requested by HCAI.

(e) Indirect costs are not allowable on the portion of each Lower-Tier Subaward exceeding $25,000 unless applicable law requires otherwise.

(f) The cost of independent research and development (IR&D), including its proportionate share of indirect costs, is unallowable under 2 CFR 300.477, and shall be excluded in determining any indirect cost rate applied under this Section.

The indirect cost rate basis selected for this Subrecipient shall be stated in the Agreement Summary and Attachment B, together with all required supporting documentation. No indirect cost reimbursement shall be due unless and until the documentation supporting the selected rate basis has been provided to and accepted by HCAI.

16. Budget Controls and Prior Approval

16.1 General. The Subrecipient shall expend Agreement Funds only within the Approved Budget and shall obtain prior written approval from HCAI before taking any action that requires prior approval under the CMS NOA Requirements, 2 CFR 200.308, or this Agreement.

16.2 Attachment E; Operational Matrix. Attachment E is the operational prior-approval matrix for this Agreement and specifies the mechanics for submitting and processing prior-approval requests, including required forms, supporting documentation, submission routing, and processing timelines. This Section 16 establishes which actions require prior written approval. HCAI may issue a written update to Attachment E to revise those operational mechanics, and the updated mechanics shall govern. Attachment E may not eliminate, narrow, or expand a prior-approval requirement set in this Section 16 or in the CMS NOA Requirements. If Attachment E and this Section 16 are inconsistent as to whether an action requires prior written approval, this Section 16 and the CMS NOA Requirements control.

16.3 Actions Requiring Prior Written Approval. Prior written approval is required before any of the following:

(a) change in scope, service area, initiative, or approved activity, including any Transformative Care Model, Workforce Development, or Technology and Tools component, milestone, or deliverable;

(b) change in Key Personnel or in the approval level of effort, in accordance with the procedures and exceptions in Section 18:

(c) a transfer of funds among direct cost categories where the Federal share exceeds the Simplified Acquisition Threshold (as defined 2 CFR 200.1; currently $350,000) and the cumulative transfers exceed or are expected to exceed 10% of the total budget as last approved (2 CFR 200.308);

(d) Subaward, consultant, contractor, or partnership activity not previously proposed or approved;

(e) carryover request, no-cost extension, or lifting of funding restrictions;

(f) removal of a non-compliance plan;

(g) equipment and other capital expenditures (2 CFR 200.439), or rearrangement and reconversion costs (2 CFR 200.462);

(h) minor renovation or alteration, direct provider payment, clinical service payment, or EMR replacement / major health information technology change; or

(i) any other action for which CMS, HHS, or HCAI requires prior written approval.

16.4 Verbal approval is not sufficient. The Subrecipient proceeds at its own risk, and any resulting costs are unallowable and not reimbursable, if it incurs costs before receiving all required written approvals.

17. Changes in Scope

The Subrecipient shall consult with HCAI prior to requesting any change in scope. If HCAI advises the request is permissible, the Subrecipient shall submit in writing a detailed explanation of the change, a revised timeline, workplan, and budget, and an authorized-representative cover letter, in sufficient time for HCAI to consult the CMS Project Officer and Grants Management Specialist and, if required, submit a GrantSolutions amendment. No change in scope may be implemented before HCAI issues written approval.

18. Key Personnel

18.1 Identification and Definition. The Subrecipient shall identify its Key Personnel in Attachment E. Key Personnel are the Subrecipient's Authorized Organizational Representative (AOR), its Principal Investigator/Project Director (PI/PD), and any other individual who plays a significant, measurable role in the development or execution of the project, whether or not that individual receives salary or compensation under this Agreement.

18.2 PI/PD Effort and Financial Commitment. The Subrecipient shall designate a PI/PD who dedicates not less than twenty-five percent (25%) effort to managing and overseeing the project, as stated in Attachment E. The PI/PD shall be financially committed to the project, funded with

federal funds, documented cost-share (in-kind), or a combination, with any cost-share commitment documented as required by the CMS NOA Requirements. HCAI may require additional PI/PD effort where CMS so directs.

18.3 Notice of Change. The Subrecipient shall notify HCAI in writing of any proposed or actual change in Key Personnel, or any reduction in the PI/PD's level of effort, as soon as practicable, and in any event no later than five (5) business days after the change is proposed or the Subrecipient learns of it. The notice shall state the reason, the proposed replacement and qualifications, the effective date, the workplan implications, and the budget impact.

18.4 Prior Written Approval. The Subrecipient shall not implement any of the following without HCAI's prior written approval: (a) a change in the PI/PD or any other Key Personnel; or (b) a reduction in, or disengagement from, the PI/PD's approved level of effort of a kind requiring prior approval under 2 CFR 200.308, including any reduction below the twenty-five percent (25%) minimum. Upon receiving the Subrecipient's notice, HCAI will notify the CMS Project Officer and Grants Management Specialist and, where required, submit the corresponding GrantSolutions amendment.

18.5 Interim Coverage. In the event of sudden unavailability, illness, resignation, termination, death, or other emergency affecting Key Personnel, the Subrecipient may designate a reasonably qualified interim acting individual for up to thirty (30) calendar days pending HCAI approval [, extendable by HCAI in writing,] provided the Subrecipient gives HCAI immediate written notice. Use of an interim designee under this Section 18.5 does not waive the prior-approval requirement for the permanent change.

18.6 Material Breach. Implementing a change requiring approval in violation of this Section 18 constitutes a material breach. A change in Key Personnel caused by an involuntary or emergency event and handled in accordance with Section 18.5 does not constitute a breach.

19. Financial Management, Separate Accounting, and Real-Time Expense Records

The Subrecipient shall maintain financial management systems adequate to identify, segregate, trace, and report all Agreement Funds by award, budget period, cost objective, budget category, invoice period, funding source, and approved activity, in accordance with Generally Accepted Accounting Principles. The Subrecipient shall record expenses in real time; maintain separate project codes, cost centers, ledgers, or equivalent controls to prevent commingling, duplicate payment, supplanting, unallowable costs, and use of funds outside the period of performance; and retain source documentation, including invoices, contracts, procurement records, time-and-effort records, allocation methodologies, payment records, approvals, property records, and deliverable documentation.

20. Payment, Invoicing, and Withholding

Payments are subject to the availability of federal funds, CMS award conditions, HCAI payment procedures, and the Subrecipient's compliance. The disbursement method, payment triggers, and documentation for this Subrecipient are as set forth in this Section and the Agreement Summary.

(a) Disbursement Method. The disbursement method for this Subrecipient is designated in the Agreement Summary and selected by HCAI based on the subrecipient risk assessment

conducted under 2 CFR 200.332(b), the instrument type, and the Subrecipient's activity profile and cash position. Permitted methods are reimbursement (subsection (c)), advance payment (subsection (d)), working-capital advance (subsection (e)), and, where the Agreement Summary so designates, fixed-amount/milestone payment (subsection (f)). HCAI may change the designated method by written notice where warranted by a change in the Subrecipient's risk determination, financial-management systems, or performance, subject to subsection (b).

(b) Payment Management System and Cash Management. HCAI receives Federal Award funds through the HHS Payment Management System (PMS) and disburses Agreement Funds to the Subrecipient in conformance with the cash-management standards of 2 CFR 200.305(b). Where Agreement Funds are advanced (subsections (d) and (e)), the Subrecipient shall: (1) limit each request to the minimum amounts needed and time each request to its actual, immediate cash requirements for carrying out approved activities; (2) disburse advanced funds as soon as administratively feasible and in no event more than [X] business days after receipt, so as to minimize the time elapsing between HCAI's transfer and the Subrecipient's disbursement; (3) maintain advanced funds in an insured, interest-bearing account except where an exception under 2 CFR 200.305(b)(8) applies; and (4) account for interest earned as provided in subsection (g). Where the designated method is reimbursement, no Federal Award funds are advanced and the Subrecipient is paid only for costs already incurred and disbursed.

(c) Reimbursement. Where the designated method is reimbursement, Attachment D contains the operative invoice and reporting schedule for the Subrecipient. HCAI may revise due dates in Attachment D by written notice where reasonably necessary to satisfy CMS or HHS deadlines, provided HCAI gives the Subrecipient reasonable advance notice absent exigent circumstances. The Subrecipient shall submit invoices in the form and frequency required by HCAI and Attachment D (no more frequently than monthly and no less frequently than quarterly). Each invoice must include the invoice and budget period; expenditures by approved budget category, use of funds, initiative, and TCM component; cumulative expenditures and remaining balance; supporting documentation sufficient to verify allowability, allocability, reasonableness, and rural-transformation tie; status of deliverables and milestones; the required certification; and any information needed for CMS, PMS, GrantSolutions, or FFR reporting. The final invoice for each CMS budget period shall be submitted no later than June 30 of the year following the applicable budget period end date.

(d) Advance Payment. Where the designated method is advance payment under 2 CFR 200.305(b), HCAI may advance Agreement Funds limited to the Subrecipient's minimum immediate cash needs. Each advance request must be supported by a cash-needs projection for the applicable period. The Subrecipient is subject to the cash-management obligations in subsection (b) and shall reconcile advanced funds against actual disbursements each invoice period, returning or offsetting any advanced funds not disbursed for approved activities. Advance payment is available only to a Subrecipient whose financial-management systems satisfy 2 CFR 200.302. HCAI's pre-award risk assessment under 2 CFR 200.332(b) informs the designation of the disbursement method; it is not a certification of the Subrecipient's systems and does not relieve the Subrecipient of its continuing obligation to maintain such systems throughout the period of performance.

(e) Working-Capital Advance. Where the Subrecipient cannot meet the standards for advance payment, but reimbursement would impede its performance, HCAI may provide funds on a working-capital advance basis under 2 CFR 200.305(b)(5): an initial advance to cover estimated disbursement needs for an initial period geared to the Subrecipient's disbursing cycle, with subsequent payments made on a reimbursement basis. A working-capital advance is made to

address the Subrecipient's cash position and does not relax, waive, or modify any payment condition, monitoring requirement, or other control imposed under 2 CFR 200.332(g) on the basis of the Subrecipient's risk determination.

(f) Fixed-Amount / Milestone Payment. Where the designated method is fixed-amount payment, HCAI pays on completion of the milestones or deliverables stated in Attachment A and the Agreement Summary, without detailed cost reporting, in accordance with 2 CFR 200.333 and 2 CFR 200.201. Fixed-amount payment is available only where: (1) the Subaward does not exceed $500,000; (2) CMS has given prior written approval; and (3) the requirements of 2 CFR 200.201 are met. Payment is triggered by the Subrecipient's certification of milestone completion, subject to HCAI verification. The Subrecipient retains funds for completed milestones and is not required to submit itemized cost documentation, but remains subject to the record-retention obligation in subsection (j) and must provide the closeout completion certification required by 2 CFR 200.201(a)(3). The scope of a fixed-amount Subaward shall not be divided, sequenced, or otherwise structured to keep one or more Subawards below the $500,000 threshold.

