CalRHT Workforce Development Recruitment and Retention Program

Grant Guide
For Grant Year 2026

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2020 WEST EL CAMINO AVENUE, SUITE 1222 • SACRAMENTO, CA 95833

"A healthier California where all receive equitable, affordable, and quality health care."

If your program requires approval to contract from a coordinating authority, please inform the authority of the terms and conditions contained in the sample grant agreement. Applicants must agree to the terms and conditions before receiving funds. The Department of Health Care Access and Information will not make changes to the terms and conditions specified in the Grant Agreement.

The CalRHT program 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 award totaling $233,639,308.46 with 100 percent funded by CMS/HHS. The contents are those of CalRHT and do not necessarily represent the official views of, nor an endorsement, by CMS/HHS, or the U.S. Government.

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Purpose

This CalRHT Workforce Development Recruitment and Retention Program Grant Guide for Grant Year 2026 (Grant Guide) explains what the Workforce Development Recruitment and Retention (WDRR) Program is and what is required to apply. It includes step-by-step instructions for applicants and important rules that Subrecipients must follow. Every organizational applicant must agree to and meet the program requirements to be awarded any funding. The Department of Health Care Access and Information (HCAI) does not allow any changes to the rules listed in this guide.

Background and Mission

The Workforce Development Recruitment and Retention Program (WDRR), established under Initiative 2: Workforce Development of the California Rural Health Transformation (CalRHT) Program, aims to strengthen and sustain the rural healthcare workforce by improving recruitment, retention, and training for Health Professionals. WDRR funds eligible organizations to retain Health Professionals already practicing in rural communities and to recruit eligible Health Professionals to qualifying rural sites.

WDRR is an organizational grant program. HCAI awards grants to eligible rural-serving organizations who will provide bonuses to Health Professionals at their qualifying rural sites. Every bonus to Health Professionals carries a uniform five-year service obligation.

The key goals of the WDRR are:

- Improved recruitment and retention of rural Health Professionals as evidenced by an increased number of licensed Health Professionals in rural areas of California, as defined by the Health Resources and Services Administration (HRSA).
- Reduced vacancy rates and improved continuity of care as illustrated by reduction in turnover and increase in average tenure in rural service.
- Support a responsive and sustainable healthcare workforce to support rural California communities.

In December 2025, CMS approved HCAI's CalRHT program authorizing $233 million in funding across three distinct rural health initiatives over a one-year period. HCAI administers health workforce development programs that build a skilled, responsive, and sustainable healthcare workforce for California. HCAI provides scholarships, loan repayments, and grants designed to attract and retain qualified Health Professionals to underserved communities across the state.

The WDRR Program provides targeted financial incentives to help rural California communities recruit, retain, and sustain a stable pipeline of skilled Health Professionals.

Allowable uses must support recruitment and retention of Health Professionals at qualifying rural sites. Whether an allowable use carries the uniform five (5) year rural service commitment depends on whether it is awarded to a specific Health Professional.

Not subject to a five (5) year rural service commitment, because they are not awarded to a specific individual: faculty and preceptor support; micro-grants and added training slots; shared regional staffing pools and regional coordination and scheduling infrastructure; and the program costs allowance.

These actions will reduce the time to fill priority roles, improve multi-year retention and average tenure, and stabilize community anchored teams that deliver whole person care close to home.

WDRR may also support a capped program costs allowance for documented Subrecipient staff time coordinating WDRR.

Award Funding

This grant year, $54,170,000 in CalRHT Budget Period 1 (BP1) funding will be available for the WDRR.

WDRR awards will support both individual rural facilities and regional collaboratives, consortia, or systems, that link rural facilities through staff sharing agreements or other resource sharing mechanisms. The funds will target rural facility needs, including Tribal clinics. Eligible Health Professional services rendered must constitute direct patient/client care and may include clinical services, behavioral health services, or eligible allied health services.

Awards may be used to support:

1. Recruitment bonuses up to $150,000 are available for eligible Health Professionals who are recruited to qualifying sites with fixed-term service requirements.
2. Retention bonuses up to $150,000 per Health Professional to help rural health service sites maintain and support Health Professionals that are already practicing in rural and Frontier and Remote (FAR) communities.
3. Clinical training, faculty, and preceptor activities, as described by the applicant, are eligible if the WDRR funding flows through eligible Healthcare Professional bonuses or allowable program-cost coordination.
4. Tribal health programs implementing organization-based recruitment and retention efforts, subject to set-aside requirements and consultation outcomes.

Under the WDRR, approved organizations will provide or distribute bonuses to eligible Health Professionals who commit to the five (5) year service obligation providing direct patient or client care at an approved qualifying rural site in California. Health

Professionals cannot apply directly to WDRR under this program and must be provided bonuses via an approved and funded organization.

Eligibility Requirements

Eligible Organizational Settings

A parent organization may apply as a single organizational applicant on behalf of multiple sites or may instead choose to have each site submit their own independent application.

To be eligible, an applicant must be categorized as one of the following service site types:

Eligible organization type	Notes
Hospital (rural)	General acute care hospitals, including Critical Access Hospitals (CAH) and rural non-CAH hospitals; facility must be physically located in a rural area of California, as defined by the Health Resources and Services Administration (HRSA)
Federally Qualified Health Center (FQHC) or FQHC Look-Alike	HRSA-certified FQHC site or FQHC Look-Alike, including Tribal FQHC sites; facility must be physically in a rural area of California, as defined by the Health Resources and Services Administration (HRSA)
Rural Health Clinic (RHC)	CMS-certified rural ambulatory care site physically located in a rural area of California, as defined by the Health Resources and Services Administration (HRSA)
Tribal Clinic or Native American Health Center	Includes Indian Health Service (IHS)-designated facilities and Tribal Health Organizations physically located in a rural area of California, as defined by the Health Resources and Services Administration (HRSA)
Other Comprehensive Community Health Clinic	Direct-service rural health facility providing comprehensive community health services
Regional Collaboration or Consortium	A collaborative arrangement among multiple eligible organizations (applies in addition to the eligible org types listed, not as a standalone

Eligible organization type	Notes
	type); collaborative or consortium applicant with a lead organization, documented partners, and shared workforce or service-delivery model serving qualifying rural sites
Health Care District	District-based rural Health Professional or service site serving qualifying rural communities

Temporary staffing agencies, management services companies, and applicants or principals that are debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from federal assistance programs are not eligible.

Eligible Health Professions for WDRR Program Funds

To be eligible for recruitment and retention bonuses, WDRR applicant organization(s) and the eligible Health Professional(s) must accept Medicaid, Medicare, other public insurance, and offer a sliding fee discount program. Health Professionals must have a current, unrestricted California license, certification, or registration where applicable. Professions that do not require state-issued licensure or certification, including medical assistants, community health workers, and Promotores, remain eligible without this requirement. Eligible disciplines include, but are not limited to, those listed in the table below:

Discipline area	Eligible professions (highest priority)
Primary Care (highest priority)	Primary care physicians, including Family Medicine (FM), Internal Medicine (IM), Pediatrics, Obstetrics/Gynecology (OB/GYN) and Gerontology; Nurse Practitioner (NP); Physician Assistant (PA)
Maternity Care (highest priority)	Physician (OB/GYN); Certified Nurse Midwife (CNM); Licensed Midwife; Doula; Certified Lactation Consultant
Nursing (highest priority)	Registered Nurse (RN); Licensed Vocational Nurse (LVN) (limited to those serving on primary care or maternal health care teams)
Community-Based Direct Care (highest priority)	Medical Assistant (MA); Community Health Worker (CHW); Promotor/Promotora; other

Discipline area	Eligible professions (highest priority)
	direct-care allied health on primary or maternal teams
Behavioral Health Professionals (secondary priority when integrated into primary or maternal care teams; Behavioral Health-only roles excluded)	Licensed Clinical Social Worker (LCSW); Licensed Marriage and Family Therapist (LMFT); Licensed Professional Clinical Counselor (LPCC); Psychologist
Other Advanced Practice Health Professionals and Allied Health Professionals (highest priority when on primary or maternal care teams; otherwise secondary priority)	Specialty physicians and specialty advanced practice Health Professionals (e.g., Emergency Medicine Physicians); Pharmacist; Physical Therapist; Occupational Therapist; Respiratory Therapist; Medical Laboratory Scientist; Radiologic Technician; Registered Dietitian; diagnostic and imaging Health Professionals; other direct-care allied Health Professionals
Oral Health (secondary priority)	Dentists; Registered Dental Hygienists (RDH); Registered Dental Assistants (RDA)

Behavioral-health-only roles are not eligible; behavioral Health Professionals on integrated primary or maternal care teams may be eligible at secondary priority.

Eligible Funding Categories for Organizational Applicants

As an organizational applicant, you may apply for funding for one or more of the following categories:

1. Recruitment bonuses for eligible Health Professionals accepting employment or a binding offer of employment at qualifying rural sites.
2. Retention bonuses to help clinics maintain and support eligible Health Professionals that are already practicing at qualifying rural sites.
3. Program costs allowance of up to 10% of the total award for documented Subrecipient staff time coordinating WDRR at the facility, consortium, collaborative, or system level.
4. Tribal health programs implementing organization-based recruitment and retention efforts, subject to Tribal set-aside requirements and consultation outcomes.

All WDRR funding described in the following sections must ultimately be paid to eligible Health Professionals. Funds shall not be paid to third-party contractors or service providers for any reason; the program cost allowance is limited to documented Subrecipient staff time spent on WDRR coordination.

HCAI aims to fund up to 40 organizations and regional collaboratives, consortiums, or systems, and up to 400 Health Professionals awarded through those organizations.

Award amounts should not exceed $1,000,000 per facility or $2,000,000 per consortium, collaborative, or system for BP1 award cycle.

Health Professional recruitment and retention award caps are up to $150,000 per Health Professional. Every Health Professional Award carries the full uniform five (5) year service obligation regardless of amount. HCAI may award full, partial, or no funding based on:

- The applicant's evaluation score relative to the eligible applicant pool;
- The total amount of available funding;
- Geographic and facility-type distribution priorities, workforce need, and applicable Tribal set-aside requirements.

Awards are structured as a one-time prospective payment to the Subrecipient during the grant cycle. Subrecipients must divide the total bonus amount across the five (5) year obligation period and issue the payments annually to Health Professionals in arrears with the exception of BP1 award amount for recruitment, which may be given in advance by discretion of the Subrecipient. The level of bonus issued to a Health Professional should take into consideration the role and scope of practice of the Health Professional, facility need, labor market demand, and experience. Subrecipients may apply for additional awards in subsequent cycles provided they continue to meet all eligibility requirements, abide by documented caps and maximums on a per Health Professional basis, and submit a new application.

As funding permits, a Subrecipient may apply annually for an additional award. HCAI requires a new application for any subsequent award cycle. Each award requires a separate service obligation contract and will not be considered a continuation of a previous agreement.

WDRR grant funds must be used to support the Subrecipient’s direct costs associated with retaining or recruiting eligible healthcare professionals to a qualifying healthcare position in a qualifying rural area of California, as defined by the Health Resources and Services Administration (HRSA), within the allowable funding categories and award caps. Below is an overview of each eligible funding category and the requirements associated with them.

Allowable Uses of Funds

Allowable Uses of Funds Include:

- Recruitment bonuses tied to a five (5) year rural service commitment to support the recruitment of new Health Professionals to qualifying rural and FAR communities, including sign-on bonuses and other recruitment incentives paid directly to Health Professionals.
- Retention bonuses tied to a five (5) year rural service commitment to help clinics maintain and support Health Professionals that are already practicing in rural and FAR communities.
- Program costs allowance of up to 10% of the total award for documented Subrecipient staff time coordinating WDRR.
- Clinical training, faculty, and preceptor capacity-building activities, including support for faculty and preceptors, may be described in the workplan; WDRR funding must flow through eligible healthcare professional bonuses or allowable program-cost coordination.
- Shared regional staffing pools across rural facilities.
- Regional coordination and scheduling infrastructure.
- Tribal health program recruitment and retention efforts.
- Other direct costs pre-approved by HCAI as necessary and allocable to the program.