(g) Interest on Advanced Funds. Interest earned on advanced Agreement Funds, except for amounts up to $500 per year that the Subrecipient may retain for administrative expense, shall be remitted annually to HHS through the PMS as required by 2 CFR 200.305(b)(9). The Subrecipient shall account for such interest and report it to HCAI as part of its financial reporting under Section 22.

(h) Documentation by Method. The documentation required to support payment depends on the designated method: for reimbursement and the reimbursement portion of a working-capital advance, itemized documentation of incurred and disbursed cost (including invoices, receipts, payroll and time-and-effort records, allocation methodologies, and proof of payment); for advance and the initial working-capital advance, a cash-needs projection and a periodic reconciliation of amounts advanced against amounts disbursed; and for fixed-amount payment, certification of milestone completion. In all cases the Subrecipient shall provide any documentation HCAI reasonably requires to support HCAI's own draws, FFR submissions, and monitoring obligations.

(i) Withholding, Offset, and Recovery. HCAI may withhold, reduce, defer, or recover payments for noncompliance, incomplete or unsupported invoices, missed reporting, unallowable costs, inadequate progress, or if CMS withholds, reduces, or recovers award funds. The Subrecipient acknowledges that funds used inconsistently with the Approved Application may be withheld, reduced, or recovered, and that any amounts so recovered are returned to the United States Treasury; that Agreement Funds earmarked but not paid out by the end of the subsequent fiscal year are treated as unexpended and returned to Treasury; and that HCAI may adjust the timing or amount of payments, or require accelerated invoicing, to avoid Agreement Funds becoming unexpended. Recovery rights survive expiration or termination of this Agreement.

(j) Flow-Down, Records, and Closeout. The payment terms of this Section, together with the applicable provisions of 2 CFR Parts 200 and 300 and the CMS NOA Requirements, flow down to any Lower-Tier Subaward under 2 CFR 200.101(b)(1). The Subrecipient shall retain all records supporting payments, including fixed-amount payments, for the period required by 2 CFR 200.334. Final payment, liquidation of obligations, and any post-closeout adjustment are governed by the closeout provisions of this Agreement and 2 CFR 200.344 through 200.346;

the Subrecipient shall liquidate all obligations and submit final documentation within the time stated in Attachment D.

(k) Third-Party Administrator. HCAI may designate a Third-Party Administrator in the Agreement Summary or by written notice to receive and process invoices, receive reports and supporting documentation, and support payment administration and monitoring under this Agreement. The Subrecipient shall submit invoices, reports, and requested documentation to the TPA as so directed and shall cooperate with the TPA to the same extent required with respect to HCAI. Payment obligations, approvals, waivers, and final decisions remain with HCAI, and no TPA instruction modifies this Agreement unless confirmed in writing by HCAI.

21. Programmatic Reporting

The Subrecipient shall submit timely, accurate, complete, and comprehensive programmatic reports per Attachment D, including milestone progress, implementation status, TCM activities, performance metrics, funds expended by initiative and use of funds, technical assistance needs, barriers, corrective actions, and any information needed for CMS annual workload-funding recalculation or continuation funding. The CMS prime-award reporting structure is:

(a) Quarterly progress reports for the reporting periods ending October 30, January 30, and April 30 (no quarterly report for the May 1 to July 31 period), due approximately 30 days after each reporting period;

(b) Annual progress reports submitted with the NCC application, due approximately [number] days before the end of the budget period (on or about month and day); the first annual report covers a seven-month period; and

(c) A final progress report covering the entire period of performance, due [number] days after or before the end of the period of performance (or after termination or withdrawal).

HCAI will impose earlier Subrecipient due dates, as stated in Attachment D or by subsequent written notice, to allow HCAI to compile, review, validate, and submit to CMS by applicable federal deadlines. In the event of any inconsistency between the descriptive federal reporting framework in this Section and the Subrecipient schedule in Attachment D, Attachment D governs the Subrecipient's performance obligations.

22. Financial Reporting Support (FFR)

The Subrecipient shall provide all financial information required for HCAI to submit annual and final Federal Financial Reports (SF-425/FFR), Payment Management System reports, closeout reports, property reports, and any other CMS or HHS financial submissions by the deadlines stated in Attachment D or otherwise specified by HCAI in writing. If CMS changes any federal reporting deadline, HCAI may conform the Subrecipient's supporting deadlines by written notice. The Subrecipient shall maintain expenditure records on a current basis, in accordance with 2 CFR 200.302, sufficient to support each invoice and to enable HCAI to meet its Payment Management System, FFR, and other CMS/HHS reporting deadlines as stated in Attachment D or specified by HCAI in writing.

23. Ongoing Certifications

With each invoice, progress report, financial-reporting submission, prior-approval request, and final report, the Subrecipient shall certify the accuracy, completeness, allowability, non-duplication, non-supplanting, and compliance of the submission, signed by an authorized official, in substantially the following form:

> *"I certify, to the best of my knowledge and belief, that the information, costs, and documentation submitted are true, complete, and accurate; that all costs charged to this Subaward are allowable, allocable, reasonable, necessary, incurred during the approved period, adequately documented, consistent with the Approved Budget, and directly tied to approved rural health transformation activities; that the costs do not supplant or duplicate other funding; that no funds were used for prohibited individual compensation, prohibited clinician salary or wage support, prohibited construction, lobbying, covered telecommunications or video surveillance equipment, duplicate clinical service payments, or other prohibited costs; and that the Subrecipient is complying with this Agreement and applicable CMS NOA Requirements. I understand that false, fictitious, or fraudulent statements or claims may result in administrative, civil, or criminal penalties, including under the False Claims Act, 31 U.S.C. 3729, 18 U.S.C. 287, and 18 U.S.C. 1001."*

Authorized Official: TBD Signature: _____ Date: _____

HCAI may require the Subrecipient to use the certification form set forth in Attachment D or another substantially equivalent certification form designated by HCAI. Electronic certifications and signatures are permitted if accepted by HCAI.

24. Monitoring, Cooperation, and Corrective Action

Consistent with 2 CFR 200.332, HCAI will monitor the Subrecipient through one or more of the following methods: risk assessments, invoice reviews, report reviews, desk reviews, performance reviews, site visits, interviews, technical assistance, data validation, sampling, audits, and other activities, and may impose specific conditions under 2 CFR 200.208. The Subrecipient shall cooperate with HCAI, CMS, HHS, auditors, inspectors general, and authorized contractors, and shall implement corrective actions within the timeframe required by HCAI. Failure to remedy noncompliance may result in special conditions, payment withholding, fund recovery, suspension, termination, or any other available remedy.

Section 38 sets forth HCAI's remedies for noncompliance, and Section 39 sets forth HCAI's suspension and termination rights. Nothing in this Section limits HCAI's right to take immediate protective action where required by law, federal award conditions, public health concerns, data security concerns, or credible risk of fund misuse.

25. Notification of Risks, Problems, and Noncompliance

The Subrecipient shall immediately upon discovery notify HCAI in writing of any significant administrative, financial, programmatic, operational, legal, audit, cybersecurity, privacy, or performance problem or risk, including actual or suspected fraud, waste, abuse, criminal activity, material noncompliance, inability to meet milestones, adverse audit findings, loss of Key Personnel, bankruptcy, exclusion or debarment risk, data breach, material service disruption, or any event that may impair performance or cause HCAI to miss CMS reporting, milestone, or award requirements. Reporting of any suspected or confirmed data breach, unauthorized access, security incident, or improper disclosure is governed by Section 31.5, and not by the immediate-notice standard of this Section. This Section governs all other significant problems and risks, including cybersecurity or privacy risks that do not constitute an event described in Section 31.5.If a matter described in this Section also constitutes a mandatory disclosure under Section 26, the Subrecipient shall comply with both Sections. Section 26 governs disclosure mechanics to HHS OIG.

26. Mandatory Disclosures

Consistent with 2 CFR 200.113, the Subrecipient shall promptly disclose, in writing, to HCAI and the HHS Office of Inspector General all information related to violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the federal award. Disclosures to HHS OIG shall be sent as required by the CMS NOA Requirements, including by email to MandatoryGranteeDisclosures@oig.hhs.gov or as otherwise directed, with a copy of each disclosure and all related correspondence provided to HCAI unless prohibited by law. The Subrecipient shall include this mandatory-disclosure requirement in all lower-tier Subawards and contracts.

27. SAM.gov, UEI, Responsibility, Eligibility, and Affirmative Duty to Track

The Subrecipient shall maintain an active SAM.gov registration and accurate UEI information throughout the period of performance and while any application, payment, reporting, audit, or closeout obligation remains pending (2 CFR Part 25), and shall complete or update its Responsibility/Qualification (R/Q) reporting as required. The Subrecipient represents that it and its principals are not debarred, suspended, proposed for debarment, declared ineligible, or excluded, and shall not make any covered transaction with an ineligible party. Before entering into any first-tier Lower-Tier Subaward and before awarding any procurement contract of $30,000 or more using Agreement Funds, the Subrecipient shall verify through SAM.gov or another method expressly permitted by applicable federal law that the proposed lower-tier party is not debarred, suspended, or otherwise ineligible, shall document that verification, and shall retain the documentation in its procurement or Subaward file. The Subrecipient shall check SAM.gov for all first-tier lower-tier Subawards regardless of value and for all procurement contracts of $30,000 or more, maintain documentation of those checks, and provide HCAI the UEI, EIN, Tax ID, and NPI (as applicable) of the Subrecipient and all Key Personnel and lower-tier entities within 30 days of the Agreement start date, maintained in real time thereafter. The Subrecipient shall immediately report to HCAI any party that becomes debarred, suspended, or ineligible. The Subrecipient shall include suspension and debarment compliance obligations in all Lower-Tier Subawards and in procurement instruments to the extent required by applicable federal law.

28. FFATA and Executive Compensation Reporting

The Subrecipient shall provide all information required for HCAI to comply with the Federal Funding Accountability and Transparency Act and 2 CFR Part 170, including first-tier Subaward reporting for Subawards of $30,000 or more (due within 15 days after issuance and promptly upon any change) and executive compensation reporting if applicable.

29. Procurement, Contractors, Partnerships, and Lower-Tier Subawards

The Subrecipient shall follow applicable procurement standards, conflict-of-interest requirements, Cost Principles, and lower-tier flow-down requirements when using Agreement Funds, and shall maintain procurement records sufficient to document competition, selection, price reasonableness, eligibility checks, conflicts review, contract terms, deliverables, and payment support. The Subrecipient shall not make any Lower-Tier Subaward, material subcontract, partnership funding arrangement, consultant engagement, or other funding flow using Agreement Funds except as expressly permitted by the Approved Budget or otherwise approved in writing by HCAI under Section 16. If the Subrecipient makes a Lower-Tier Subaward, it becomes a pass-through entity under 2 CFR 200.331 through 200.332 and must make its own subrecipient/contractor determination, include all required flow-down terms, evaluate lower-tier risk, monitor lower-tier activities, verify eligibility and suspension/debarment status, and provide

HCAI such lower-tier information as HCAI may reasonably require for oversight, reporting, or audit purposes.

Each Lower-Tier Subaward shall include, at a minimum: (a) the federal award identification data elements required by 2 CFR 200.332(a)(1); (b) the flow-down provisions of this Agreement and the CMS NOA Requirements that apply to lower-tier Subrecipients under 2 CFR 200.101(b)(1) and 2 CFR 200.332(a)(2), including the allowable-use, prohibited-use, cap, prior-approval, cost-principles, financial-management, mandatory-disclosure, suspension-and-debarment, FFATA, civil-rights, privacy-and-security, property, records, audit-and-access, remedies, and closeout provisions; (c) the audit and access rights of HCAI, CMS, HHS, the HHS OIG, and the U.S. Comptroller General as to all records related to the Lower-Tier Subaward; (d) any Attachment C condition applicable by its terms to lower-tier activity; and (e) the lower-tier Subrecipient's obligation to include these same requirements in any further permitted subaward tier. The required contents are set out in Section C.3 of Attachment C, and each Lower-Tier Subaward shall incorporate Section C.3.

30. Anti-Kickback and Reservation of Rights

The Medicare and Medicaid anti-kickback statute, 42 U.S.C. 1320a-7b, is incorporated by reference. Nothing in this Agreement waives any right of the United States, HHS, HHS OIG, CMS, or HCAI to institute any proceeding or obtain any relief for violations of any statute, rule, or regulation.

31. Privacy, Security, HIPAA-Equivalent Safeguards, and Cybersecurity

31.1 Safeguards. The Subrecipient shall protect all personally identifiable information (PII), protected health information (PHI), confidential information, and project data. Before beginning any activity involving such information or data, the Subrecipient shall implement administrative, technical, and physical safeguards at least as protective as those governing covered entities and business associates under HIPAA at 45 CFR Parts 160 and 164, regardless of whether the Subrecipient is a covered entity or business associate.

31.2 Cybersecurity Plan. If the Subrecipient has ongoing access to HHS information or technology systems and handles PII or PHI from HHS, it shall create and maintain a cybersecurity plan as required by the CMS NOA Requirements.

31.3 Health Information Technology; Information Blocking. Any health information technology used or recommended must meet Office of the National Coordinator for Health Information Technology (ONC) interoperability standards under 45 CFR Part 170 and shall not enable information blocking under 45 CFR 171.103. PII shall be de-identified before delivery to HCAI unless identifiable information is expressly required or permitted by law, this Agreement, a written data-sharing instrument, or written HCAI instruction.

31.4 The Subrecipient shall de-identify PII before delivery to HCAI, using either the expert determination method or the safe harbor method described in 45 CFR 164.514(b), or a method at least as protective, unless identifiable information is expressly required or permitted by law, this Agreement, a written data-sharing instrument, or written HCAI instruction. Where HCAI notifies the Subrecipient that data will be used in a public release, de-identification shall also conform to the then-current CalHHS Data De-Identification Guidelines.

31.5 Breach and Incident Reporting. The Subrecipient shall report to HCAI, in writing, any suspected or confirmed data breach, unauthorized access, security incident, or improper

disclosure involving PII, PHI, confidential information, project data, HHS information, or HHS technology systems as soon as practicable, but in no event later than three (3) calendar days after discovery, or within any shorter period required by the CMS NOA Requirements or an applicable data-sharing instrument. For purposes of this Section, "discovery" occurs when the Subrecipient first knows, or through the exercise of reasonable diligence would know, of the suspected or confirmed event.

32. Human Subjects Protection

If any activity constitutes human subjects research as defined under 45 CFR 46.102, the Subrecipient shall not begin the activity, draw funds, request payment, or incur obligations for that research unless a Federalwide Assurance approved by the Office for Human Research Protections and Institutional Review Board (IRB) approval are in place, and shall comply fully with 45 CFR Part 46 and protect the confidentiality and privacy of participants. No Agreement Funds may be used for human subjects research without prior written HCAI approval and CMS notification.

33. Publications, Public Communications, Stevens Amendment, and CMS Review

Unless HCAI provides different written instructions, the Subrecipient shall submit to HCAI for review at least 30 days before release any publication, external formal presentation, report, statistical or analytical material, brochure, recruitment material, informational material, advertisement, website copy, video, op-ed, or similar public material. The Subrecipient shall submit press releases, media advisories, media interviews, filming, broadcasts, or media requests at least 7 days before release. If HCAI does not provide comments or approval within the applicable review period, the material shall be deemed approved solely for purposes of this Section, unless HCAI has notified the Subrecipient that additional review time is reasonably required by CMS, HHS, legal review, or extraordinary circumstances. For one year after completion of the project, the Subrecipient shall continue to submit such materials for review. All public communications funded in whole or in part with HHS funds must include the Stevens Amendment acknowledgment, stating the percentage and dollar amount funded with federal money and with non-governmental sources:

> *"This [project/publication/program/website] is supported by the Centers for Medicare & Medicaid Services (CMS) of the U.S. Department of Health and Human Services (HHS) as part of a financial assistance award totaling $[amount] with [percentage] funded by CMS/HHS [and $[amount] and [percentage] funded by non-governmental sources, if applicable]. 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."*

34. Data, Work Products, Government Use Rights, and Inventions

The Subrecipient shall maintain and provide data, analytic files, documentation, reports, materials, systems, and work products developed, used, refined, or enhanced under this Agreement as requested by HCAI, CMS, or HHS. Notwithstanding the foregoing, pre-existing intellectual property, software, data, systems, methods, and materials owned or licensed by the Subrecipient or a third party before or outside this Agreement ("Background IP") remain the property of their respective owners. To the extent any deliverable incorporates Background IP, the Subrecipient grants, or shall secure, for HCAI and the federal government the minimum license rights reasonably necessary to use the deliverable for governmental purposes consistent with this Agreement and applicable law. The federal government shall have a royalty-free,

nonexclusive, irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use, copyrightable works, data, and intangible property developed under the award for federal purposes (2 CFR 200.315(b)). The Subrecipient is subject to applicable patent and invention regulations, including 37 CFR Part 401 (Bayh-Dole) and 2 CFR 200.448, must report inventions on an annual basis, and must submit a Final Invention Statement and Certification (Form HHS-568) within 120 days following expiration or termination. Income earned from research tools or HHS-funded inventions is program income.

35. Equipment, Supplies, Property, and Capital Expenditures

The Subrecipient shall use equipment, supplies, technology, software, or other property purchased with Agreement Funds only for approved RHTP activities unless otherwise approved in writing; maintain property records; safeguard property; conduct inventories; prevent loss or misuse; and follow disposition instructions. Equipment and capital expenditures require prior written approval where required (2 CFR 200.439; rearrangement and reconversion under 2 CFR 200.462). The Subrecipient shall submit an annual inventory of federally owned property in its custody and, at completion or termination, complete the SF-428 Tangible Personal Property Report (and SF-428-S for federally owned or acquired equipment with an acquisition cost of $10,000 or more), and follow CMS disposition instructions (2 CFR 200.313 through 200.314).

The Subrecipient shall tag, inventory, and track property acquired with Agreement Funds in accordance with procedures reasonably required by HCAI, and shall promptly report loss, theft, damage, impairment, or unauthorized disposition of such property.

36. Audits and Access to Records

The Subrecipient shall comply with applicable audit requirements. A non-federal entity that expends $1,000,000 or more in federal awards during its fiscal year must have a single or program-specific audit conducted for that year under 2 CFR 200 Subpart F and provide HCAI a copy of the audit report, findings, and corrective action plans within 15 calendar days of submission to the Federal Audit Clearinghouse (FAC).

For-profit Subrecipients (including for-profit hospitals) shall comply with 2 CFR 300.218 and submit required audits to the HHS Audit Resolution Division (ForProfit_Audit@hhs.gov), with a copy to CMS (KC_OIG_Audit@cms.hhs.gov) and to the assigned Grants Management Specialist. For-profit audits are not sent to the FAC.

HCAI, CMS, HHS, the HHS OIG, the U.S. Comptroller General, and authorized representatives shall have the right to audit, examine, and copy all records related to this Agreement and to access personnel, facilities, systems, data, and sites for monitoring, audit, investigation, evaluation, and closeout.

37. Records Retention

The Subrecipient shall retain all records related to this Agreement for at least the longest period required by applicable federal or state law, and in no event less than three (3) years after the later of final expenditure reporting, final closeout, or final payment, and longer if any audit, litigation, claim, investigation, monitoring review, property disposition, or questioned cost remains unresolved. Records subject to this Section include, by way of illustration and not limitation: financial and accounting records, including source documentation supporting each expenditure of Agreement Funds; the Approved Application, Approved Budget, and budget-modification records; invoice, drawdown, and payment records; programmatic, performance, and milestone-completion records; procurement records; Lower-Tier Subaward agreements and related

monitoring records; property and Equipment records, including inventories and disposition records; personnel-effort and time-and-attendance records supporting salaries and wages charged to the Subaward; indirect cost computations and supporting documentation; audit workpapers and single-audit reports; and correspondence and other communications material to the administration of this Agreement. This enumeration clarifies and does not narrow the defined term "Records" in Section 1, and the omission of a category from this enumeration does not excuse the retention of any Record otherwise within that definition or its production under the audit and access provisions of this Agreement.

38. Noncompliance, Remedies, Recovery, and Recoupment

If the Subrecipient fails to comply with this Agreement or the CMS NOA Requirements, HCAI may impose any remedy permitted by law or this Agreement, including specific conditions, additional reporting, technical assistance, payment withholding, payment reduction, disallowance, suspension, termination, recovery of funds, recoupment by offset, or referral to appropriate authorities (2 CFR 200.208, 200.339). Except where immediate action is authorized or reasonably necessary, HCAI will ordinarily provide written notice of noncompliance and, where appropriate in HCAI's discretion, an opportunity to cure within a stated period. HCAI's decision to permit or deny a cure period shall not waive any rights. The Subrecipient shall repay any amount determined to be unallowable, unsupported, duplicative, supplanting, not allocable, not reasonable, outside the approved period, prohibited, or otherwise noncompliant, due within thirty (30) days after written demand unless HCAI approves a different schedule in writing. HCAI may recover such amounts by offset against current or future amounts otherwise payable under this Agreement or any other agreement between the Parties, to the extent permitted by law. The Subrecipient agrees to indemnify HCAI for any costs, penalties, or repayment obligations imposed on HCAI by CMS directly attributable to the Subrecipient's noncompliance, and acknowledges that material noncompliance terminations may be reported in SAM.gov.