Budget Category Limitations

Each healthcare professional WDRR award may not exceed $150,000. Organizations have discretion to set healthcare professional award amounts up to the per-healthcare professional cap; every healthcare professional award carries the full uniform five-year service obligation regardless of amount. Recruitment and retention must be documented and verified.

Supplanting: WDRR funds may not be used to replace (supplant) funding from any other state, federal, local, or private source. If an employer reimburses any of the same costs, WDRR funds cannot also be applied to those same costs. The WDRR bonus may not be used to replace, offset, or partially cover a provider or Health Professional’s salary or wages.

Indirect costs are not an allowable budget category for WDRR. In place of indirect costs, a 'program costs' allowance of up to 10% of the total award amount may be used to pay for organization staff time coordinating WDRR at the facility level, or consortium staff time organizing the awards and funds. The 10% program costs allowance is taken from the total award amount (it reduces funds available for recruitment and retention bonuses) and must be documented against actual staff time spent on WDRR coordination.

Unallowable Costs

The following costs are not eligible uses of WDRR award funds:

- Pre-award costs incurred before the grant agreement start date.
- Construction, renovation, or building improvements.
- Capital equipment purchases (computers, vehicles, medical equipment).
- Promotional items, advertising and public relations promoting the non-federal entity, meals except in limited circumstances allowed by federal cost principles, personal entertainment, or gifts.
- Lobbying activities or political contributions.
- Costs covered by any other HCAI program, federal grant, or employer reimbursement (non-supplantation).
- Provider Payments (CalRHT Use of Funds Category B) under the CalRHT initiative.
- Duplicate payments to the same Health Professional across CalRHT initiatives or HCAI programs, per the Rural Health Transformation Program (RHTP) Terms and Conditions (T&Cs) §14.
- Indirect costs.
- Payment to third-party contractors or service providers (all funds must be paid to eligible Health Professionals).
- Any other cost determined by HCAI or CMS to be unallowable under applicable CMS Standard or Program Terms and Conditions, or under 2 CFR Part 200 Subpart E. For more information, please reference https://www.cms.gov/files/document/5-year-service-commitment-fact-sheet.pdf

WDRR Service Commitments

Eligible Health Professionals receiving recruitment or retention bonuses must commit to practicing full-time (32 hours per week) providing direct patient or client care at an eligible rural practice site for a uniform five-year service commitment and in accordance to Category E Guidance. Reference Attachment C: Sample Grant Agreement section Health Professional Service Obligation Terms for more detail.

Restriction on Health Professionals Receiving Both a Recruitment Bonus and a Retention Bonus

An eligible Health Professional who receives a recruitment bonus is not eligible for a retention bonus from WDRR until the full recruitment bonus service obligation has been completed. A Health Professional receiving a retention bonus may not simultaneously hold a recruitment bonus from WDRR. The Health Professional must not have any other existing service obligation. No duplicative funding for the same service obligation (non-supplantation per CMS RHT T&Cs Section 14; 2 CFR 200.306(b)). This restriction does not preclude a Health Professional from receiving unrelated HCAI program support, subject to non-supplantation requirements and no other service obligation restrictions.

Program Structure: Organizational Grant and the Health Professional Award Process

The WDRR Program is structured as an organizational grant program. Organizations apply first through the WDRR organizational application. Awarded organizational Subrecipients then administer Health Professional award selection, distribution, monitoring, service obligation enforcement, reporting, and recoupment for Health Professionals.

Organizational WDRR Program Application Phase

a. Organizational WDRR Program Application Timeline

The Organizational WDRR Program Application will be open July 31, 2026, to August 31, 2026. Organizations that meet eligibility criteria may apply for WDRR Program funding to support Health Professional recruitment and retention.

b. Organizational WDRR Grant Agreements with HCAI

HCAI will enter into grant agreements directly with awarded organizations. Once a grant agreement is executed, the awarded organization assumes responsibility for:

- Any necessary recruitment of or communication to potential Health Professional applicants.
- Verifying Health Professional eligibility and selecting Health Professional(s) for recruitment and retention funding categories (see Category E Guidance).
- Entering into agreements with Health Professional(s) (HCAI will not enter into grant agreements with Health Professional participants).
- Providing funding to selected Health Professionals.
- Monitoring and reporting upon completion of all required Health Professional service obligations.
- Implementing and enforcing the HCAI-provided Health Professional service obligation terms in Attachment B: Workforce Development Recruitment and Retention (WDRR) Program Health Professional Service Obligation Terms.
- Recouping funds from Health Professionals in cases of service obligation breach based on the terms stated in Attachment B.

Awarded organizations, not HCAI, are responsible for all Health Professional award components.

Health Professional WDRR Verification and Award Phase

a. Health Professional WDRR Verification Timeline

After organizational grant agreements are executed, the Subrecipient must verify each Health Professional's eligibility before issuing WDRR-supported funds. HCAI may require Health Professional information through an HCAI-provided form or portal before or after award.

b. Health Professional WDRR Verification and Documentation

Organizational Subrecipients are responsible for collecting and retaining the documentation needed to confirm Health Professional eligibility, funding category, acceptance of service commitments, and direct-care placement at a qualifying rural site. HCAI may request this information at any time for monitoring, reporting, or audit purposes. Reference Attachment C: Sample Grant Agreement Section C.9 Award Roster; Disbursement Schedule; Incremental Disbursements for more detail.

c. Purpose of Health Professional WDRR Documentation

Health Professional WDRR documentation is used to:

1. Confirm eligibility
2. Validate the appropriate funding category
3. Document the Health Professional's acceptance of required service commitments
4. Ensure compliance with program requirements outlined in the organization's grant agreement

Initiating an Organizational WDRR Program Application

Organizational applicants must submit their applications by August 31, 2026, through the web-based WDRR Application located at https://hcai.ca.gov/rural-health/calrht/funding/

1. Organizational applicants with application questions or technical difficulties should contact HCAI staff at info@calruralhealth.org.
2. Organizational applicants must submit applications that are complete and accurate. HCAI may reject an application that is incomplete or conditional.
    - An individual authorized to represent the organizational applicant shall submit the Organizational CalRHT Workforce Development Recruitment and Retention (WDRR) Program Application.
3. HCAI may modify this Grant Guide prior to the final application submission deadline by issuing an addendum at https://hcai.ca.gov/rural-health/calrht/funding/
4. Organizational applicants are entirely responsible for costs incurred in developing applications in anticipation of an award and shall not charge the State of California for these costs.
    - HCAI considers the submission of an application as acceptance of all terms therein. All organizational applicants must agree to the terms and conditions as outlined in Attachment C: Sample Workforce Development Recruitment and Retention (WDRR) Grant Agreement.
    - HCAI does not accept alternate grant agreement language from a prospective Subrecipient. HCAI will consider an application with such language to be a counteroffer and will reject it. HCAI will not negotiate the terms and conditions outlined in Attachment C.
5. If your program requires approval from a coordinating authority to enter into a grant agreement with HCAI, please inform the authority of the terms and conditions contained in this document and contact HCAI before submitting an application.

- Prospective Subrecipients must sign and submit grant agreements by the HCAI due date. The signed grant agreement is due to HCAI within 45-60 days of award notifications to allow time to redistribute funds if necessary. Failure to sign and return the grant agreement by the due date may result in denial of an award.
- When the prospective Subrecipient is a county or other local public body, the prospective Subrecipient must include a copy of the resolution, order, motion, ordinance, or other similar document from the local governing body authorizing execution of the grant agreement with HCAI and confirming the prospective Subrecipient's authority to accept, receive, and expend the awarded grant funds, including up to the applicable maximum award amount per award funding cycle ($1,000,000 per individual facility or $2,000,000 per consortium, collaborative, or system), with the signed grant agreement.

6. Applicants must verify their authority to accept and expend funds by September 30, 2027.
    - If, upon reviewing all application deliverables, HCAI finds that the prospective Subrecipient has not met all requirements and/or expended all funds, HCAI will withhold payment(s) and/or request the remittance of funds from the prospective Subrecipient.
7. HCAI may waive an immaterial deviation in an application. HCAI's waiver of an immaterial deviation shall in no way modify the Grant Guide or excuse the applicant from full compliance with all requirements, if awarded.
8. The California Public Records Act (CA Gov. Code § 7920.000 et seq.) applies to all grant materials and deliverables, including applications, reports, and supporting documentation.
9. HCAI will not consider any oral understanding or agreement to be binding on either party.
10. If, in the opinion of HCAI, an application contains false or misleading information, or if provided documentation does not support an attribute or condition claimed, HCAI shall reject the application.
11. HCAI reserves the right to reject any or all applications, or to reduce the amount funded to an applicant based on cause (failure to comply with grant agreement) or in any case prior to the grant agreement being signed by both parties.

Organizational Application Documentation

Organizational Application Requirements.

Each organizational application must include the following:

- Organizational identification and authorized representative information (legal name, state and federal identifiers including Unique Entity Identifier (UEI), Employer Identification Number (EIN), National Provider Identifier (NPI) per site; primary site address; all proposed qualifying sites).
- Active SAM.gov registration record and current Unique Entity Identifier (UEI).

- National Provider Identifier (NPI) and Employer Identification Number (EIN) for each proposed practice site, consistent with CMS Std T&Cs §31 Affirmative Duty to Track All Parties to the Award.
- Eligibility documentation demonstrating that each proposed site meets one of the eligible organizational settings.
- Workforce need documentation.
- List of priority professions to be supported by grant funds, with role count, proportion of requested funds allocated to priority professions, and proposed funding category allocation.
- Payor mix data, including Medi-Cal, Medi-Cal/Medicare, and IHS-covered patient mix, as applicable.
- Proposed rural service site assignments for each bonus-supported Health Professional.
- Service obligation monitoring and verification plan.
- Consortium or collaborative documentation, if applying as part of a regional collaborative or consortium (signed MOU or collaborative agreement; lead/fiscally responsible organization identification; fund-sharing description; Tribal participation documentation; and/or other formal documentation if applicable).
- Federal compliance certifications, signed by the authorized representative.
- Single Audit history disclosure if the applicant has expended $1 million or more in federal awards in any of the three most recent fiscal years.
- Organizational capacity confirmation that the organization can administer Health Professional award selection, distribution, monitoring, and reporting; enter into and enforce Health Professional service obligation agreements; recoup funds from the Health Professional(s); be liable to repay HCAI any funds it cannot recoup from the Health Professional(s); and submit annual reports through the program reporting endpoint.
- For counties and public-body applicants: governing body resolution, order, motion, ordinance, or other authorizing action, as applicable, authorizing execution of the grant agreement with HCAI and confirming the applicant's authority to accept, receive, and expend the awarded grant funds, including up to the maximum applicable award amount, $1,000,000 per individual facility or $2,000,000 per consortium, collaborative, or system.
- High-level budget and workplan; detailed budget required after tentative award notification.
- Any other documentation requested by HCAI in the published application instructions.

Site Verification Form (SVF)

The SVF requires, at minimum, the following fields for each proposed practice site:

- Site name, address, and site type (from eligible organization type list).

- NPI and EIN for the site.
- Payor mix / percentage of patients who are Medi-Cal, Medi-Cal/Medicare, IHS-eligible, or uninsured.
- Participation attestation signed by the site's authorized representative confirming intent to participate, eligibility, and capacity.