39. Suspension, Termination, and Withdrawal

HCAI may suspend or terminate this Agreement in whole or in part for material failure to comply, failure to perform satisfactorily, improper management or use of funds, fraud, waste, abuse, criminal activity, failure to report, failure to provide access, loss of eligibility, CMS funding reduction, CMS award suspension or termination, or any other basis permitted under 2 CFR 200.340 or the CMS NOA Requirements. If the Subrecipient endangers public health and welfare, HCAI may terminate immediately without opportunity for corrective action. If the Subrecipient decides to withdraw before the end of the period of performance, it shall provide HCAI's Authorized Official at least 15 calendar days' written notice signed by its AOR; upon termination or withdrawal, the Subrecipient shall stop incurring costs, cancel obligations where possible, submit final invoices and reports, return or account for unspent funds (unused funds returned within three (3) days), cooperate in closeout, and comply with property disposition instructions. For breaches that do not present an immediate risk to public health and welfare, data security, federal compliance, or the integrity of award funds, HCAI may, in its discretion, provide a written cure period before termination becomes effective.

40. Civil Rights, Nondiscrimination, and Equal Treatment

The Subrecipient shall comply with all applicable federal civil rights, nondiscrimination, accessibility, and equal-treatment requirements.[1] Compliance with these requirements is a material condition of, and a condition of payment under, this Agreement. The Subrecipient acknowledges that a knowing false statement regarding compliance may subject it to liability under the False Claims Act, 31 U.S.C. 3729, and criminal liability under 18 U.S.C. 287 and 18 U.S.C. 1001, and is responsible for ensuring its lower-tier subrecipients, contractors, and partners also comply.

41. Federal Certifications

By executing this Agreement, the Subrecipient certifies: (1) compliance with all applicable federal antidiscrimination laws (Title VI, Section 504, Title IX, ACA Section 1557, Age Discrimination Act); (2) it is not debarred, suspended, or ineligible; (3) a drug-free workplace (41 U.S.C. 8101); (4) no use of funds for lobbying (31 U.S.C. 1352); (5) compliance with the Hatch Act (5 U.S.C. 1501 through 1508); (6) no trafficking in persons, procurement of a commercial sex act, or use of forced labor, mandatory with no exceptions (22 U.S.C. 7104(g); 2 CFR Part 175); (7) compliance with applicable environmental statutes including the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.); and (8) non-discrimination against any organization on the basis of religion (45 CFR Part 87).

42. Conflicts of Interest

The Subrecipient shall maintain and enforce written standards of conduct covering conflicts of interest and organizational conflicts (2 CFR 200.112, 200.318(c)), and, where applicable, a federal financial conflict-of-interest policy meeting 42 CFR Part 50 Subpart F and 45 CFR Part 94. The Subrecipient shall disclose to HCAI any actual, potential, or perceived conflict involving funded activities, procurement, partnerships, lower-tier agreements, decision-making, resource allocation, or funding flows within 30 calendar days of identification.

43. Employee Whistleblower Protections

The Subrecipient shall inform its employees in writing, in the predominant native language of the workforce, of the whistleblower rights and remedies under 41 U.S.C. 4712, within 30 days of the Agreement start date, and shall not discriminate or retaliate against any employee for protected disclosures.

44. Bankruptcy

If the Subrecipient enters bankruptcy proceedings, whether voluntary or involuntary, it shall provide written notice to HCAI and to the CMS Grants Management Specialist and Project Officer within five (5) days after initiation, including the filing date, court, case number, copies of pleadings, and a list of all government grant and cooperative agreement numbers for which final payment has not been made.

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[1] As of July 15, 2026, the application of EO 14168 is enjoined. *See New York v. U.S. Dep't of Health and Human Servs.*, No. 1:26-00022, Dkt. #30 (D.R.I., Mar. 12, 2026); *Rhode Island Coalition Against Domestic Violence*, 812 F.Supp.3d 180 (D.R.I. 2025); *City of Fresno v. Turner*, No. 25-cv-07070, 2025 WL 2721390 (N.D. Cal., Sept. 23, 2025); *King County v. Turner*, 798 F.Supp.3d 1224 (W.D. Wash. 2025). US HHS has agreed it will not apply terms or conditions to which an injunction applies while the injunction is in effect. *See* Notice of Award #RHTCMS332078-01-02 dated 3/31/2026, Standard Grant and Cooperative Agreement Terms and Conditions, sec. 3.

45. Program Income, Rebates, Credits, and Refunds

The Subrecipient shall identify, account for, and report any program income, rebates, credits, refunds, discounts, recoveries, insurance proceeds, or other applicable credits generated from or allocable to this Agreement, applied, returned, or handled as directed by HCAI and consistent with the CMS NOA Requirements (2 CFR 200.307).

46. Indemnification, Insurance, and Limitation of Liability

46.1 Default Terms (Simple Track; default for all Subrecipients)

To the extent permitted by law, the Subrecipient shall indemnify, defend, and hold harmless HCAI and the State of California, and their officers, agents, and employees, from and against claims, losses, liabilities, damages, repayments, disallowances, penalties, costs, audit findings, and expenses, including reasonable attorneys' fees, arising out of or related to the Subrecipient's breach of this Agreement, misuse of funds, false certification, negligence, willful misconduct, violation of law, privacy or security incident, or failure to comply with the CMS NOA Requirements. The Subrecipient shall maintain insurance appropriate to its obligations, including commercial general liability, workers' compensation, professional liability, and cyber liability where applicable, in coverage amounts reasonably adequate for the nature and scale of the funded activities and consistent with any minimum requirements stated in Attachment G or another HCAI-issued insurance schedule. Upon request, the Subrecipient shall provide certificates of insurance and, if requested by HCAI, additional evidence of coverage.

The Subrecipient's liability under this Agreement is not capped and no limitation of liability applies. This allocation of risk reflects the Subrecipient's stewardship of federal funds and is a material term of this Agreement.

46.2 Non-Waivable Obligations., Regardless of any cap, exclusion, waiver, or limitation stated anywhere in this Agreement, the Subrecipient shall in all events remain obligated, without limitation as to amount, to:

(a) repay to HCAI all Agreement Funds that are disallowed, unallowable, supplanting, duplicative, or misused, whether identified by audit, monitoring, CMS action, or otherwise;

(b) indemnify and hold harmless HCAI for all amounts CMS withholds from, offsets against, or recovers from HCAI, together with associated penalties, interest, and costs, that are directly attributable to the Subrecipient's noncompliance with this Agreement or the CMS NOA Requirements; and

(c) indemnify, defend, and hold harmless HCAI and the State of California, and their officers, agents, and employees, from and against all claims, losses, liabilities, damages, penalties, fines, costs, and expenses, including reasonable attorneys' fees, arising out of or related to the Subrecipient's fraud, false certification, willful misconduct, or any privacy, security, or data-breach incident.

46.3 Defense and Settlement. Where the Subrecipient owes a defense obligation, HCAI may, at its election, (i) tender the defense to the Subrecipient with counsel reasonably acceptable to HCAI, or (ii) conduct its own defense, including through the Office of the Attorney General, at the Subrecipient's expense. The Subrecipient shall not settle any claim in a manner that imposes any obligation, admission, or non-monetary term on HCAI or the State without HCAI's prior written consent**.**

46.4 Complex Track: Negotiated Commercial Terms

For a Subrecipient designated on the Complex Track in the Agreement Summary, the insurance schedule and any HCAI-approved commercial terms are set forth in Attachment H. Attachment H shall not modify the indemnification obligations in this Section 46 and shall not introduce any limitation of liability. Attachment H may not reduce the Subrecipient's obligation to repay disallowed, unallowable, supplanting, duplicative, improperly paid, or misused federal funds, including any overpayment or amount paid in error or subject to recovery under the CMS NOA Requirements or applicable federal law; the Subrecipient's indemnification of HCAI for amounts CMS recovers from HCAI that are directly attributable to the Subrecipient's noncompliance; or any obligation imposed by the CMS NOA Requirements or applicable federal law; and may not cap liability for any matter identified as non-limitable under Section 46.2.

46.5 State Indemnification Limitation; No Mutual Indemnity

HCAI is a department of the State of California and cannot agree to indemnify, defend, or hold harmless the Subrecipient or any other party, and cannot waive the State's immunities, defenses, or limitations under the California Government Claims Act (Gov. Code § 810 et seq.) or other applicable law. Any request for mutual indemnification is therefore unavailable as a matter of California law; the State's liability, if any, is governed exclusively by applicable California law. This Section 46.3 applies on both the Simple Track and the Complex Track and controls notwithstanding any contrary provision in Attachment H.

47. California State-Law Provisions

HCAI is a California state department and includes the following state-law provisions in addition to the federal flow-down terms above. These state-law provisions apply only to the extent not inconsistent with the order of precedence in Section 48.

(a) Independence from the State

The Subrecipient and its agents and employees, in performing this Agreement, act in an independent capacity and not as officers, employees, or agents of the State.

(b) Public Records

All reports and the supporting documentation and data embodied in those reports shall become the property of the State and subject to disclosure under the California Public Records Act (Gov. Code § 7920.000 et seq.). Nothing in this Section waives any applicable exemption from disclosure or other protection available under the California Public Records Act or other law.

(c) Nondiscrimination (FEHA)

During performance, the Subrecipient and its subcontractors shall not unlawfully discriminate and shall comply with the Fair Employment and Housing Act (Gov. Code § 12900 et seq.) and its implementing regulations (Cal. Code Regs., tit. 2, § 11000 et seq.), and shall include this clause in all subcontracts.

(d) State Records Retention and Audit

HCAI, the State, the Department of General Services, the California State Auditor, the State Controller's Office, or their designated representatives shall have the right to audit, review,

and copy records pertaining to this Agreement, retained for at least three (3) years after final payment, with access during normal business hours (Gov. Code § 8546.7; Pub. Contract Code § 10115 et seq.; Cal. Code Regs., tit. 2, § 1896). This is in addition to the federal audit and records-retention requirements above. If the retention period stated in Section 37 is longer, Section 37 controls.

(e) HCAI Designees and Contractors; No Third-Party Beneficiary

HCAI may perform any operational or administrative function under this Agreement — including invoice processing, payment disbursement, monitoring, data collection, and reporting support — directly or through a designee, agent, or contractor, including a third-party administrator. No such designee, agent, or contractor is a party to, or a third-party beneficiary of, this Agreement, and the Subrecipient's obligations run to HCAI. Any such delegation does not relieve HCAI of its responsibilities as pass-through entity under 2 CFR 200.332, and HCAI retains sole authority over determinations of noncompliance, imposition of specific conditions under 2 CFR 200.208, and the withholding, recovery, suspension, and termination remedies under this Agreement.

(f) Budget Contingency

If the Budget Act of the current or any subsequent year does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect, and the State shall have no liability to pay any funds. If funding is reduced, the State may cancel this Agreement or offer an amendment to reflect the reduced amount. This provision operates in addition to the CMS Federal Award fund-change provisions above.

(g) Disputes

The Subrecipient shall continue performance during any dispute. Disputes shall be raised and escalated as follows:

(i) First, informally with HCAI's Program Representative; if unresolved within ten (10) business days, then

(ii) Second, by written submission to HCAI's designated Deputy Director, who shall respond in writing within ten (10) business days; and if not resolved, then

(iii) Third, on written appeal to HCAI's Chief Deputy Director, whose written decision, issued within ten (10) business days, is final. For purposes of this Section, the HCAI Program Representative and the HCAI Dispute Deputy Director are the individuals holding the specific position titles identified for those roles in the Agreement Summary, and the HCAI Chief Deputy Director is the individual holding that office. HCAI may change any such designation by written notice to the Subrecipient, without amendment of this Agreement. If the Agreement Summary does not state a title for the Program Representative or the Dispute Deputy Director, that role is performed, respectively, by the HCAI staff contact identified in the Agreement Summary and by the HCAI Deputy Director with programmatic responsibility for this Subaward.

The pendency of a dispute shall not limit HCAI's rights to withhold payment, impose special conditions, require corrective action, suspend or terminate performance, or take other action authorized by this Agreement or applicable law. Where HCAI has designated a Third-Party

Administrator in the Agreement Summary, the TPA may, on HCAI's behalf, receive, log, and facilitate the informal resolution of disputes at the first step of this escalation process. The TPA shall not decide any dispute at any step; each decision remains with the HCAI officials identified in this subsection.

(h) Executive Order N-6-22 (Economic Sanctions Against Russia)

If the State determines the Subrecipient is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination; the State shall provide at least 30 calendar days' written notice to respond. Termination is at the State's sole discretion.

(i) Contractor Certification Clauses (CCC)

The Subrecipient executes the standard State Certification Clauses (CCC), including the Statement of Compliance (Gov. Code § 12990(a) through (f)), Drug-Free Workplace, National Labor Relations Board certification, Expatriate Corporations declaration, Domestic Partners and Gender Identity certifications for agreements of $100,000 or more, current/former State employee conflict-of-interest provisions (Pub. Contract Code §§ 10410 through 10411), Labor Code/Workers' Compensation, Americans with Disabilities Act, and Air or Water Pollution Violation provisions. The applicable CCC form is attached.

48. Order of Precedence; Amendments; Assignment; Governing Law; Survival; Entire Agreement

(a) Order of Precedence

In the event of conflict, the following order applies: (1) applicable federal statutes and regulations; (2) the CMS NOA Requirements; (3) written CMS or HHS instructions; (4) this Agreement (Sections 1 through 48); (5) Attachment C; (6) Attachment A; (7)Attachment I, to the extent it tailors scope, governance, or liability allocation for a Tribal or multi-entity Subrecipient; (8) Attachment J, which sits outside Sections 1 through 48 and governs only the covenants stated in it; (9) Attachment B; and (10) all other Attachments, unless a different order is required by CMS. No provision of any Attachment, and no track designation, may reduce the Subrecipient's obligations under the federal flow-down terms or the CMS NOA Requirements. If two provisions within the same order-of-precedence tier conflict, the more restrictive provision controls unless prohibited by applicable law or the CMS NOA Requirements.

(b) Amendments; CMS Changes

This Agreement may be amended only by a written amendment signed by authorized representatives of both Parties, except that HCAI may unilaterally amend this Agreement as necessary to incorporate CMS NOA Requirements, CMS amendments, HHS requirements, legal changes, corrective actions, reporting deadlines, or funding restrictions, upon written notice stating the effective date. Where reasonably practicable, HCAI shall provide advance notice and consult with the Subrecipient regarding operational impacts, but no such consultation is required for a federally mandated change to take effect.

(c) Assignment

The Subrecipient shall not assign, delegate, transfer, or subcontract any material right or obligation without prior written HCAI approval. Any unauthorized assignment is void. Any attempted assignment, delegation, or transfer in violation of this Section is void and constitutes a material breach.

(d) Governing Law and Venue

This Agreement is governed by applicable federal law and, to the extent not preempted, the laws of the State of California, without regard to conflicts of law principles. Venue for any dispute shall be in a court of competent jurisdiction in Sacramento, California, unless federal law requires a different forum.

(e) Survival

Provisions that by their nature should survive expiration or termination shall survive, including audit, record retention, access, reporting support, repayment, recoupment, indemnification, confidentiality, privacy, cybersecurity, property disposition, data and work-product rights, and closeout obligations.

(f) Entire Agreement; Counterparts; Electronic Signatures

This Agreement, including all Attachments and incorporated CMS NOA Requirements, constitutes the entire agreement between the Parties regarding the Subaward and supersedes all prior or contemporaneous agreements on the same subject. It may be executed in counterparts and by electronic signature, each deemed an original.

Signatures

The Parties have executed this RHTP Subrecipient Agreement by their authorized representatives as of the Effective Date stated in the Agreement Summary.

PRIME RECIPIENT / PASS-THROUGH ENTITY	**SUBRECIPIENT**
Department of Health Care Access and Information By: _____ Name / Title: TBD Date: _____	[Subrecipient Legal Name] By: _____ Name / Title: TBD Date: _____

ATTACHMENT A

Scope of Work, Rural Service Area, TCM Plan, and Performance Measures

Entity-specific. This Attachment is tailored per Subrecipient; the federal flow-down body above remains constant across the portfolio. Complete each lettered item below. Shaded fields show exactly where the Subrecipient enters its information. A blank companion worksheet (RHTP Subrecipient Scope-of-Work Worksheet) is provided separately to help the Subrecipient prepare this content before it is transcribed here.

A.1 Approved Project Description

State, in plain language, the approved RHTP activities the Subrecipient will perform under its own authority. Reference the TCM components selected in A.3 and the rural access gaps the project addresses.

[Enter the approved project description here. Example: "The Subrecipient will establish a hub-and-spoke behavioral-health access model across three rural clinics, deploy two mobile units, and implement remote patient monitoring for chronic-disease patients in the Approved Rural Service Area."]

A.2 Approved Rural Service Area

List every county, ZIP code, site, facility, or community served. Add one row per area. Identify the rural basis or designation (for example, HRSA/MUA, FORHP non-metro, Census-tract rurality) and attach supporting evidence.

County / ZIP / Site / Facility / Community	Rural Basis or Designation	Population / Service-Area Evidence	Approved Activities
[Area / Site]	*[Designation]*	*[Evidence]*	*[Activities]*
[Area / Site]	*[Designation]*	*[Evidence]*	*[Activities]*
[Area / Site]	*[Designation]*	*[Evidence]*	*[Activities]*

A.3 Transformative Care Model (TCM), Workforce, and Tools and Technology Plan

Identify each selected TCM component, why it was selected, the activities that implement it, the measurable milestones, and the expected outcomes. Add one row per component.

TCM Component	Reason Selected	Activities	Milestones	Expected Outcomes
[Component]	*[Reason]*	*[Activities]*	*[Milestones]*	*[Outcomes]*
[Component]	*[Reason]*	*[Activities]*	*[Milestones]*	*[Outcomes]*
[Component]	*[Reason]*	*[Activities]*	*[Milestones]*	*[Outcomes]*

A.4 Performance Measures

State each performance measure with its baseline, target, data source, and reporting frequency. Measures must tie directly to the activities in A.1 and the TCM components in A.3.

Measure	Baseline	Target	Data Source	Reporting Frequency
[Measure]	*[Baseline]*	*[Target]*	*[Source]*	*[Frequency]*
[Measure]	*[Baseline]*	*[Target]*	*[Source]*	*[Frequency]*
[Measure]	*[Baseline]*	*[Target]*	*[Source]*	*[Frequency]*

ATTACHMENT B

Approved Budget, Budget Narrative, Use-of-Funds Matrix, and Indirect Cost Rate Basis

B.1 Approved Budget

This Section B.1 states the approved budget for the initiative funded under this Agreement, reproduced from the Subrecipient's Approved Application as approved by HCAI. The approved budget shall present each approved use as a separate line item and shall state, for each line item: (a) the approved use as proposed, including the activity, position count, cost grouping, or milestone to which the funds are dedicated; (b) the approved amount; and (c) the applicable NOFO use-of-funds category. Where funding is milestone-based, the approved budget shall state each milestone, the criteria that constitute completion, and the amount payable on completion. Each category designation carries the category-specific conditions that follow the funds, including the five (5) year rural service commitment applicable to Category E workforce recruitment and retention funds. Line items shall sum to the total Subaward amount stated in the Agreement Summary, and no amount may be transferred between line items or categories except through the budget-modification provisions of this Agreement. The Subrecipient shall track and report expenditures against these line items and categories in the form and at the frequency stated in Attachment D.

[PLACEHOLDER – paste the approved budget table from the selected proposal here, conformed to items (a) through (c) above.]

B.2 Budget Narrative

Explain each cost category: necessity, reasonableness, allocability to the approved project, support of the Approved Rural Service Area and TCM activities, and avoidance of duplication and supplanting.

[Enter the budget narrative here, category by category.]

B.3 Indirect Cost Rate Basis

Select one basis and attach supporting documentation:

(a) Federally negotiated rate (NICRA) of [___]% on a base of [base]; NICRA attached.

(b) De minimis rate of 15% MTDC (no NICRA).

(c) Rate negotiated with HCAI of [___]% on MTDC. For-profit Subrecipients are limited to 15% MTDC unless a DFAS-negotiated rate is attached.

B.4 Approved Equipment Purchases and Federal Property Reporting Fields

For each item of Equipment (as defined in Section 1.9) acquired in whole or in part with Agreement Funds, the Subrecipient shall complete and keep current the following table. The table contains the data elements required for property records under 2 CFR 200.313(d), the annual inventory required under Section 35 and Attachment G, and SF-428 / SF-428-S reporting at closeout.

Item Description	Manufacturer / Model / Serial or ID No.	Acquisition Date	Acquisition Cost	Federal Share (%)	Location, Use, and Condition	Title Holder / Disposition
[TBD]	[TBD]	[TBD]	$ TBD	[TBD]	[TBD]	[TBD]

Add rows as needed

ATTACHMENT C

Federal Award Identification and NOA Flow-Down / Recipient-Specific Terms

This Attachment incorporates the Federal Award Identification data elements set out in the Agreement Summary (2 CFR 200.332(a)(1)) and any Recipient-Specific Terms and Conditions, funding restrictions, special conditions, corrective-action requirements, or NOA limitations applicable to this Subrecipient. Any activation of Part B of the Attachment J Program Covenant as to this Subrecipient is designated in this Attachment C as a specific condition under 2 CFR 200.208, as provided in Attachment J.

[Insert any Subrecipient-specific NOA terms, special award conditions under 2 CFR 200.208, or corrective-action requirements here.]

C.1 Subrecipient-Specific Compliance Conditions

The following additional conditions apply to this Subrecipient. Complete the status and reference for each; add rows as needed.

Condition	Applies (Yes / No / N/A)	Reference / Documentation
Required documentation supporting indirect cost rate basis	*[Yes / No / N/A]*	*[Reference]*
Required reporting of Lower-Tier Subawards, if any	*[Yes / No / N/A]*	*[Reference]*
Any special conditions imposed under 2 CFR 200.208	*[Yes / No / N/A]*	*[Reference]*
Any corrective action plan incorporated at award	*[Yes / No / N/A]*	*[Reference]*
Any restrictions on advance spending, equipment, provider payments, renovations, or data access	*[Yes / No / N/A]*	*[Reference]*
Any award-specific federal approvals required before reimbursement	*[Yes / No / N/A]*	*[Reference]*

C.2 Controlling Effect

If Attachment C states a specific award condition or corrective action requirement applicable to this Subrecipient, that requirement is enforceable as part of this Agreement notwithstanding any more general statement elsewhere in the Agreement, subject to Section 48.