Health Professional Award Documentation

After organizational grant agreements are executed, Health Professionals being considered for WDRR-supported awards must provide the Subrecipient with documentation sufficient to verify the Health Professional's eligibility. Confirmation of eligibility (license, certification, and direct-care role). The documentation, at minimum, will require the following fields for each Health Professional:

- Validation of the appropriate funding category (recruitment or retention).
- Documentation of acceptance of required service commitments under Attachment B.
- Required identifying information for Health Professional award agreement execution between the Subrecipient and the Health Professional.

HCAI may require a separate HCAI-provided form or portal submission.

Verification Responsibility

Organizational Subrecipients are responsible for verifying Health Professional eligibility, funding category, qualifying rural practice site, service obligation acceptance, and direct-care placement before distributing WDRR funds. Subrecipients must retain supporting documentation and make it available to HCAI upon request for monitoring, reporting, or audit purposes.

Cybersecurity Attestation (Where Applicable)

Applicants who, if awarded, will have ongoing access to HHS information or technology systems and who will handle Personally Identifiable Information (PII) or Protected Health Information (PHI) from HHS, must submit a cybersecurity plan attestation consistent with the HHS Administrative and National Policy Requirements. The cybersecurity plan does not need to accompany the application; the attestation confirms the plan will be in place at the time of grant agreement execution.

Budget and Workplan

Budget Format

Each organizational applicant must submit a high-level budget during the application phase using the HCAI-approved template which includes, but is not limited to, the requested funding categories. After tentative award notification, organizations selected

for award will submit a detailed budget with annual allocations by site and by funding category. Applicants should list and cost their priority workforce needs in rank order, including amounts above the cap, so HCAI can assess and allocate based on demonstrated need:

- Recruitment bonuses: number of Health Professionals, profession type, expected award per Health Professional (cap $150,000).
- Retention bonuses: number of Health Professionals, profession type, expected award per Health Professional (cap $150,000).
- Budget broken out by Subrecipient organization within the consortium or collaborative, with each participating Tribal entity flagged separately.
- Program costs allowance: up to 10% of total award, taken from the total award, documented against projected staff time on WDRR coordination.
- Tribal set-aside: amount and Tribal entity or entities, if applicable.
- Non-supplantation budget narrative confirming no overlap with other HCAI, federal, state, local, private, or employer reimbursement sources.

Budget must not exceed documented eligible expenses. Other federal funding must be subtracted, if applicable. HCAI will not release the first payment until the detailed budget is approved.

Workplan Elements

A workplan is required as part of the application package to describe the Subrecipient's intended procedures and approaches for managing CalRHT grant subaward funds. WDRR organizational Subrecipient workplans must align with the CalRHT goals and objectives. Each organizational applicant must submit a workplan using the HCAI approved template which includes, but is not limited to, the following elements:

- Candidate outreach and sourcing plan for identifying eligible Health Professional applicants for recruitment and retention bonuses.
- Recruitment and/or retention plan describing service obligation monitoring, mid-year and annual check-ins, and continuity-of-care planning.
- Service obligation enforcement plan and employee bonus recoupment plan (e.g., in the event of an employee service obligation breach if bonus funds were provided in advance of service credit being earned).
- Policies and procedures service obligation exceptions, suspensions, approved leave, and extensions of obligation period.
- Coordination plan with regional partners (when applying as a collaborative).
- Reporting plan aligned to annual Financial Reports, annual Activity Reports, streamlined quarterly financial and performance reports, and streamlined monthly Subrecipient activity and financial reporting.
- Procedures for financial management, internal controls, accounting, auditing, and tracking of grant subaward funds.

- Annual milestones and key activity dates aligned to CalRHT BP1 federal obligation October 30, 2026, notice of award (NOA) September/October 2026, execute grant agreements September/October 2026, and final Health Professional Award payment no later than September 30, 2027.

Budget Adjustment

After full review, HCAI intends to issue tentative organizational awards. Organizations selected for tentative awards will be required to submit a detailed budget that aligns with the award amount offered by HCAI.

HCAI may adjust requested amounts based on total available funding, geographic and facility type distribution priorities, applicable Tribal set-aside requirements, workforce need, and application score relative to the eligible applicant pool.

Once the detailed budget is approved and the grant agreement is issued, the Subrecipient has seven (7) business days to electronically sign and accept or decline the agreement. Agreements not signed within this period may be considered declined.

Subsequent budget adjustment requests during the award period must be submitted to HCAI in writing at least 90 days before the Grant Agreement end date. Adjustments must remain within the total approved award amount; a budget adjustment may not increase the total award.

Program Costs Allowance

Policy for WDRR Subrecipients:

- Indirect costs are NOT allowed for WDRR Subrecipients.
- In place of indirect costs, WDRR allows a 'program costs' allowance of up to 10% of the total award amount. The 10% program costs allowance may be used to pay for organization staff time spent coordinating the WDRR program at the facility level, or consortium staff time spent organizing the awards and disbursing funds across collaborative members.
- The 10% program costs allowance is taken from the total award amount (it reduces funds available for recruitment and retention bonuses, it is not in addition to them).
- Subrecipients must document program costs against actual staff time spent on WDRR coordination. Program costs may not be used to bypass the Executive Level II salary cap or to fund unallowable activities.
- The 10% program costs election must be documented in the Subrecipient’s approved budget. Subrecipients that elect not to use the full 10% may direct the remainder to recruitment and retention bonuses.

Organizational WDRR Review, Evaluation, and Scoring

HCAI will make final selections using the Evaluation and Scoring Criteria described in *Attachment A: Organizational Workforce Development Recruitment and Retention (WDRR) Evaluation Criteria*.

HCAI intends for the WDRR Program to support geographic distribution of Health Professionals in California and a balanced distribution of awards by facility type. Applicants seeking to support geographic regions or facility types not addressed by other scored applications may receive preference. Geographic shortage and facility type may operate as tiebreakers, and HCAI retains discretion where the eligible applicant pool would otherwise produce concentrated awards.

HCAI reserves the right to determine the number of grant agreement(s) awarded and to modify the amount awarded to each Subrecipient. Competitive proposals will meet the WDRR evaluation criteria and demonstrate commitment to fulfill the conditions of the grant.

During the review process, HCAI staff will verify the presence or absence of required information as specified in this Grant Guide and score applications using the evaluation criteria described in *Attachment A: Workforce Development Recruitment and Retention (WDRR) Evaluation Criteria*. The most competitive applicants will be those most consistent with the intent of this grant opportunity.

Organizational WDRR Award Process

After full review, HCAI intends to issue tentative organizational awards. Organizations selected for tentative awards will then be required to submit a detailed budget, including annual allocations by site and by funding category. This budget must align with the award amount offered by HCAI. The milestones and timeline table is for planning purposes only and can fluctuate depending on acceptance of grant agreement terms.

Milestone	Timeline
RFA release date	July 31, 2026
Application window opens	July 31, 2026
Application window closes	August 31, 2026
Completeness review complete	September 2026
Scoring review complete	September 2026
Award notifications issued	September/October 2026
Grant agreements executed	September/October 2026

First payment disbursed to Subrecipient	October/November 2026
Final Health Professional Award Payment	No later than September 30, 2027

Post Award and Payment Provisions

Subrecipient agreements will expire on November 30, 2032, or earlier. Under no circumstances shall payments to the Subrecipient be made after September 30, 2027.

Subrecipients must submit annual Financial Reports, annual Activity Reports, a streamlined quarterly financial and performance report, and streamlined monthly Subrecipient activity and financial reporting. Monthly and quarterly reporting captures obligation, expenditure, Health Professional award status, and Service Obligation compliance to support HCAI reporting to CMS.

States will work with the RHTP CMS Program Office to establish internal controls and reporting mechanisms that ensure the 5-year service requirement is met both during and after the CalRHT Program.

Recruitment and retention funds may only be used for approved eligible positions and Health Professionals. If a Subrecipient is unable to retain, recruit, place, or verify an eligible Health Professional for a position originally approved for recruitment or retention funding, the Subrecipient must notify HCAI and may not retain or redirect those funds without prior written approval. Any unused recruitment or retention funds must either be reallocated through an HCAI-approved budget adjustment or returned to HCAI in accordance with the grant agreement.

HCAI and/or its designee will make prospective payments beginning in 2026 after required detailed budgets, Financial Reports, Activity Reports, and other required documentation have been reviewed and approved by HCAI and/or its designee for quality and accuracy. Under no circumstances shall payments be made after September 30, 2027.

WDRR Program Resources

For more Program information, please use the below resources:

1. Technical Assistance: Assists applicants and Subrecipients with navigating the application portal.
   - Email: info@calruralhealth.org
   - Phone: +1 855-CAL-RHTP (855-225-7487)
2. Application Portal and submitting required deliverables.
   - https://hcai.ca.gov/rural-health/calrht/funding/
3. Webinar: A formal presentation to provide information to prospective applicants.
   - https://hcai.ca.gov/rural-health/calrht/

WDRR Program and the Media

As a state department, HCAI is responsible for what it releases to the public and is required to provide information to anyone who requests it under the California Public Records Act. HCAI's Director's Office reviews all information for accuracy, risk, relevancy, and other factors. The office also coordinates timing for all HCAI news and press engagements in conjunction with other news coming out from the California Health and Human Services Agency (CalHHS) and the Governor's Office. Subrecipient organizations must take this into consideration when preparing media statements or press releases about its programs. If an entity is engaging with the media to promote its grant award and/or program activities, there are important steps to follow:

- All Subrecipient organizations are required to submit press releases for review by HCAI for review and approval a minimum of two weeks in advance of the intended publication date.
- Subrecipient organizations understand that portions, or the entirety, of its press release may be used by HCAI, CalHHS, or the Governor's office, and may be changed without notice to the Subrecipient.
- If HCAI, CalHHS, or the Governor's Office issues a press release or statement about an award the Subrecipient received, but does not use the awarded organization's press announcement, the Subrecipient may issue its release after HCAI, CalHHS, or the Governor's Office issues a statement. The draft release must still be reviewed by HCAI before release.
- For some grants or programs, a pre-approved press release template may be developed in a tool kit for the program, which may reduce the review/approval time by HCAI. (This does not apply to all grants; please contact your program officer for this information at info@calruralhealth.org.)
- Any discussion regarding media engagements or press releases should only be directed to and approved by HCAI staff.
- Subrecipient organizations should stay in close contact with grant managers and provide any detailed plans related to news media engagement.

HCAI Department Contact

For questions related to the WDRR Program and/or application, please email HCAI staff at info@calruralhealth.org.

Thank you!

We thank you for your interest in applying for the CalRHT Workforce Development Recruitment and Retention Program.

HCAI may reach out to Subrecipient's periodically during and after the Subrecipient agreement and ask you to complete a survey. Your participation is vital to our ability to demonstrate the effectiveness of programs such as this one and advocate for future funding to organizations such as yours. We ask that you take the time to complete the surveys.

Attachment A: Organizational Workforce Development Recruitment and Retention (WDRR) Evaluation Criteria

Scoring Framework

HCAI will use the 65-point evaluation rubric set forth in Attachment A to score eligible applications. The rubric assesses language access, payor mix, organization type and rural health role, consortium or shared workforce models, priority professions supported by grant funds, clinical training, faculty, and preceptor capacity.

HCAI reserves the right to make funding and scoring decisions that account for baseline capacity and regional or programmatic need, including considerations specific to priority professions. In evaluating applications, HCAI may apply a capacity-adjusted methodology that reflects each applicant's existing workforce infrastructure, documented gaps, and readiness to expand support for priority professions, ensuring that decisions balance equity, feasibility, and potential for meaningful workforce impact.