C.3 Lower-Tier Subaward Flow-Down Exhibit

Each Lower-Tier Subaward issued by the Subrecipient shall incorporate this Section C.3 and shall contain, at a minimum, the following.

(a) Federal award identification. The federal award identification data elements required by 2 CFR 200.332(a)(1), completed for the lower-tier recipient: the lower-tier recipient name and UEI;

the Federal Award Identification Number and Federal Award Date; the lower-tier period of performance and applicable budget period; the amount of funds obligated by the action and the total amount obligated to the lower-tier recipient; the federal award project description; identification of CMS as the federal awarding agency, HCAI as the prime recipient, and the Subrecipient as the pass-through entity, with contact information; the Assistance Listing number and title; whether the subaward is for research and development; and the indirect cost rate applicable to the Lower-Tier Subaward.

(b) Federal flow-down terms. All requirements of this Agreement and the CMS NOA Requirements that apply to lower-tier recipients under 2 CFR 200.101(b)(1) and 2 CFR 200.332(a)(2), including allowable and prohibited uses; funding caps; prior-approval requirements; Cost Principles; financial-management standards; invoicing and reporting support; mandatory disclosures; SAM.gov registration and suspension and debarment; FFATA information; civil rights and nondiscrimination; privacy, security, and cybersecurity safeguards; property and Equipment requirements; Records retention; audit and access; remedies and recoupment; and closeout.

(c) Audit and access. A provision granting HCAI, CMS, HHS, the HHS OIG, the U.S. Comptroller General, and their authorized representatives audit and access rights as to all Records related to the Lower-Tier Subaward.

(d) Entity-specific conditions. Any condition stated in this Attachment C that by its terms applies to lower-tier activity, and any special condition imposed under 2 CFR 200.208 that HCAI directs in writing be flowed down.

(e) Further tiers. The lower-tier recipient's obligation to include these same requirements in any further permitted subaward tier, and a prohibition on further subawards except as permitted by the Approved Budget or approved in writing consistent with this Agreement.

(f) Remedies. Provision for withholding, disallowance, repayment, corrective action, and termination consistent with 2 CFR 200.339 through 200.340.

ATTACHMENT D
Reporting Calendar and Certification Forms

D.1 Operative Deadlines

The deadlines stated in this Attachment D are the operative Subrecipient deadlines unless HCAI revises them by written notice to address federal deadlines, closeout requirements, system changes, or other administrative needs.

D.2 Subrecipient Reporting Calendar

HCAI sets Subrecipient due dates earlier than the CMS due dates so HCAI can compile, review, and submit on time.

Report / Submission	CMS Reporting Period	Due to HCAI	Required Content
Invoice & expenditure detail	[monthly / quarterly]	[date]	Costs by category, initiative, TCM component; supporting docs; certification
Quarterly progress report	Aug 1 to Oct 30	[before CMS due ~Nov 29]	Spending data, milestones, TA needs
Quarterly progress report	Oct 31 to Jan 30	[before CMS due ~Mar 1]	Spending data, milestones, TA needs
Quarterly progress report	Jan 31 to Apr 30	[before CMS due ~May 30]	Spending data, milestones, TA needs
Annual progress report support	Annual period ending Jul 31	[before Aug 30]	Cumulative progress, metrics, expenditures, technical-score info
Annual FFR support	Applicable budget period	[before 90-day FFR deadline]	Financial data for SF-425/FFR
Final progress & FFR / closeout	Full period of performance	[before 120-day deadline]	Final expenditures, unobligated balances, property, closeout

D.3 Certification Form

The Subrecipient shall use the certification in Section 23 (Ongoing Certifications) or another form approved by HCAI.

ATTACHMENT E

Prior Approval, Change Control, and Key Personnel Procedures

E.1 Key Personnel

Role	Name	Title	Level of Effort	Funding Source	Approval Status
AOR	TBD	[Title]	[LOE]	[Source]	[Status]
PI/PD (25% effort or more)	TBD	[Title]	[LOE]	[Source]	[Status]
Other Key Personnel	TBD	[Title]	[LOE]	[Source]	[Status]

The individuals listed above constitute the initially approved Key Personnel roster as of execution of this Agreement. No change to any role marked as requiring approval shall be effective except in accordance with Section 18.

E.2 Change Request Package

A prior-approval request must include: a description of the proposed change; the need; a revised workplan, timeline, and milestones; a revised budget and narrative; impact on TCM components and rural service area; impact on performance measures and reporting; a risk-mitigation plan; the requested effective date; and an authorized-representative signature.

ATTACHMENT F

Data, Privacy, Security, Publications, and Acknowledgment Requirements

This Attachment F provides operational tools and implementation requirements for Section 31 and Section 33 and does not limit the operative obligations stated in those Sections.

F.1 Privacy and Security Controls

The Subrecipient shall maintain safeguards for PII, PHI, confidential information, and project data, including access controls, encryption where appropriate, secure transmission, workforce training, incident-response and breach-notification procedures, audit logs where appropriate, and secure disposal, at least as protective as 45 CFR Parts 160 and 164.

F.2 Federal Acknowledgment Language

The Subrecipient shall use the Stevens Amendment acknowledgment language in Section 33, completed with the applicable dollar amount and federal/non-governmental percentages.

F.3 Publication and Media Review Log

Material	Type	Proposed Release Date	Submitted to HCAI	Approval / Comments
[Material]	*[Type]*	*[Date]*	*[Date]*	*[Status]*

ATTACHMENT G

Monitoring, Audit, Records, Property, and Closeout Requirements

G.1 Monitoring Materials

Upon request, the Subrecipient shall provide to HCAI: general ledger detail and trial-balance extracts; invoices, receipts, contracts, and procurement files; time-and-effort records; allocation methodologies; Subaward and subcontract files; SAM.gov eligibility checks; performance data and source documentation; board approvals and governance records; partnership agreements and Memoranda of Understanding (MOU); data-security and privacy policies; property and equipment records; audit reports and corrective action plans; and any other documentation necessary to verify compliance.

G.2 Closeout Checklist

Closeout Item	Due Date	Responsible Party
Final invoice	[Date]	Subrecipient
Final expenditure detail / FFR support	[Date]	Subrecipient
Final progress report	[Date]	Subrecipient
Property inventory & disposition request (SF-428)	[Date]	Subrecipient
Final Invention Statement (HHS-568), if applicable	[Within 120 days]	Subrecipient
Program income & applicable credits report	[Date]	Subrecipient
Return of unspent funds	[Within 3 days of withdrawal]	Subrecipient
Certification of no further claims	[Date]	Subrecipient

G.3 Insurance and Risk Management Documents

Upon request, the Subrecipient shall provide certificates of insurance, endorsements if applicable, incident reports, loss notices, and other documentation reasonably requested by HCAI to confirm compliance with Section 46.

G.4 Offset and Recovery Support

If HCAI seeks recoupment or offset under Section 38, the Subrecipient shall provide account information, expenditure support, and other reasonably requested documentation to facilitate reconciliation and recovery.

ATTACHMENT H

Insurance Schedule and Approved Commercial Terms.

Complex Track only. This Attachment H applies only to a Subrecipient designated on the Complex Track in the Agreement Summary. For a Simple Track Subrecipient, this Attachment is not used, is marked "Not Applicable," and Section 46.1 governs without modification. Attachment H is limited to the insurance schedule and administrative commercial terms approved in writing by HCAI. The indemnification obligations in Section 46 are not subject to negotiation and shall not be modified, and no limitation of liability shall be included, in this Attachment or elsewhere in this Agreement. The federal flow-down body (Sections 1 through 48) is not opened for negotiation. Nothing in this Attachment H may reduce the Subrecipient's obligations under the CMS NOA Requirements or applicable federal law, and Section 46.5 (State Indemnification Limitation; No Mutual Indemnity) controls over anything in this Attachment to the contrary.

H.1 Insurance Schedule

The Subrecipient shall maintain, at its own expense, at least the following coverage throughout the period of performance and for any tail period stated below, with insurers reasonably acceptable to HCAI, and shall furnish certificates of insurance and, on request, endorsements. Minimum limits are negotiated to the scale of the funded activities but may not fall below amounts HCAI determines are reasonably adequate.

Coverage	Minimum Limit (negotiable upward by HCAI)	Notes
Commercial General Liability	$[1,000,000] per occurrence / $[2,000,000] aggregate	Occurrence form preferred
Professional Liability / Medical Malpractice (if clinical services)	$[1,000,000] per claim / $[3,000,000] aggregate	Claims-made acceptable with tail
Cyber Liability / Privacy (if PII/PHI handled)	$[1,000,000] per claim	Required where Section 31 applies
Workers' Compensation	Statutory	Employer's Liability $[1,000,000]
Commercial Auto (if vehicles used)	$[1,000,000] combined single limit	Hired and non-owned where applicable

Where required by HCAI, the Subrecipient shall name the State of California and HCAI as additional insureds (except on Workers' Compensation), provide a waiver of subrogation, and treat its coverage as primary and non-contributory. The Subrecipient shall maintain claims-made coverage, or purchase an extended reporting period of at least [number] years, covering the period of performance.

H.2 Matters Not Subject to Any Limitation of Liability

No limitation of liability, cap, or exclusion in this Attachment H, and no provision of this Agreement, limits the Subrecipient's liability for any of the following, each of which is fully recoverable without cap:

(a) repayment of disallowed, unallowable, unsupported, supplanting, duplicative, or misused federal funds, and interest, penalties, and recoupment associated with those amounts;

(b) amounts CMS, HHS, or any federal authority recovers from HCAI that are directly attributable to the Subrecipient's acts, omissions, or noncompliance;

(c) fraud, false claims, or false certification, including liability under the False Claims Act (31 U.S.C. 3729) and 18 U.S.C. 287 and 1001;

(d) the Subrecipient's indemnification obligations under Section 46;

(e) breach of the privacy, security, confidentiality, HIPAA-equivalent, or cybersecurity obligations in Section 31 and Attachment F, including breach-notification and mitigation costs;

(f) infringement or misappropriation of third-party intellectual property;

(g) willful misconduct, gross negligence, or violation of law; and

(h) any obligation that, by the CMS NOA Requirements or applicable federal law, may not be limited.

H.3 Cumulative Remedies; No Limitation on Federal Remedies.

The obligations in this Attachment H are cumulative with, and do not limit, HCAI's rights of recoupment, offset, withholding, disallowance, special conditions, suspension, or termination under this Agreement, 2 CFR 200.339, 2 CFR 200.332, or the CMS NOA Requirements.

H.4 Survival.