Scoring Criteria for CalRHT WDRR Program

Core Categories	Guideline	Max Points Possible
Language	Enter the total number of your organization's current Health Professionals who provide direct services in any Indigenous and/or Tribal language fluently without additional translation services. • 5 points for each health professional who speaks at least one Indigenous and/or Tribal language, up to 10 points total. • 0 points if the organization's healthcare professionals do not speak any Indigenous and/or Tribal language.	**10**
Payor Mix	Does your organization accept Medicaid/Medi-Cal and/or serve Indian Health Service (IHS) eligible patients? • 15 points: Combined Medi-Cal, Medi-Cal/Medicare (also known as Medi-Medi), and/or IHS payor mix of 75% to 100%. • 10 points: Combined Medi-Cal, Medi-Medi, and/or IHS payor mix of 50% to 74.99%.	**15**

	• 5 points: Combined Medi-Cal, Medi-Medi, and/or IHS payor mix of 25% to 49.99%. • 0 points: Combined Medi-Cal, Medi-Medi, and/or IHS payor mix of 0% to 24.99%.	
Organization Type and Rural Health Role	Does the site that will receive the highest proportion of your organization's funding fall under one of the following priority applicant types? • 5 points if the highest-funded site is one of the following: rural hospital; Rural Health Clinic; Federally Qualified Health Center or Look-Alike; rural Tribal health organization; or Native American health organization. • 0 points: None of the above. Total score may not exceed 5 points.	**5**
Consortium, Collaborative, or Shared Workforce Model	Is the applicant part of a consortium, collaborative, network, or formal partnership that shares workforce resources or service delivery across rural settings and will share benefits of this award? Consider shared Health Professionals, staff, training infrastructure, preceptors, recruitment and retention strategies, care teams, or clinical capacity. • 10 points: Formal collaborative with documented partners and a clear shared-resource model. • 5 points: Informal or emerging partnership that may support shared rural workforce capacity. • 0 points: No collaborative or shared-resource model identified.	**10**
Priority Professions Supported by Grant Funds	What proportion of requested grant funds will support priority professions? Priority professions include primary care and maternal care Health Professionals, including Family Medicine, Internal Medicine, Pediatrics, OB/GYN, and Gerontology physicians; Nurse Practitioners; Physician Assistants; Certified Nurse Midwives; Licensed Midwives; Registered Nurses; Licensed Vocational Nurses; Doulas; Certified Lactation Consultants; Community Health Workers; and other direct-care Health Professionals on primary care or	**15**

	maternal health teams, excluding behavioral health-only roles. Secondary professions include specialty physicians and specialty advanced practice Health Professionals; oral Health Professionals, including dentists, registered dental hygienists, and registered dental assistants; emergency medicine physicians; and diagnostic and imaging Health Professionals. • 15 points: 50% or more of requested grant funds support priority professions. • 10 points: 25% to 49.99% of requested grant funds support priority professions. • 5 points: 1% to 24.99% of requested grant funds support priority professions. • 0 points: No requested grant funds support priority professions. Total score may not exceed 15 points.	
Clinical Training, Faculty, and Preceptor Capacity - CalRHT Participation	Applicants should describe plans for whether and how award funding will be used to support: training for students, residents, fellows, interns, or other health professions trainees; faculty support; preceptor incentives; supervision; training placement slots; or other plans to build new or expand rural clinical training capacity. • 10 points: Clear description outlining clinical training capacity expansion. • 5 points: Limited or unclear description of intent to expand clinical training capacity. • 0 points: No plans.	**10**
Total Points Possible	Total Proposed Points	**65**

Attachment B: Workforce Development Recruitment and Retention (WDRR) Health Professional Service Obligation Terms

1. Full-time Service Obligation Requirement

Health Professionals must provide full-time services delivering direct patient or client care for the duration of the Service Obligation period associated with their funding category. Full-time service: a minimum of 32 hours per week providing direct patient or client care at an approved practice site. The required 32 hours of services coverage may be allocated across multiple service sites, as long as each site was included and approved as part of the grant application submitted by the subrecipient organization. This provision supports organizations with multiple rural clinic locations and consortium models in which Health Professionals are shared across participating sites.

Direct patient or client care includes face-to-face care, telehealth-based care subject to the physical rural location and rural service delivery requirements in this Grant Guide, and first-line supervision over staff providing direct patient or client care. Direct care encompasses prevention, early intervention, assessment, treatment, counseling, procedures, patient self-care, patient education, and documentation relating to encounters with patients. Health Professionals are not permitted to work less than full-time during the fulfillment of their Service Obligation.

2. Service Obligation Period

The WDRR Service Obligation period is a uniform five (5) years for all recruitment and retention bonuses awarded under this program (i.e., “Health Professional Awards”). The Service Obligation applies to all Health Professionals regardless of bonus amount.

The Service Obligation begins on the start date specified in the Health Professional Award Agreement.

The Service Obligation must be fulfilled at an approved qualifying site physically located in a rural area of California, as defined by the Health Resources and Services Administration (HRSA).

Failure to fulfill the Service Obligation within the terms specified constitutes breach and triggers recoupment.

3. Approved Practice Site Requirements

Health Professionals must serve at an approved qualifying site physically located in a rural area of California, as defined by the Health Resources and Services Administration (HRSA). Approved practice sites must meet WDRR eligibility criteria and be documented through the Employer Verification Form (EVF) or other HCAI-required site documentation.

Site changes during the obligation period require prior written approval from the organizational Subrecipient and notification to HCAI within 30 days of the site change.

If the Health Professional transitions to a site that is not an eligible WDRR qualifying site, the Health Professional may be required to seek a suspension or will be considered in breach.

4. Leave Allowance

Health Professionals may have up to seven (7) weeks per year away from their approved practice site for vacation, holidays, continuing professional education, illness, or any other reason as approved by the site. This provision does not apply to school vacations during which the Health Professional is practicing at an approved practice site in a school setting (school-based clinic).

Leave up to seven (7) weeks per year: no Service Obligation extension required.

Leave exceeding seven (7) weeks per year: the Health Professional must agree to extend the Service Obligation day-for-day for each day of absence over the seven (7) week allowance. The organizational Subrecipient must approve the extended leave in writing.

5. Waiver of Service Obligation

The Health Professional may request a waiver of their remaining Service Obligation on the basis of an extraordinary circumstance, such as long-term medical condition or disability that prevents completion of the obligation. No circumstance results in a waiver automatically, and neither the Subrecipient nor HCAI has authority to grant a waiver. CMS is the sole approver of any waiver, excusal, suspension, or modification of a Service Obligation, and no waiver is effective unless approved by CMS. To request a waiver, the Health Professional shall submit the request and supporting documentation to the Subrecipient. The Subrecipient shall review the submission for completeness and forward it to HCAI, together with the Subrecipient's related records, promptly and in no event later than ten (10) business days after receipt. HCAI will submit the request and required documentation to CMS. HCAI may request additional documentation at any time, and an incomplete submission will not be forwarded to CMS until complete.

In the event of the Health Professional's death, the Subrecipient shall notify HCAI and submit the documentation HCAI requires to request excusal of the remaining Service Obligation from CMS. Amounts earned through the completed service before the death are not subject to return.

Unless and until CMS approves a waiver, the Service Obligation continues. If CMS approves a waiver, the remaining Service Obligation is excused on the terms CMS approves; amounts earned through completed service are retained by the Health Professional, and unearned Disbursements are not paid except as CMS or HCAI directs.

6. Failure to Complete the Five (5) Year Service Requirement: Prorating and Extenuating Circumstances (CMS Guidance)
    - In cases where a Health Professional is unable to complete the five (5) year service requirement at their initially committed healthcare organization (e.g., due to hospital closure), they may fulfill the remainder of their five (5) year commitment through work for other rural health organizations or in other rural communities within the State. The State may also consider prorating the incentive payment amount to reflect the service provided to the rural community up to that point.
    - It may be allowable for the State to forgive the five (5) year Service Obligation in cases where the educational and/or credentialing requirements that are prerequisite to clinical practice have not been met or the five (5) year service requirement has not been fulfilled due to extenuating circumstances such as death or disability of the committed Health Professional. The State must submit a request with documentation substantiating a Health Professional's death or disability to CMS for review and approval in order to write-off or otherwise forgive the five (5) year Service Obligation.

7. Suspension of Service Obligation

The Health Professional may request that the fulfillment of their Service Obligation be suspended. All suspension requests must be documented by the organizational Subrecipient. HCAI may request applicable documentation at any time and may deny a suspension decision if documentation is not provided or is insufficient.

The following circumstances may result in suspension of the Service Obligation:

- Natural Disaster, Act of God, or Declared Emergency: a major natural disaster, catastrophic event, or declared local, state, or federal emergency significantly disrupts the Health Professional's ability to fulfill the obligation.
- Institution or Site Closure or Program Disruption: the assigned service site, educational institution, or program closes or becomes non-operational, and an alternative placement is not immediately available.
- Temporary Disability: the Health Professional experiences a disability that is temporary in nature and temporarily precludes the Health Professional from fulfilling the Service Obligation.
- Military Deployment or Activation (Involuntary): same standard as B.5.

8. Reemployment Following Suspension

Health Professionals who are granted a suspension are given six (6) months to become reemployed in an eligible WDRR setting. The organizational Subrecipient may extend the suspension period on a case-by-case basis with documented justification.

9. Protected Leave

If the Health Professional plans to be away from the approved practice site for paternity, maternity, adoption, and other types of Protected Leave, the Health Professional awardee must inform the organizational Subrecipient at least 60 calendar days before taking the leave.

HCAI allows Health Professionals to be away from approved practice sites within the timeframes established by the Family and Medical Leave Act (FMLA, up to 12 weeks) or other applicable federal and state leave protections. The Health Professional must adhere to the leave policies of the approved practice site. Protected Leave extends the Service Obligation completion date by the duration of the leave and does not count toward completion of the Service Obligation. Protected Leave shall not constitute a breach of the Service Obligation or a Recoupment of Funds, and shall not reduce amounts already earned.

10. Breach and Payment Recoupment

A Health Professional who does not complete the Service Obligation retains amounts earned for completed service periods, forfeits entitlement to unearned Disbursements, and, where funds were disbursed ahead of earned service credit, the unearned portion is subject to return in accordance with the grant agreement. The organizational Subrecipient must return recouped funds to HCAI within the timeframe specified in Section 10.5 (60 days from date of breach for organizational Subrecipient to HCAI). If the organizational Subrecipient is unable to recoup the full amount from the Health Professional, the organizational Subrecipient is responsible for repaying any and all missing funds to HCAI within the Section 10.5 timeframe.

Partial completion: in cases where the Health Professional has completed a portion of the Service Obligation, recoupment may be calculated on a pro-rated basis at the organizational Subrecipient’s discretion, subject to HCAI policy guidance.

Interest and collection costs may be added to the recoupment amount per applicable state law and the executed award agreement.

11. Service Obligation Completion Date

The organizational Subrecipient must structure Health Professional Award agreements to ensure the five (5) year Service Obligation can be completed within this window. The earlier the bonus is awarded, the more flexibility the Health Professional has for leave and suspension within the obligation period.

Attachment C: Sample Workforce Development Recruitment and Retention (WDRR) Grant Agreement

SAMPLE GRANT AGREEMENT BETWEEN THE
DEPARTMENT OF HEALTH CARE ACCESS AND INFORMATION
AND
[SUBRECIPIENT NAME], [PROGRAM NAME]
CalRHT WORKFORCE DEVELOPMENT RECRUITMENT AND RETENTION (WDRR) PROGRAM — SUBRECIPIENT GRANT AGREEMENT NO. [WDRR AGREEMENT NUMBER]

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

WHEREAS, the Centers for Medicare & Medicaid Services (CMS), an agency of the U.S. Department of Health and Human Services (HHS), has awarded HCAI a federal cooperative agreement under the Rural Health Transformation Program (RHTP), authorized by Section 71401 of Public Law 119-21 (the "Federal Award"), and HCAI administers the California Rural Health Transformation (CalRHT) program under that Federal Award.