This Attachment H survives expiration or termination of this Agreement.

H.5 Negotiation Record

Term	Default (Section 46.1)	Negotiated Outcome	HCAI Approver	Date
Indemnification	Per Section 46.1	[outcome]	[name]	[date]
Insurance limits	Per H.1 minimums	[outcome]	[name]	[date]
Limitation of liability	None (uncapped)	[outcome]	[name]	[date]

The negotiated terms in this Attachment H are effective only upon written approval by the HCAI official identified above and execution of this Agreement by both Parties.

ATTACHMENT I
Tribal and Multi-Entity Rider

Attach only if applicable. This Attachment I applies only where the Subrecipient is an Indian Tribe, Tribal organization, inter-Tribal consortium, or other multi-entity arrangement, or a lead entity that will issue one or more Lower-Tier Subawards to participating entities. Where it does not apply, mark “Not Applicable” and disregard. This Rider tailors scope, governance, sovereign-immunity treatment, and liability allocation; it does not reduce any obligation under the CMS NOA Requirements or applicable federal law.

I.1 Status and Applicable Law

The Subrecipient is [an Indian Tribe / a Tribal organization / an inter-Tribal consortium / a lead entity for the participating entities listed in I.4]. For cost-principles purposes, an Indian Tribe is subject to 2 CFR 200 Subpart E as provided in Section 7. Nothing in this Agreement diminishes any right, immunity, or authority a Tribe holds under federal law except to the limited extent expressly addressed in I.2.

I.2 Sovereign Immunity; Limited, Express Waiver for this Agreement

(a) HCAI Enforcement Claims Defined. "HCAI Enforcement Claims" means claims and proceedings to interpret, enforce, or obtain compliance with this Agreement or this Attachment; to audit, monitor, inspect, or obtain records, data, or reporting required under this Agreement; to recover, recoup, withhold, offset, or disallow Agreement Funds; to obtain repayment of disallowed, unallowable, or misused Agreement Funds or the return of property acquired with Agreement Funds; to obtain compliance with privacy, security, confidentiality, nondiscrimination, civil rights, anti-fraud, suspension, debarment, or mandatory-disclosure obligations under this Agreement; to obtain corrective action or closeout compliance; and to obtain declaratory, injunctive, or specific-performance relief necessary to protect the federal or state grant interests described in this Agreement.

(b) Limited, Express Waiver. Solely for HCAI Enforcement Claims, the Subrecipient expressly, unequivocally, and irrevocably waives sovereign immunity from suit, and consents to the forum, venue, and enforcement provisions of this Section I.2. This limited waiver: (i) extends only to HCAI Enforcement Claims brought by HCAI, the State of California, CMS, HHS, HHS-OIG, the United States, the pass-through entity if other than HCAI, and any auditor, monitor, or inspector general authorized to act on behalf of any of the foregoing; (ii) does not extend to money damages beyond amounts owed, recoverable, or recoupable under this Agreement and applicable federal law; (iii) does not authorize execution against tribal trust property, trust funds, treaty-protected resources, per capita distributions, or essential governmental assets (such as public-safety, health-care delivery, and cultural or religious property); and (iv) does not waive immunity as to any third party, class claim, or claim for punitive damages.

(c) Alternative Mechanism. In lieu of subsection (b), the Parties may adopt another enforcement mechanism (such as binding arbitration with judicial enforcement of the award) only with the prior written approval of the HCAI Legal Office, documented in this Attachment before execution. Absent such approval, subsection (b) applies.

I.2.1 Exclusive Forum and Venue. For HCAI Enforcement Claims, the Subrecipient irrevocably consents to the personal jurisdiction and venue of the Superior Court of California for the County of Sacramento and, where federal jurisdiction exists, the United States District Court for the Eastern District of California. Those courts are the primary and exclusive forums for HCAI Enforcement Claims, each is a court of competent jurisdiction for such claims, and each is expressly empowered to determine its own jurisdiction.

I.2.2 Waiver of Tribal-Court Exhaustion; No Abstention. For HCAI Enforcement Claims, the Subrecipient expressly and irrevocably waives any requirement of tribal-court exhaustion and any doctrine of abstention, comity, deference, primary jurisdiction, or forum non conveniens that would defer, transfer, stay, or dismiss such a claim in favor of a tribal forum, and covenants not to file, remove, refer, or seek transfer of any HCAI Enforcement Claim to any tribal court or other tribal forum. This waiver is a knowing and bargained-for term, given solely to enable responsible stewardship and timely recovery of federal funds.

I.2.3 No Tribal Jurisdiction Over HCAI Enforcement Claims. The Parties acknowledge and agree that the consensual relationship created by this Agreement does not confer, and shall not be asserted to confer, tribal-court or other tribal-forum jurisdiction over any HCAI Enforcement Claim, over HCAI, the State of California, or any federal claimant identified in subsection (b)(i), notwithstanding *Montana v. United States*, 450 U.S. 544 (1981), or any consensual-relationship or other basis for tribal civil jurisdiction over nonmembers.

I.2.4 Judgments; Enforcement. The Subrecipient consents to the entry, recognition, and enforcement of any judgment or order on an HCAI Enforcement Claim rendered by a forum identified in Section I.2.1, and to execution of such judgment against assets of the Subrecipient other than those protected under subsection (b)(iii), without further waiver, resolution, or consent.

I.2.5 Authorizing Resolution; Mandatory Elements. As a condition of the initial disbursement of Agreement Funds, the Subrecipient shall deliver to HCAI a certified copy of a duly adopted resolution of its governing body authorizing this Agreement and this Attachment. The resolution must, at a minimum: (i) approve this Agreement, including this Attachment I; (ii) authorize a named signatory to execute this Agreement on the Subrecipient's behalf; (iii) expressly approve the limited waiver of sovereign immunity in Section I.2(b), including the claims and claimants it covers; (iv) expressly approve the forum and venue consent in Section I.2.1 and the waiver of tribal-court exhaustion, abstention, comity, primary jurisdiction, and forum non conveniens in Section I.2.2; (v) expressly approve the judgment and enforcement consent in Section I.2.4; and (vi) confirm that the resolution was adopted in accordance with the Subrecipient's constitution, bylaws, and applicable tribal law, and that the adopting body has authority to bind the Subrecipient to the waivers stated in this Section I.2. A model resolution is available from HCAI on request; use of the model is optional, but each element stated in this Section I.2.5 is mandatory.

I.2.6 Reservation of Sovereignty. Except as expressly stated in this Section I.2, the Subrecipient preserves all sovereign immunity and all rights, defenses, and attributes of tribal sovereignty. Nothing in this Agreement diminishes the Subrecipient's sovereignty, the authority of its courts in any matter outside the HCAI Enforcement Claims, or its jurisdiction over persons or activities on its lands beyond the limited scope of this Section I.2.

I.2.7 Relationship to Agreement Dispute Provisions. The dispute-escalation process in Section 47 (g)applies to HCAI Enforcement Claims before suit is filed, except that HCAI may proceed directly to a forum identified in Section I.2.1 where necessary to preserve federal funds, meet a federal deadline, or obtain interim relief. Section 48(d)(Governing Law and Venue) applies to this

Attachment except as this Section I.2 states a more specific rule, in which case this Section I.2 controls.

I.2.8 Survival. This Section I.2 survives the expiration or termination of this Agreement and remains enforceable until all HCAI Enforcement Claims are finally resolved and all amounts owed are paid.

I.3 Multi-Entity Structure; Several (Not Joint) Liability

Where the Subrecipient is a lead entity acting for participating entities, the lead entity is the sole Subrecipient of record and the pass-through entity to each participating entity under 2 CFR 200.331 through 200.332, and is responsible to HCAI for the entire Subaward. As among the participating entities, liability for funds each entity receives and expends is several and not joint, except that the lead entity remains fully responsible to HCAI for the whole. The lead entity shall make its own subrecipient/contractor determination for each participating entity, flow down all required terms, and monitor each participating entity.

I.4 Participating Entities

Participating Entity (legal name; SAM.gov)	UEI / EIN	Role / Approved Activities	Allocated Amount	Lower-Tier Instrument
[Entity]	*[UEI/EIN]*	*[Role]*	*$[amount]*	*[Subaward / Contract]*

I.5 Lower-Tier Subaward Schedule

Lower-Tier Subrecipient	Determination (Subrecipient / Contractor)	Flow-Down Confirmed	SAM.gov / Exclusion Check Date	Monitoring Plan
[Name]	*[Determination]*	*Yes*	*[date]*	*[plan]*

I.6 Per-Entity Registration and Eligibility

Each participating entity and each Lower-Tier Subrecipient shall maintain an active SAM.gov registration and UEI as required by Section 27, and the lead entity shall verify and document suspension and debarment status for each before any funds flow.

I.7 Signatures (Lead Entity and Participating Entities)

LEAD ENTITY / SUBRECIPIENT OF RECORD [Legal Name] By: _____ Name / Title: TBD Date: _____	**PARTICIPATING ENTITY** [Legal Name] By: _____ Name / Title: TBD Date: _____
PARTICIPATING ENTITY	**PARTICIPATING ENTITY**

[Legal Name] By: _____ Name / Title: TBD Date: _____	[Legal Name] By: _____ Name / Title: TBD Date: _____

ATTACHMENT J

HCAI Program Covenant: Rural Workforce Participation and Competency-Based Credentialing

Applicability. Every Subrecipient; both Simple Track and Complex Track. This Attachment sits outside the constant Sections 1 through 48 federal flow-down spine and outside Section 47. Except for the operative provisions identified in subsection (p), the covenants in Part A are permissive and dormant until activated as to a given Subrecipient under 2 CFR 200.208 through Attachment C, as described in Part B.

Recital: Shared Commitment to Rural Workforce Development

The Rural Health Transformation Program exists to strengthen and sustain access to care in California's rural communities, including by developing the rural health workforce of the future. HCAI and the Subrecipient share a common purpose: to develop, support, and promote the education, training, mentorship, and growth of the practitioners who will deliver care in rural communities for years to come. It is through the Subrecipient's stewardship of public funds and its role in building local training and practice capacity that this pipeline of rural clinical care is built, and HCAI carries out the Program in collaboration with its subrecipients toward that shared purpose, in the cooperative spirit reflected in Section 3.

This Recital states the shared purpose and mission of the Program only. It is not operative, creates no obligation, right, or liability, and does not alter the Relationship of the Parties established in Section 2 or any responsibility of the Subrecipient under this Agreement.

Part A: Program Covenant (permissive; dormant until activated)

Definitions. For purposes of this Attachment, **"Eligible Practitioner"** means a physician or other licensed health care practitioner whose documented training, experience, and current competence qualify the practitioner for the clinical privileges or scope sought, without categorical limitation by base specialty; designation as an Eligible Practitioner reflects eligibility to be considered only and is not a determination, by HCAI or any other person, of clinical competence. **"Priority Service Line"** means a rural clinical service line designated in writing by HCAI for access expansion under the Program, which may include, without limitation, maternal-health and obstetric care, primary care, behavioral health, and emergency or acute care, as identified in Attachment A or by written notice from HCAI.