WHEREAS, the Workforce Development Recruitment and Retention (WDRR) Program is established under Initiative 2 (Workforce Development) of CalRHT to strengthen and sustain the rural health care workforce through recruitment and retention bonuses and tied supports for Health Professionals serving at qualifying rural sites in California.

WHEREAS, HCAI is the CMS Recipient and pass-through entity for the Federal Award and is authorized to make subawards to qualified organizations to carry out WDRR program-delivery activities; and the Subrecipient is defined under 2 CFR 200.331 with respect to such funds. A beneficiary is considered an entity or individual that receives programmatic benefit from CalRHT-funded activities but does not carry out program implementation.

WHEREAS, HCAI supports health care accessibility through the promotion of a culturally and linguistically competent workforce while providing analysis of California's healthcare infrastructure and coordinating healthcare workforce issues.

WHEREAS, the Subrecipient applied to participate in the Workforce Development Recruitment and Retention (WDRR) Program, and was selected by HCAI to receive Grant Funds through procedures duly adopted by HCAI.

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

A. Definitions

A.1 "Application" means the grant application submitted by an organization applying for the WDRR Program.

A.2 “Award Roster” means the list, in a form approved or required by HCAI, identifying each Health Professional selected by the Subrecipient to receive a Health Professional Award, the funding category, total award amount, disbursement schedule, approved qualifying rural site or sites, Service Obligation start date, and any other information required by HCAI.

A.3 “Deputy Director” means the Deputy Director of Health Workforce Development of HCAI.

A.4 “Disbursement” means a scheduled payment of a portion of a Health Professional Award by the Subrecipient to a Health Professional. Grant Funds” means the money provided by HCAI for the Project, which derives from the Federal Award.

A.5 “Grant Guide” means the CalRHT Workforce Development Recruitment and Retention (WDRR) Program Grant Guide for Grant Year 2026, hereby made a part of this Agreement by reference.

A.6 “Federal Award” means the CMS RHTP cooperative agreement awarded to HCAI, including all CMS Notice of Award (NOA) Standard and Program Terms and Conditions and NOFO requirements incorporated therein.

A.7 “Health Professional” means an individual who receives a recruitment or retention award provided from the Subrecipient under this Agreement. Health Professionals are beneficiaries, not Subrecipients or contractors.

A.8 “Health Professional Award” means the individual recruitment or retention approved bonus amount awarded by the Subrecipient to an eligible Health Professional.

A.9 “Protected Leave” means leave protected by applicable law, including the federal Family and Medical Leave Act, the California Family Rights Act, California parity pregnancy disability leave, leave protected under the Uniformed Services Employment and Reemployment Rights Act, and any other legally protected leave. Protected Leave extends the Service Obligation completion date by the duration of the leave and does not count toward completion of the Service Obligation. Protected Leave shall not constitute a breach of the Service Obligation or a Recoupment of Funds, and shall not reduce amounts already earned.

A.10 “Recoupment of Funds” has the meaning given in Section H.

A.11 “Repayment Amount” means the amount the Subrecipient must return to HCAI following a Recoupment of Funds, consisting of the unallowable, unsupported, unearned, duplicative, or misapplied Grant Funds, together with any interest or other amounts required by applicable law or the Federal Award.

A.12 “Service Obligation” means the activities and terms described in Attachment B of the WDRR Grant Guide.

A.13 “State” means the State of California and includes all its Departments, Agencies, Committees and Commissions.

A.14 “Subrecipient” means the non-federal entity receiving funding from HCAI under this agreement to carry out WDRR program activities, consistent with 2 CFR 200.1 and 200.331.

A.15 “Subrecipient Award” means the total amount of Grant Funds committed by HCAI to the Subrecipient under this Agreement for administration of the WDRR Program.

A.16 “Supplantation” refers to the act of replacing or taking the place of funds from federal, state, local, and private resources.

B. Terms of the Agreement

This Agreement shall take effect on October 30, 2026, or earlier. Under no circumstances shall HCAI make payments to the Subrecipient after September 30, 2027. The Subrecipient’s obligations to monitor, enforce, and recoup Health Professional Service Obligations survive termination of this Agreement as provided in Section H and Attachment B.

C. Scope of Work

C.1 **Program description and structure.** This Agreement implements the CalRHT Workforce Development Recruitment and Retention (WDRR) Program established under Initiative 2 (Workforce Development) of the California Rural Health Transformation (CalRHT) Program. WDRR is an organizational grant program: HCAI awards the Subrecipient, and the Subrecipient in turn administers Health Professional awards to Health Professionals at qualifying rural sites. HCAI does not draft, review, approve or enter into agreements with Health Professionals.

C.2 **Subrecipient responsibilities.** The Subrecipients shall:

(a) Conduct any necessary recruitment of, and communication with, potential Health Professional applicants.

(b) Collect and verify Health Professional candidate data including but not limited to active licensure (where applicable), work authorizations, service agreements consistent with WDRR requirements and provide this information to HCAI upon request.

(c) Verify Health Professional eligibility and select Health Professionals for recruitment and retention funding categories, consistent with the Grant Guide and HCAI instructions.

(d) Enter into bonus agreements with each Health Professional (HCAI will not enter into agreements with Health Professional participants).

(e) Distribute funding to Health Professional(s).

(f) Monitor and report upon completion of all required Health Professional Service Obligations.

(g) Implement and enforce the Health Professional service obligation terms set forth in Attachment B (Health Professional Service Obligation Terms).

(h) Recoup funds from any Health Professional in cases of service obligation breach, on the terms in Attachment B, and remit recouped funds to HCAI.

C.3 **Eligible funding categories.** Grant Funds may be used to support the following categories, subject to the caps and limits in Exhibit B (Budget and Award Caps):

(a) Recruitment bonuses tied to a five (5) year rural service commitment, up to $150,000 per eligible Health Professionals recruited to qualifying rural sites.

(b) Retention bonuses tied to a five (5) year rural service commitment, up to $150,000 per Health Professional, to help qualifying sites maintain Health Professionals already practicing in rural and FAR communities.

(c) Program-costs allowance of up to 10% of the total award, taken from the total award amount, for documented Subrecipient staff time spent coordinating WDRR.

(d) Clinical training, faculty, and preceptor capacity-building activities may be described in the workplan; WDRR funds must flow through eligible Health Professional award or allowable program-cost coordination unless otherwise approved by HCAI.

(e) Support for faculty and preceptors to increase clinical training opportunities at rural sites.

(f) Regional collaborative, consortium, shared workforce, and service-delivery coordination activities through allowable program-cost coordination and Health Professional award awards.

(g) Shared regional staffing pools across rural facilities and regional coordination/scheduling infrastructure.

(h) Tribal health programs implementing organization-based recruitment and retention efforts (funding set aside specifically for Tribal applicants).

C.4 **Allowable uses of Grant Funds.** Within the categories in C.3, allowable uses include recruitment and retention bonuses tied to the five (5) year rural service commitment; documented program coordination costs up to 10% of the total award; Tribal health program recruitment and retention efforts; supporting faculty and preceptors to increase clinical training opportunities; shared regional staffing pools; regional coordination and scheduling infrastructure; and other direct costs pre-approved by HCAI as necessary and allocable to the program. All funds must ultimately be paid to eligible Health Professionals;

C.5 **Unallowable uses of Grant Funds.** Grant Funds shall not be used for:

(a) Pre-award costs incurred before the Effective Date.

(b) Construction, renovation, or building improvements.

(c) Capital equipment purchases (computers, vehicles, medical equipment).

(d) Personal entertainment, meals, or gifts.

(e) Lobbying activities or political contributions.

(f) Costs covered by any other HCAI program, federal grant, or employer reimbursement (non-supplantation).

(g) Provider Payments (CalRHT Use of Funds Category B) under the CalRHT initiative. The WDRR bonus may not be used to replace, offset, or partially cover a provider's salary or wages.

(h) Duplicate payments to the same Health Professional across CalRHT initiatives or HCAI programs (per RHTP T&Cs §14).

(i) Indirect costs..

(j) Payment to third-party contractors or service providers.

(k) Any other cost determined by HCAI or CMS to be unallowable under applicable CMS Standard or Program Terms and Conditions, or 2 CFR Part 200 Subpart E.

C.6 **Subrecipient Award Administration and Stewardship of Grant Funds.** HCAI commits the Subrecipient Award to the Subrecipient for administration of approved WDRR Program activities. HCAI will disburse the full Subrecipient Award to the Subrecipient no later than September 30, 2027, consistent with the Federal Award and applicable CMS terms. The Subrecipient shall deposit funds received in advance of scheduled Disbursements in an insured account, interest-bearing unless exempt under 2 CFR 200.305(b)(8), and shall remit interest earned as required by 2 CFR 200.305(b)(9). Advanced funds remain Grant Funds subject to this Agreement until earned and disbursed.

Commitment or receipt of any portion of the Subrecipient Award does not convert Grant Funds into unrestricted operating funds of the Subrecipient. The Subrecipient shall administer, safeguard, document, and disburse the Subrecipient Award solely for purposes authorized by this Agreement, the Grant Guide, the approved application, the approved budget, Attachment B, and applicable federal requirements.

The Subrecipient shall not make any Disbursement unless the Subrecipient has first confirmed and documented that the Health Professional: (a) satisfies all applicable eligibility criteria in the Grant Guide; (b) is employed by, or has a binding offer of employment from the Subrecipient or an approved participating site; (c) holds an active, unrestricted license or certification required for the Health Professional's role; (d) will provide qualifying care at an approved qualifying rural site or approved rural service arrangement (including mobile, paramedic, and multi-site arrangements physically serving rural communities); (e) has executed a written bonus agreement meeting the requirements of this Section C; (f) is not receiving a duplicative payment or prohibited benefit for the same purpose or service obligation; and (g) has not made any certification or representation known by the Subrecipient to be false, incomplete, or misleading. The Subrecipient remains responsible to HCAI for the proper administration, allowability, accounting, monitoring, and return of Grant Funds, regardless of whether funds have been disbursed to a Health Professional.

C.7 **Required Health Professional Award Agreements.** Before making any Disbursement, the Subrecipient shall enter into a written bonus agreement with the applicable Health Professional, in a form approved or prescribed by HCAI or, if HCAI does not approve or prescribe a form, in a form consistent with this Agreement, the Grant Guide, and Attachment B. At a minimum, each bonus agreement shall include:

(a) The total amount and funding category of the Health Professional Award.

(b) The Disbursement schedule, and a statement that each Disbursement is earned only upon, and is conditioned on, verified eligibility, active licensure, and continued qualifying rural service through the applicable verification date.

(c) A statement that entitlement to any future Disbursement ceases upon failure to satisfy a condition, subject to Protected Leave and any approved leave, suspension, waiver, or site transfer.

(d) The approved qualifying rural site or approved rural service arrangement, and the process for approved site changes.

(e) The Service Obligation start date and projected completion date.

(f) The requirement of qualifying care for a minimum of thirty-two (32) hours per week as set forth in Section D.

(g) Leave, suspension, waiver, and site-change terms no less protective of HCAI and the Federal Award than as stated in Attachment B, including express Protected Leave terms and the death and disability terms in Section I.

(h) Documentation and certification obligations sufficient for the Subrecipient and HCAI to verify continued eligibility and service compliance.

(i) A prohibition against duplicate awards, supplantation, and use of funds for unallowable purposes.

(j) The Health Professional's consent to disclosure to HCAI, CMS, HHS, auditors, or other authorized governmental reviewers of information necessary to administer, verify, audit, monitor, or enforce the award, subject to applicable privacy and employment laws.

(k) An acknowledgement that HCAI is not the Health Professional's employer and is not a party to the employment relationship.

(l) Any additional terms required by HCAI.

No bonus agreement may include a term requiring the Health Professional to repay amounts already disbursed based on separation from employment or nonrenewal of the employment relationship, except as approved in writing by HCAI following legal review. The Subrecipient shall maintain a fully executed copy of each bonus agreement and shall provide copies to HCAI within five (5) business days of request.

C.8 **Award Roster; Disbursement Schedule; Incremental Disbursements.** The Subrecipient shall maintain an Award Roster for all Health Professionals selected to receive Health Professional Awards, updated promptly upon any selection, Disbursement, site change, leave event, suspension, waiver request, breach, return of funds, or completion of the Service Obligation, and provided to HCAI in the form and frequency HCAI requires and, in all events, within five (5) business days of written request.

Each Health Professional Award shall be paid in Disbursements according to a schedule stated in the bonus agreement and consistent with the Grant Guide and approved budget. No Health Professional Award may be paid in a single lump sum at or near execution of the bonus agreement. Each annual Disbursement shall be conditioned on the Subrecipient's documented verification that the Health

Professional remains eligible, holds active required licensure, is performing qualifying rural service under Section D or is in an approved or protected status, and has provided each required certification.

No later than each Disbursement date, the Subrecipient shall document: the amount disbursed; the funding category; the date; the approved site or sites; current employment or service status; verification of the thirty-two (32) hour weekly requirement or the applicable approved or protected status; any amount withheld, deferred, returned, or repaid; and the remaining balance of the Health Professional Award. The Subrecipient shall not accelerate, increase, reallocate, or substitute a Health Professional Award except as authorized in writing by HCAI or expressly permitted by the Grant Guide and approved budget.

C.9 **Eligible Health Professionals.** Each Health Professional funded under this Agreement must (a) must provide direct patient or client care in an eligible discipline; hold a current, unrestricted California license, certification, or registration where applicable; have no other service obligation; be employed by, or hold a binding offer of employment from, the Subrecipient at a qualifying rural site; and accept the uniform five (5) year service obligation. Professions that do not require state-issued licensure or certification, including medical assistants, community health workers, and Promotores, remain eligible without this requirement. Behavioral-health-only roles are not eligible; behavioral Health Professionals on integrated primary or maternal care teams may be eligible at secondary priority; and (b) serve at an approved qualifying rural site as defined in the Grant Guide.

C.10 **Service obligation.** Every Health Professional award carries a uniform five (5) year rural service obligation, on the terms set forth in Attachment B (Health Professional Service Obligation Terms). Health Professionals must provide full-time direct patient or client care (minimum 32 hours per week) at an approved qualifying rural site for the duration of the obligation. This restriction does not preclude a Health Professional from receiving unrelated HCAI program support, subject to non-supplantation.

C.11 **Health Professional award process.** After this Agreement is executed, the Subrecipient shall conduct a process at their discretion to determine Health Professional selection and eligibility, review, and validate prospective Health Professionals, review and select eligible applicants, execute a Health Professional award agreement with each selected Health Professional incorporating Attachment B, and disburse funds.

C.12 **Reporting and monitoring.** The Subrecipient shall submit annual financial reports, annual activity reports, streamlined quarterly financial and performance reports, and streamlined monthly Subrecipient activity and financial reports to HCAI through HCAI's web-based Funding Portal or other HCAI-designated reporting endpoint, in accordance with the schedule provided by HCAI. Maintain real-time records of all expenditures and provide supporting documentation to HCAI within five (5) business days of any written HCAI request, to support HCAI's Federal Financial Report (FFR) submissions to CMS (see Exhibit A, A.4).

C.13 **Required Award Reporting and Certifications.** In addition to all other reporting obligations, the Subrecipient shall submit reports and certifications regarding Subrecipient Award administration and Health Professional Award compliance in the form, manner, and frequency required by HCAI. Unless HCAI specifies a different schedule, the Subrecipient shall certify at least annually that: all Grant Funds received have been used only for allowable purposes; each Health Professional Award was made only to an eligible Health Professional under an executed bonus agreement; each Health Professional is satisfying, has satisfied, or is in a protected or approved status under the Service Obligation; each Health Professional in active service is meeting the thirty-two (32) hour weekly requirement unless an approved exception applies; all known actual or potential Recoupment of Funds have been identified and reported; all amounts required to be returned have been reported and returned; and records are complete, accurate, and available for review by HCAI, CMS, HHS, auditors, or other authorized governmental representatives. Each certification shall be signed by an authorized financial officer and an authorized program officer of the Subrecipient, or by other officials approved by HCAI. A false, incomplete, or misleading certification may constitute breach and may result in return of funds, suspension, termination, or other remedies available under this Agreement or applicable law.

(a) Monitor each Health Professional's compliance with the five (5) year service obligation throughout the obligation period, including for the period after this Agreement terminates (per Section H — Recoupment and Survival).

(b) Notify HCAI immediately of any Health Professional departure, breach, or other event that triggers a recoupment obligation under Attachment B.

(c) Submit any additional reports requested by HCAI to support program evaluation or CMS reporting obligations.

(d) The Subrecipient must retain all records related to the WDRR subaward for no less than three years from the date of submission of their final financial report to HCAI, or any longer period required by the Federal Award, litigation, claim, audit, or written HCAI direction.

C.14 **Term and payment limitations.** This Agreement expires on November 30, 2032, or earlier. Under no circumstances shall HCAI make payments to the Subrecipient after September 30, 2027. Awards are structured as a one-time payment during the annual grant cycle; subsequent-year awards (if any) require a new application and a separate agreement and are not a continuation of this Agreement.

C.15 **Conflict between this Section and the Application or Grant Guide.** In the event of a conflict between this Scope of Work and the Subrecipient’s Application, this Scope of Work prevails. In the event of any conflict between this Agreement and Exhibit A (Federal Award Requirements), Exhibit A prevails, as provided in General Terms and Conditions, Section O.1 (Order of Precedence).

D. Health Professional Service Obligation Terms

The Health Professional Service Obligation Terms applicable to each Health Professional are set forth in Attachment B of the WDRR Grant Guide (Health

Professional Service Obligation Terms), which the Subrecipient shall incorporate into every Health Professional award agreement. Every WDRR bonus carries a uniform five (5) year rural service obligation. The Subrecipient is responsible for implementing, monitoring, enforcing, and recouping the Service Obligation as provided in Attachment B and Section H.

Full-Time Rural Practice Verification. The Subrecipient shall monitor and verify each Health Professional's satisfaction of the full-time rural practice requirement throughout the five (5) year Service Obligation. Unless Protected Leave or an approved leave, suspension, waiver, or site-change arrangement applies, each Health Professional must provide qualifying care for not less than thirty-two (32) hours per week at one or more approved qualifying rural sites located in rural California or through an approved rural service arrangement.

The Subrecipient shall obtain and maintain documentation sufficient to verify the weekly requirement, which may include payroll records, time and attendance records, schedules, encounter or productivity records, supervisor certifications, site attestations, approved telehealth documentation, or other reliable records appropriate to the role and setting. The Subrecipient shall require the Health Professional and an authorized representative of the approved site to certify service compliance at least annually and more frequently if required by HCAI, and shall promptly notify HCAI of any material reduction in hours, site or employment change, extended leave, suspension or waiver request, termination, or other circumstance that may affect completion of the Service Obligation.

Failure to maintain qualifying service, unless excused by Protected Leave or an approved leave, suspension, waiver, or transfer, terminates entitlement to future Disbursements as provided in Section C and the Health Professional Award agreement.

E. Reports and Deliverables

Subrecipient shall submit all deliverables for this Agreement no later than the due dates stated in Section C. Subrecipient shall record all expenditures in real time and provide supporting financial documentation to HCAI within five (5) business days of any written HCAI request, to support HCAI's Federal Financial Report (FFR) submissions to CMS (see Exhibit A, A.4).

F. Invoicing

F.1 For services satisfactorily rendered in accordance with the Scope of Work, and upon receipt and approval of each annual report, HCAI agrees to compensate Subrecipient in accordance with the rates specified herein.

F.2 HCAI will release annual prospective payments upon receipt and review of the required financial reports.

F.3 Each invoice/report shall be certified by the Subrecipient's authorized financial contact and program director (or designees) that costs are true, correct, and allowable under 2 CFR Part 200 Subpart E and the Federal Award.

G. Budget Detail and Payment Provisions

G.1 HCAI and/or its designee will make prospective payments to Subrecipient in the year(s) specified in the Grant Guide, once the specified financial and activity reports have been reviewed and approved.

G.2 Under no circumstances shall HCAI make payments after September 30, 2027.

G.3 Program-costs allowance of up to 10% of the total award (taken from the award) applies, documented against actual staff time, consistent with the Grant Guide. Direct salary at or above the federal Executive Level II rate must be paid above the cap only from non-HHS funds (see Exhibit A, A.3).

H. Recoupment and Survival

H.1 HCAI shall recoup any funds used by the Subrecipient for purposes outside the Scope of Work.

H.2 The Subrecipient's duty to monitor each Health Professional's five (5) year Service Obligation, and to recoup and return funds to HCAI upon any breach, survives the termination of this Agreement and the close of the Federal Award period of performance, and continues until every Service Obligation is completed, waived, or fully recouped. Any amounts recovered that are attributable to the Federal Award shall be returned to HCAI for return to the U.S. Treasury as required by Public Law 119-21.

H.3 **Recoupment of Funds; Return of Funds.** Each of the following is a Recoupment of Funds: use of Grant Funds for an unallowable cost or outside the approved scope of work or approved budget; a Disbursement made without the verification and documentation required by this Agreement; a Disbursement to an ineligible recipient; a duplicate or prohibited payment; a false, inaccurate, incomplete, or misleading certification, payment request, or supporting record submitted by the Subrecipient; failure to maintain records sufficient to substantiate eligibility, Disbursement, allowability, or service compliance; or any other event requiring return of funds under this Agreement, the Grant Guide, or applicable federal requirements. Unless a different timeframe is required by Attachment B or written HCAI direction, the Subrecipient shall return the Repayment Amount to HCAI within sixty (60) calendar days after the earlier of (a) written demand by HCAI or (b) the date the Subrecipient knew or, in the exercise of reasonable diligence, would have known of the Recoupment of Funds. HCAI may withhold, offset, reduce, suspend, or recover amounts from current or future payments to the extent permitted by law and the applicable federal award requirements.

H.4 **Survival of Monitoring, Recordkeeping, and Return Duties.** The Subrecipient's duties to monitor each Service Obligation, verify qualifying service, maintain records, report compliance status, notify HCAI of any Recoupment of Funds, return funds, and cooperate with audits and federal reviews shall survive expiration or termination of this Agreement, and shall continue until the latest of: completion of each five (5) year Service Obligation; final resolution of any leave, suspension, waiver, transfer, breach, return, audit, or enforcement matter; return to HCAI of all required amounts; expiration of the applicable record-retention period under 2 CFR 200.334; or any later date required by applicable law, the Federal Award, audit, litigation hold, or written HCAI direction. Duties performed

after the end of the period of performance shall be performed at the Subrecipient's own expense, and such costs are not chargeable to the award. Termination of this Agreement, expiration of the grant payment period, closeout of the Federal Award, or termination of a Health Professional's employment shall not release the Subrecipient from any surviving obligation.