(a) **Good-Faith Participation.** To the extent applicable to its operations, the Subrecipient is expected to participate in good faith in the Program's priority rural workforce and access initiatives for which it receives Agreement Funds or Program-funded technical assistance, as HCAI may designate from time to time.

(b) **Good-Faith Consideration of Eligible Practitioners.** Where a Priority Service Line is supported by Agreement Funds, the Subrecipient is expected to consider applications by Eligible Practitioners for clinical privileges in that service line in good faith and through fair procedure consistent with its lawful, competency-based medical-staff bylaws, and not to deny, restrict, or delay privileges to an Eligible Practitioner for reasons that are unreasonable, pretextual, or predominantly anticompetitive or economic rather than competency- or quality-based. This subsection states an expectation of good-faith process only; it does not require the grant of privileges to any practitioner, does not displace the independent, individualized credentialing and peer-review function of the organized medical staff, and is subject to subsections (g), (h), (j), (k), and (m).

(c) **Competency-Based Criteria.** The Subrecipient is encouraged to maintain privileging and credentialing criteria for each applicable Priority Service Line that rest on the practitioner's

documented training, experience, and current demonstrated competence, consistent with 42 CFR 482.22 and applicable accreditation standards. Specialty board certification may be considered but need not be the sole or dispositive criterion where the practitioner satisfies a recognized competency pathway (which may include residency, fellowship, or other documented advanced training) for the privileges or scope sought.

(d) **Graduated and Flexible Models.** The Subrecipient may give effect to this Part A through any appropriate arrangement, including graduated, conditional, focused (FPPE), collaborative, supervised, or telehealth-supported privilege or practice models that define scope, consultation, and backup arrangements suited to the service and the practitioner's demonstrated competence.

(e) **Cooperation with Enablement Resources.** The Subrecipient is encouraged to cooperate with Program-funded competency-verification and risk-mitigation resources made available to it, which may include proctoring, focused professional practice evaluation, simulation-based training, telementoring, and telehealth specialty consultation and backup.

(f) **Reporting.** Upon HCAI's reasonable request and in a form HCAI specifies, the Subrecipient may be asked to provide aggregate information regarding Priority Service Line privilege or scope applications and their disposition. Any such reporting shall be structured to preserve information protected under California Evidence Code section 1157 and other applicable law and shall not be construed to waive any peer-review privilege or protection.

(g) **Fraud-and-Abuse and Referral Neutrality.** This Covenant, and any special condition activating it, shall be construed and administered consistent with Section 30 (Anti-Kickback and Reservation of Rights) and the CMS NOA Requirements. Accordingly:

(i) No payment, disbursement, or continuation of Agreement Funds is conditioned on, or constitutes consideration for, the grant, denial, scope, renewal, or maintenance of clinical privileges, or for any referral, admission, or other Federal health care program business; and no privileging decision is a condition of, or consideration for, any funds under this Agreement.

(ii) Nothing in this Covenant requires, rewards, or is intended to induce the referral or admission of patients or the ordering or arranging of any item or service reimbursable by a Federal health care program, and no obligation stated here shall be interpreted to account for or direct the volume or value of any such business.

(iii) Any recruitment, relocation, retention, proctoring, or other practitioner-facing assistance funded with Agreement Funds shall be structured to satisfy an applicable safe harbor under 42 CFR 1001.952 (including the practitioner-recruitment safe harbor at 1001.952(n)) and, where a financial relationship with a referring physician results, an applicable exception under 42 U.S.C. 1395nn and 42 CFR 411.357 (including the physician-recruitment exception at 411.357(e)). The Subrecipient shall document and, on request, certify such compliance, and shall flow these requirements down to any Lower-Tier Subaward or contract funded with Agreement Funds.

(iv) This subsection (g) is operative and binding on the Subrecipient whether or not any other provision of this Covenant has been activated.

(h) **Independence of Peer Review; No Third-Party Beneficiary.** Nothing in this Covenant waives, limits, or alters (1) the statutory self-governance and peer-review functions of the organized medical staff, (2) the fair-procedure and hearing rights of any practitioner, or (3) any peer-review privilege or immunity, including under California Evidence Code section 1157. The expectation stated in subsection (b) runs solely between HCAI and the Subrecipient and confers no right, benefit, or cause of action on any practitioner, applicant, or other third party.

(i) **Scope of Program Participation.** Any covenant of full or good-faith participation in the Program means participation in the funded activities, deliverables, milestones, reporting, monitoring, and cooperation obligations of this Agreement and the Scope of Work at Attachment A. It does not include, and shall not be construed to require, the referral, channeling, or admission of patients, the direction of any practitioner's clinical or referral decisions, or the grant of clinical privileges.

(j) **No Certification, Endorsement, or Warranty of Practitioners.** Neither HCAI nor this Agreement certifies, credentials, qualifies, endorses, or warrants the competence, training, education, fitness, or suitability of any practitioner for clinical privileges or for the provision of any service. The funding, facilitation, or recognition of any training, fellowship, or competency-verification activity is not a representation by HCAI as to any practitioner's competence and creates no entitlement to privileges. Determination of each practitioner's clinical competence, and all credentialing and privileging decisions, are the sole and exclusive responsibility of the Subrecipient and its organized medical staff, on whose independent evaluation no person may rely as an HCAI determination. Designation as an Eligible Practitioner denotes only eligibility to be considered under this Covenant and is not a determination of clinical competence.

(k) **Construction of Collaborative Language; No Partnership or Agency.** References in this Covenant and its Recitals to collaboration, partnership, shared purpose, common mission, or stewardship describe the cooperative spirit of the Program, consistent with Section 3, and the public-stewardship role of the Subrecipient. They do not create, and shall not be construed to create, any partnership, joint venture, agency, employment, or fiduciary relationship between the Parties, any joint or vicarious liability, or any departure from the Relationship of the Parties established in Section 2. Neither Party is the agent of the other, and neither may bind the other.

(l) **Stewardship and Workforce Collaboration.** Consistent with the cooperative responsibilities in Section 3 and the rural-workforce objectives of the NOFO, and as a steward of the public investment in its community, the Subrecipient is encouraged to support the development, education, training, mentorship, supervised practice, and retention of rural practitioners, including by hosting or supporting education, fellowship, and training activities, providing proctoring and supervised-practice opportunities where appropriate, and collaborating with HCAI and other subrecipients to build a durable pipeline of rural clinical care. This subsection is permissive, states an expectation of good-faith collaboration only, and is subject to subsections (g)–(k) and (m) and to Section 2.

(m) **No HCAI Liability for Clinical Operations.** HCAI assumes no responsibility or liability for the clinical operations of the Subrecipient, including the provision of patient care, the selection, supervision, or competence of practitioners, or any credentialing or privileging decision or outcome. The Subrecipient is solely responsible for its clinical services and for the safety and quality of care furnished at its facilities. This subsection does not limit the allocation of liability, indemnification, or insurance obligations governed by Section 46 and, for a Complex-Track Subrecipient, Attachment H, which control as between the Parties.

(n) **Education and Training Support; Rural-Service Commitment.** Consistent with the Approved Budget and the use-of-funds limitations in Sections 9 and 12, Agreement Funds may support education, fellowship, training, mentorship, proctoring, and related workforce-development activities that advance the shared purpose stated in the Recitals. Where Agreement Funds support the training of a practitioner under a residency, fellowship, or comparable program, the Subrecipient is expected to obtain and document the rural-service commitment contemplated by the NOFO, so that the public investment yields durable rural capacity. This subsection is permissive and is subject to subsections (g)–(k) and (m).

(o) **Clinical-Service Neutrality; Fund Segregation.** Nothing in this Covenant requires, authorizes, or restricts the provision of any particular clinical service. The Subrecipient shall not use Agreement Funds for any service to the extent prohibited by the CMS NOA Requirements, including the limitations incorporated through Social Security Act section 2105(c), and shall segregate Agreement Funds from any non-allowable service consistent with Section 9.

(p) **Activation; Operative Provisions.** The affirmative expectations in subsections (a) through (f), (l), and (n) are permissive and dormant, and become enforceable as to a given Subrecipient only to the extent HCAI imposes them as a special condition, milestone, or corrective-action requirement on an entity-specific basis under 2 CFR 200.208 and Attachment C (see Part B), following HCAI's assessment of need and capacity and consistent with Section 24. Subsections (g), (h), (i), (j), (k), (m), and (o) are operative as written upon execution and constitute construction, savings, and compliance provisions rather than activatable obligations.

Part B: Attachment C Special Condition (binding; activated under 2 CFR 200.208)

[Placement: insert in Attachment C, Section C.1, on activation for a given Subrecipient; renumber [C.1.x] to the next available item; governed by Section C.2 and subject to Section 48.]

[C.1.x] Priority Service Line: Good-Faith Privileging Process. For each Priority Service Line designated in writing by HCAI for this Subrecipient, the Subrecipient shall:

(a) maintain and apply written, competency-based medical-staff criteria consistent with 42 CFR 482.22 under which each Eligible Practitioner is evaluated individually and is not categorically excluded on the basis of base specialty; the Subrecipient, through its own credentialing process, determines whether an applicant meets those criteria, and the Program's funding or facilitation of any training is not a substitute for, and shall not be represented as, that determination;

(b) process applications by Eligible Practitioners through fair procedure, without unreasonable, pretextual, or predominantly anticompetitive or economic denial, restriction, or delay, and within [timeframe];

(c) make available a focused professional practice evaluation (FPPE) or proctoring pathway to independent privileges;

(d) report on a [cadence] basis, in aggregate and de-identified form, on applications received, processing times, and dispositions, together with summary FPPE and OPPE results, provided that such reporting is limited to process and outcome metrics and shall not require the production of any peer-review record, deliberation, or other material protected under California Evidence Code section 1157 or applicable law, and shall not be construed to waive any peer-review privilege or protection;

(e) for any Priority Service Line that includes operative or surgical scope, this condition does not require the Subrecipient to process or extend operative or surgical privileges until the Subrecipient has documented the facility capability necessary to support that scope safely, including anesthesia coverage, blood-product availability, and a defined transfer pathway for complications exceeding the facility's capability; HCAI may decline to activate operative or surgical scope absent such documentation; and

(f) as a condition of activation, demonstrate organized medical-staff engagement appropriate to the Priority Service Line (such as a resolution or written acknowledgment of the medical executive committee) reflecting the medical staff's awareness of and participation in the process contemplated by this condition; the governing body's execution of this Agreement

does not bind the organized medical staff, and this requirement is intended to reduce the risk of process failure at the credentialing level rather than to direct any privileging outcome.

This condition governs process only: it does not require the grant of privileges to any practitioner, does not displace individualized peer review, and incorporates the protective and construction provisions of Part A, subsections (g) through (o), which apply with equal force. Remedies for noncompliance are limited to the process failure and follow Sections 24, 38, and 39, and this condition is subject to Section 48.