I. Breach Provisions

Subrecipient shall return to HCAI any funds paid to Health Professionals who fail to fulfill required Service Obligations under Attachment B in the WDRR Grant Guide. Subrecipients shall require Health Professionals to return the unearned portion of the award to the Subrecipient so the Subrecipient can return these funds to HCAI. Subrecipient is responsible to repay all such funds to HCAI irrespective of whether Subrecipient is able to recoup funds from Health Professionals per this Section I.

Subrecipient Responsibility. The Subrecipient remains fully responsible to HCAI for return of all amounts required to be returned under this Agreement. That responsibility is independent of, and not conditioned upon, the Subrecipient's recovery of any amount from any third party, and is not excused by any third party's refusal, inability, insolvency, or bankruptcy, except to the extent HCAI grants a written waiver or CMS or another applicable federal authority approves other treatment. The Subrecipient shall notify HCAI promptly, and in no event later than five (5) business days after discovery, of any actual or potential Recoupment of Funds, repayment dispute, threatened litigation, bankruptcy notice, or other circumstance that may affect return of Grant Funds.

Death and Permanent Disability. If a Health Professional dies or becomes permanently disabled such that qualifying service cannot continue or be completed, the remaining Service Obligation shall be addressed through HCAI's request to CMS as provided in Attachment B; and neither the death or disability, nor amounts properly disbursed for service completed before the death or disability, shall constitute a Recoupment of Funds.

J. Accounting Records and Audits

J.1 Accounting for Grant Funds shall follow generally accepted accounting principles consistently applied. Supporting records must show the exact amount and nature of expenditures.

J.2 Subrecipient shall permit the HCAI Director, the California State Auditor, the State Controller, HCAI, CMS, HHS, the U.S. Comptroller General, or their authorized representative's access to records for audit and examination.

J.3 Subrecipient shall preserve and make available its records for a period of three (3) years from the date of final payment or final closeout of the Federal Award, whichever is later, consistent with 2 CFR 200.334 (see Exhibit A, A.5), and longer if required by statute, litigation, claim, or audit.

J.4 If the Subrecipient expends $1,000,000 or more in federal awards in its fiscal year, it shall arrange a Single Audit under 2 CFR Part 200 Subpart F and provide HCAI a copy within fifteen (15) calendar days of submission to the Federal Audit Clearinghouse (see Exhibit A, A.5).

J.5 **Accounting, Segregation, and Documentation of Subrecipient Award and Health Professional Awards.** The Subrecipient shall maintain financial management systems, internal controls, accounting records, and supporting documentation sufficient to identify, trace, reconcile, and substantiate all Grant Funds received, obligated, disbursed, retained, returned, or repaid under this Agreement, consistent with 2 CFR 200.302 and 200.303 and the applicable cost principles. The Subrecipient shall account for the Subrecipient Award separately from unrestricted operating funds so that HCAI, CMS, HHS, the California State Auditor, the State Controller, the U.S. Comptroller General, or their authorized representatives can determine the source, amount, timing, purpose, recipient, allowability, and status of each use of Grant Funds. A separate bank account is not required unless required by HCAI or applicable law, but the Subrecipient shall not commingle Grant Funds in a manner that prevents tracing, reconciliation, or audit.

For each Health Professional Award, the Subrecipient shall maintain, at a minimum: eligibility documentation; the executed bonus agreement; the approved amount and funding category; Disbursement records; documentation supporting qualifying service; records of any Protected Leave or approved leave, suspension, waiver, site change, or transfer; annual and other required certifications; documentation of any Recoupment of Funds; amounts returned to HCAI; and related HCAI correspondence. Records shall be retained for the period required by 2 CFR 200.334 or any longer period required by the Federal Award. The Subrecipient shall reconcile award records at least quarterly, or more frequently if required by HCAI, and shall promptly investigate and correct any discrepancy, unsupported cost, duplicate payment, or potentially unallowable expenditure.

K. Budget Contingency Clause

K.1 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 HCAI shall have no liability to pay any funds.

K.2 This Agreement is additionally contingent on the continuation of the Federal Award. If CMS reduces, suspends, or terminates the Federal Award (2 CFR 200.340), HCAI may immediately reduce or terminate this Agreement with written notice and will reimburse only allowable costs incurred through the effective date of reduction or termination (see Exhibit A, A.10).

L. Budget Adjustments

Budget adjustments that do not change the total amount or other terms may be made on written request and HCAI approval. Requests must be submitted to HCAI in writing at least ninety (90) days before the Grant Agreement end date and may not increase the total award.

M. Media and Press Engagements

Before undertaking or responding to any media inquiry or press engagement regarding this Agreement, Subrecipient shall contact the HCAI Program Officer for written approval. All press releases must be submitted to HCAI at least two weeks before the

intended publication date; release is prohibited until HCAI grants approval. Subrecipient shall also comply with the federal pre-release review timelines and the Stevens Amendment acknowledgment in Exhibit A, A.9 and A.11.

N. Executive Order N-6-22 — Russia Sanctions

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

O. General Terms and Conditions

O.1 **Order of Precedence.** In the event of any conflict, the federal requirements in Exhibit A (Federal Award Requirements) control over the body of this Agreement, Attachment B, and the Grant Guide. Federal flow-down provisions cannot be waived or modified by any other provision of this Agreement.

O.2 **Final Agreement.** This Agreement, with its Application, exhibits, and forms, constitutes the entire agreement subject to the Order of Precedence above.

O.3 **Ownership and Public Records Act.** All reports and supporting documentation become State property and are subject to the California Public Records Act. In addition, CMS retains a royalty-free, nonexclusive, irrevocable license to reproduce, publish, and use all works developed under the Federal Award for federal purposes (2 CFR 200.315(b); Exhibit A, A.12).

O.4 **Non-Discrimination.** Subrecipient shall comply with the California nondiscrimination requirements (Gov. Code §12900 et seq.; Cal. Code Regs. tit. 2 §11000 et seq.) and the federal antidiscrimination laws certified in Exhibit A, A.7 (Title VI, Section 504, Title IX, Age Act, ACA §1557).

O.5 **Independence; Waiver; Approval; Amendment; Assignment; Indemnification; Disputes; Termination for Cause; Governing Law; Survival; Unenforceable Provision.** These provisions are preserved from the base agreement without substantive change and apply to this Agreement.

O.6 **Mandatory Disclosure.** Subrecipient shall promptly disclose in writing to HCAI and the HHS OIG all violations of federal criminal law involving fraud, bribery, or gratuity potentially affecting the Federal Award (2 CFR 200.113; Exhibit A, A.8).

O.7 **No Dilution of Federal Requirements; Downstream Consistency.** No Health Professional award agreement, employment agreement, personnel policy, repayment plan, site agreement, consortium agreement, or other downstream document may waive, reduce, delay, or otherwise dilute the Subrecipient's

obligations under this Agreement, the Grant Guide, Attachment B, or applicable federal award requirements. If any downstream document conflicts with this Agreement, Attachment B, or applicable federal requirements, this Agreement and the federal requirements control as between HCAI and the Subrecipient. The Subrecipient shall not enroll a Health Professional whose governing collective bargaining agreement or employment terms conflict with the program requirements unless the conflict is resolved or HCAI approves an accommodation in writing. Each bonus agreement shall expressly state that its service obligation, documentation, reporting, and Disbursement terms are intended to satisfy the WDRR Program requirements and are subject to this Agreement, the Grant Guide, Attachment B, and applicable federal award requirements. The Subrecipient shall not modify, waive, compromise, forgive, or release any material Service Obligation or return obligation without prior written notice to HCAI and, where required, written approval by HCAI, CMS, or another applicable authority.

P. Project Representatives

The representatives of HCAI and the Subrecipient, and their contact information, are set forth in the table the parties complete at execution. Direct all inquiries as indicated therein. By signing this Grant Agreement, I acknowledge that I am subject to the eligibility requirements identified in the Workforce Development Recruitment and Retention Grant Guide for Cycle Year 2026 (the "Grant Guide"), which is incorporated into this Agreement in its entirety by reference. I understand that I may be disqualified from the process if an eligibility conflict is identified based on the criteria set forth in the Grant Guide.

IN WITNESS WHEREOF, the parties have executed this Agreement.

DEPARTMENT OF HEALTH CARE ACCESS AND INFORMATION	**SUBRECIPIENT**
Signature: _____	Signature: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

EXHIBIT A — FEDERAL AWARD REQUIREMENTS (CalRHT / CMS RHTP)

Federal Award Identification (2 CFR 200.332(a))

Federal awarding agency	Centers for Medicare & Medicaid Services (CMS), HHS
Pass-through entity	California Dept. of Health Care Access and Information (HCAI)
Federal Award Identification Number (FAIN)	[FAIN — HCAI to insert]
Federal award date	[Award date — HCAI to insert]
Assistance Listing No. & name	[Listing # — HCAI to insert] — Rural Health Transformation Program
Statutory authority	Section 71401, Public Law 119-21
Subaward period of performance	[Start] through September 30, 2027
Is the Federal Award R&D?	No — program delivery, not research

A.1 **Subrecipient status and cost principles.** The Subrecipient is subject to 2 CFR Part 200 Subparts D, E, and F and Part 300. Health Professional award recipients are Subrecipient beneficiaries; federal flow-down stops at the Subrecipient tier.

A.2 **SAM.gov entity tracking.** Maintain active SAM.gov registration and a current UEI throughout the term (2 CFR Part 25). Provide HCAI the UEI, EIN, Tax ID, and NPI for all sites/key personnel within 30 days of the Effective Date, and verify that no party is debarred or suspended (2 CFR 200.214; NOA Std T&C §31).

A.3 **Allowable and prohibited costs.** All costs charged to this Agreement must be allowable under 2 CFR Part 200 Subpart E and the HHS-specific modifications at 2 CFR Part 300. The following uses of Grant Funds are expressly prohibited per NOA Standard T&C §27 (Prohibited Uses of Grant or Cooperative Agreement Funds), CMS Program T&C §14 (Use of Funds), the CMS RHTP NOFO (CMS-RHT-26-001), and 2 CFR Part 200 Subpart E: (a) pre-award costs; (b) costs used to meet matching requirements for any other federal funds or local entities; (c) services, equipment, or supports that are the legal responsibility of another party under federal, State, or tribal law (e.g., vocational rehabilitation or education services) or under any civil rights law (e.g., workplace accommodations); (d) goods or services not allocable to the approved Scope of Work; (e) supplanting existing State, local, tribal, or private funding of infrastructure or services, including staff salaries; (f) construction, building expansion, or significant retrofitting; (g) capital expenditures for improvements to land, buildings, or equipment that materially increase value or useful life as a direct cost, except with prior written CMS approval; (h) independent research and development costs,

including their proportionate share of indirect costs (2 CFR §300.477); (i) profit to any recipient, even a for-profit recipient (amounts in excess of allowable direct and indirect costs); (j) lobbying and any activity designed to influence the enactment of legislation, appropriations, regulation, administrative action, or executive order proposed or pending before Congress or any state or local legislative body (31 U.S.C. §1352; 45 CFR Part 93; 2 CFR §200.450); (k) covered telecommunications and video surveillance equipment or services (2 CFR §200.216); (l) promotional items and memorabilia, including models, gifts, and souvenirs; (m) advertising and public relations designed solely to promote the non-Federal entity; (n) meals, except in the limited circumstances permitted by §27 (subjects/patients under study; specifically approved program activity; or as part of allowable per diem during approved travel); (o) duplicate payments for clinical services reimbursable by insurance; and (p) CalRHT "Provider Payments" (Use of Funds Category B) under the CalRHT initiative. Direct salary at or above the federal Executive Level II rate is payable above the cap only from non-HHS funds (see Section G.4; NOA Standard T&C §24).

A.4 **Reporting and real-time records.** Subrecipients must maintain timely, accurate financial records of expenditures; submit required financial and activity reports through HCAI's designated reporting systems (e.g., Funding Portal); and provide supporting documentation promptly upon HCAI request to support state and federal reporting, including CMS Federal Financial Reports, in accordance with the Notice of Award terms and conditions.

A.5 **Records retention and audit.** Retain all records for at least three (3) years after final closeout (2 CFR 200.334). HCAI, CMS, HHS, and the Comptroller General may audit all related records. A Single Audit is required if the Subrecipient expends $1,000,000+ in federal awards in its fiscal year (2 CFR Part 200 Subpart F); provide HCAI a copy within 15 calendar days of FAC submission.

A.6 **Noncompliance and remedies.** Noncompliance with this Exhibit is a material breach. HCAI may withhold payments, require a corrective action plan within 15 calendar days, reduce or terminate the subaward, or require repayment of federal funds. Subrecipients shall indemnify HCAI for any costs, penalties, or repayment imposed on HCAI by CMS due to the Subrecipient's noncompliance.

A.7 **Federal certifications.** By executing this Agreement, and as a material condition of receiving and retaining federal funds, the Subrecipient certifies the following.

(i) Federal antidiscrimination laws (NOA Standard T&C §2).

Compliance with Title VI of the Civil Rights Act of 1964 (42 U.S.C. §2000d et seq.; 45 CFR Part 80); Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §794; 45 CFR Part 84); Title IX of the Education Amendments of 1972 (20 U.S.C. §1681 et seq.; 45 CFR Part 86), including Executive Order 14168; the Age Discrimination Act of 1975 (42 U.S.C. §6101 et seq.; 45 CFR Part 91); and Section 1557 of the Patient Protection and Affordable Care Act (42 U.S.C. §18116; 45 CFR Part 92). The Subrecipient further acknowledges that compliance is a material condition of the award and that a knowing false certification may subject it to liability under the False Claims Act (31 U.S.C. §3729) and 18 U.S.C. §§287, 1001.

(ii) Debarment and suspension (NOA Standard T&C §23; 2 CFR Part 200.214; 2 CFR Parts 180 and 376).

Neither the Subrecipient nor any principal of the Subrecipient is presently debarred, suspended, proposed for debarment, declared ineligible, voluntarily excluded, or otherwise disqualified from participation in federal nonprocurement transactions, and the Subrecipient will not make any subaward or procurement contract to any party that is so excluded.

(iii) Prohibited uses of grant funds (NOA Standard T&C §27; CMS Program T&C §14; 31 U.S.C. §1352; 45 CFR Part 93; 2 CFR §200.450; 2 CFR §200.216; 2 CFR §300.477).

The Subrecipient certifies that it will not use Grant Funds for any purpose prohibited under NOA Standard T&C §27, CMS Program T&C §14, the CMS RHTP NOFO, or 2 CFR Part 200 Subpart E. The complete operative list of prohibited uses is set forth at Exhibit A, A.3 (Allowable and Prohibited Costs) and includes, without limitation: pre-award costs; matching for other federal funds; supplanting; construction; goods or services not allocable to the Scope of Work; independent research and development (2 CFR §300.477); profit; lobbying or any activity to influence federal or state legislation (31 U.S.C. §1352; 45 CFR Part 93; 2 CFR §200.450); covered telecommunications and video surveillance equipment (2 CFR §200.216); promotional items and memorabilia; advertising and public relations promoting the Subrecipient; meals outside §27 limited circumstances; duplicate payments for insurance-reimbursable clinical services; and CalRHT Provider Payments (Use of Funds Category B). The Subrecipient will complete and submit the Disclosure of Lobbying Activities (SF-LLL) if required by 31 U.S.C. §1352, and will flow the §27 prohibitions down to any subaward or procurement contract.

(iv) Equal treatment of faith-based organizations (NOA Standard T&C §33; 45 CFR Part 87).

The Subrecipient will not discriminate against any individual or potential individual on the basis of religion or religious belief, and will administer the funded program in a manner consistent with 45 CFR Part 87.

(v) Mandatory disclosures (NOA Standard T&C §22; 2 CFR §200.113).

The Subrecipient will promptly disclose in writing to HCAI and the HHS Office of Inspector General all violations of federal criminal law involving fraud, bribery, or gratuity that may affect the Federal Award. The Subrecipient will include this disclosure requirement in every subaward and contract under this Agreement.

(vi) Conflict of interest (NOA Standard T&C §16; 2 CFR §200.112; 2 CFR §300.112).

The Subrecipient will maintain and follow a written conflict-of-interest policy meeting the standards of 2 CFR §200.112 and HHS supplementation, and will disclose to HCAI in writing any actual or potential conflict.

(vii) Employee whistleblower protections (NOA Standard T&C §21; 41 U.S.C. §4712).

The Subrecipient will inform all of its employees in writing, in the predominant native language of the workforce, of the rights and remedies under 41 U.S.C. §4712 protecting employees who disclose evidence of waste, fraud, abuse, or violations of law related to a federal award.

(viii) Telecommunications and video surveillance restriction (NOA Standard T&C §18; 2 CFR §200.216).

The Subrecipient will not use Grant Funds to procure or obtain, or to extend or renew a contract to procure or obtain, equipment, services, or systems that use covered telecommunications equipment or services as described in 2 CFR §200.216.

(ix) Federal regulations and HHS Grants Policy Statement incorporated by reference (NOA Standard T&C §1).

The Subrecipient will comply with all requirements of 2 CFR Part 200 and 2 CFR Part 300; with the HHS Grants Policy Statement (effective October 1, 2025), which NOA Standard T&C §1 incorporates by reference; and with the statutory and national-policy requirements at 2 CFR §300.300. This includes federal Subrecipient certifications addressed in the HHS GPS but not separately named in the NOA, including: drug-free workplace (41 U.S.C. §§8101–8106; HHS GPS); Hatch Act limitations on political activity by employees paid with federal funds (5 U.S.C. §§1501–1508; HHS GPS); prohibition on trafficking in persons (22 U.S.C. §7104(g); 2 CFR Part 175); environmental compliance (Clean Air Act, 42 U.S.C. §7401 et seq.; Clean Water Act, 33 U.S.C. §1251 et seq.); and any other certification the HHS GPS requires as a condition of federal financial assistance.

A.8 **Mandatory disclosure.** Promptly disclose in writing to HCAI and the HHS OIG all violations of federal criminal law involving fraud, bribery, or gratuity potentially affecting the Federal Award (2 CFR 200.113). Include this requirement in any subaward or contract.

A.9 **Stevens Amendment acknowledgment.** All publications, presentations, and public communications must state: “This [project] 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 100 percent funded by CMS/HHS. The contents are those of the author(s) and do not necessarily represent the official views of, nor an endorsement by, CMS/HHS, or the U.S. Government.”

A.10 **Termination tied to the Federal Award.** If CMS reduces, suspends, or terminates the Federal Award (2 CFR 200.340), HCAI may immediately reduce or terminate this subaward with written notice and will reimburse only allowable costs incurred through the effective date. Any amounts withheld or recovered attributable to the Federal Award are returned to the U.S. Treasury (P.L. 119-21).

A.11 **Pre-release review of communications.** Submit publications and external presentations to HCAI at least 30 days before release, and press releases/media advisories at least 7 days before release, for forwarding to the CMS Project Officer (NOA Std T&C §29(F)). This is in addition to the State media review in Section M.

A.12 **CMS federal IP license.** CMS retains a royalty-free, nonexclusive, irrevocable license to reproduce, publish, and use — and authorize others to use — all copyrightable works developed under the Federal Award for federal purposes (2 CFR 200.315(b)). This applies to all deliverables, materials, and reports.

A.13 **Privacy, security and cybersecurity.** Protect individually identifiable health information with safeguards at least as protective as HIPAA (45 CFR Parts 160 & 164). Where the Subrecipient has ongoing access to HHS systems or handles PII/PHI from HHS, maintain a cybersecurity plan consistent with the HHS Administrative and National Policy Requirements (NOA Std T&C §25).

EXHIBIT B — BUDGET AND AWARD CAPS (WDRR)

B.1 Program funding context. Total CalRHT funding awarded to HCAI by CMS for Grant Year 2026 is $233,639,308.46 (100 percent federally funded). The WDRR Program allocation for Grant Year 2026 is $54,170,000 (the “WDRR Pool”). This Agreement is funded from the WDRR pool. (Grant Guide cover page; Award Funding.)

B.2 Award caps per Subrecipient. Award amounts under this Agreement shall not exceed the following:

(a) Individual facility: not to exceed $1,000,000.

(b) Consortium, collaborative, or system: not to exceed $2,000,000.

(c) HCAI may award full, partial, or no funding based on the applicant's evaluation score relative to the eligible applicant pool, the total amount of available funding, and geographic distribution priorities.

(d) Total award to this Subrecipient under this Agreement: $[TBD — HCAI to insert award amount].

B.3 Per-Health Professional sub-caps. For each Health Professional award the Subrecipient makes to a Health Professional under this Agreement:

(a) Recruitment bonus: not to exceed $150,000 per Health Professional per subaward cycle.

(b) Retention bonus: not to exceed $150,000 per Health Professional per subaward cycle.

(c) A Health Professional may not concurrently hold a recruitment bonus and a retention bonus from WDRR; the restriction in Section C.7 applies.

B.5 Budget Amount:

(a) Tribal set-aside: HCAI to specify amount or percentage reserved for Tribal applicants if this Agreement participates in the Tribal set-aside.

B.6 Program costs allowance (in lieu of indirect costs). Indirect costs are not an allowable budget category under WDRR. In their place, a program costs allowance of up to ten percent (10%) of the total award amount applies, on the following terms:

(a) The allowance may be used to pay for organization staff time coordinating WDRR at the facility level, or consortium staff time organizing the awards and disbursing funds across collaborative members.

(b) The 10% allowance is taken FROM the total award amount; it reduces the funds available for recruitment and retention bonuses, rather than being added to them.

(c) The allowance must be documented against actual staff time spent on WDRR coordination.

(d) The allowance may not be used to bypass the federal Executive Level II salary cap or to fund unallowable activities.

(e) The Subrecipient’s election (full 10%, partial, or none) must be reflected in the approved budget; any unused portion may be redirected to recruitment or retention or bonuses.

B.7 Unallowable costs. Costs unallowable under this Agreement are set out in Section C.5 (Unallowable Uses) and Exhibit A, A.3 (Allowable & Prohibited Costs). In any conflict, the more restrictive provision controls.

B.8 Payment structure. Awards under this Agreement are structured as a one-time prospective payment during the annual grant cycle, made by HCAI or its designee following HCAI's review and approval of the required financial and activity reports. Subsequent year's awards (if any) require a separate new application and a separate new agreement. Under no circumstances shall HCAI make payments to the Subrecipient after September 30, 2027.

B.9 Budget adjustments. Budget adjustments that do not change the total award or other terms may be made on written request and HCAI approval. Adjustment requests must be submitted at least ninety (90) days before the Grant Agreement end date and may not increase the total award. (See Section L of this Agreement.)

B.10 Detailed budget and supporting documentation. The Subrecipient's detailed budget, including annual allocations by site and by funding category, is submitted by the Subrecipient post-tentative-award per the Grant Guide and is approved by HCAI before the first payment is released. The approved detailed budget is incorporated into this Agreement and this Exhibit B upon HCAI's written approval, without need for a formal amendment. In the event of any conflict between the approved detailed budget and the caps and limits in this Exhibit B, this Exhibit B controls. Any revision to the approved detailed budget shall be made only in accordance with Section L and Section B.9. The approved detailed budget is incorporated into this Agreement by reference upon HCAI approval.