California Rural Healthcare Transformation (CalRHT) Initiative 1: Transformative Care Model Expand and Support Rural Workforce Capacity

Grant Guide

For Budget Period 1 – 2026

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"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 subaward 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 Subaward 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 $233,639,308.47 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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Family Medicine Obstetrics (FM-OB) Fellowship Subaward Program under Expand and Support Rural Workforce Capacity

Background and Mission

The Department of Health Care Access and Information (HCAI) through the California Rural Health Transformation Program (CalRHT) is developing the Family Medicine Obstetrics (FM-OB) Fellowship Subaward Program as a proposed funding opportunity under the Transformative Care Model (TCM) initiative's Expand and Support Rural Workforce Capacity. This Grant Guide is intended to explain, in applicant-facing terms, the purpose of the proposed opportunity, the anticipated application requirements, the award structure under consideration, and the key conditions that applicants should be prepared to meet.

The FM-OB Fellowship Subaward Program expands access to high-quality maternity and perinatal care in California's rural communities by increasing the number of family physicians with advanced obstetrics training. Through support for family medicine obstetrics fellowship programs and regional collaborative care models, the program builds sustainable obstetric workforce capacity where rural patients receive care, preparing physicians to practice in underserved communities and improving maternal and infant health outcomes.

Description of Program Services

The FM-OB Fellowship Subaward Program is structured as an organizational subaward program administered through a competitive request for application (RFA) process. Organizations apply through the FM-OB Fellowship Subaward Program Application. HCAI enters into agreements directly with awarded organizations, which are then responsible for implementing the approved proposal, maintaining separate cost accounting, and reporting on milestones and outcomes.

Subrecipients will develop new or expand existing FM-OB fellowship capacity. Awards may be used to support:

- Planning activities for organizations developing a new fellowship, including feasibility assessments, curriculum design, partnership development, and clinical-site development.
- Implementation and expansion activities, including new rural-focused fellowship positions, new rural rotation sites, and faculty and preceptor capacity.
- Regional shared services, supervision pools, and coordination infrastructure that support fellowship sites within a regional care collaborative.

This program funds the programmatic and infrastructure costs of expanding FM-OB fellowship capacity. It does not provide individual financial support to fellows. Each

funded activity should support the expansion or enhancement of rural-focused FM-OB fellowship capacity. Applicants should describe how proposed activities contribute to rural workforce development and demonstrate that CalRHT funds will supplement, rather than replace, existing funding sources.

As fellows complete their training, the fellowship programs will encourage their placement in rural collaboratives with a focus on maternity care and the CalRHT primary and maternity care regional collaboratives. Fellows who choose CalRHT participating sites will be further eligible for Workforce Development Recruitment and Retention Program assistance.

Available Funding

Budget Period 1 Funding

In CalRHT Budget Period 1 (BP1), $6,500,000 is available to expand and support rural workforce capacity through the FM-OB Fellowship Subaward Program for programmatic and infrastructure costs to expand fellowship capacity.

Consistent with the CMS-approved Budget Narrative, BP1 awards are expected to range from $150,000 to $500,000 per fellowship program per year. Planning context developed during program design indicates that a fully loaded FM-OB fellowship position runs roughly $200,000 to $250,000 per year, of which CalRHT funds cover only the programmatic and infrastructure share. These estimates are provided for planning purposes only and do not represent funding commitments. Final funding available for release, final award size, final number of awards, and final disbursement structure remain subject to HCAI discretion.

Future Funding Consideration

BP1 funding is intended to support the planning, establishment, implementation, or expansion of rural-focused FM-OB fellowship capacity. Organizations that successfully achieve approved BP1 milestones, including the enrollment of one or more fellows and implementation of the proposed fellowship activities, may be eligible to apply for future CalRHT funding opportunities in subsequent budget periods. Eligibility for future funding is contingent upon the availability of funds, satisfactory performance, compliance with reporting requirements, and any additional program requirements established by HCAI. Receipt of a BP1 award does not guarantee future funding.

Eligibility

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 its own independent

application. To be eligible, an applicant must be an aspiring or existing graduate medical education (GME) sponsoring institution and one of the following:

- Hospital, including Critical Access Hospital (CAH)
- Federally Qualified Health Center (FQHC) or FQHC Look-Alike
- Tribal Clinic or Native American Health Center
- Certified Rural Health Clinics
- Other Comprehensive Community Health Clinic
- Regional Collaborative or Consortium
- Health Care District
- Academic Medical Center or University

Other sites may be approved by HCAI on a case-by-case basis. If the parent organization is not rurally located, a rural partnership is required so that fellows can train in rural environments. Participating sites are expected to:

- Connect to a rural, frontier and remote area (FAR), or shortage-designated communities, which may include Health Professional Shortage Area (HPSA), and
- Demonstrate the preceptor, supervision, and clinical volume to support the proposed expansion.

Applicants must provide the National Provider Identifier (NPI) for the primary fellowship training site and any currently participating clinical training sites, if applicable.

For applicants that do not operate a site with an individual or facility-level NPI, including certain academic institutions, universities, graduate medical education sponsoring organizations, or regional consortia, the Employer Identification Number (EIN) is required at application. In such cases, identification of participating clinical training site NPIs may be provided at application or as a required post-award milestone prior to fellowship implementation.

For proposed new fellowship programs, NPIs for affiliated training sites may be identified as sites are finalized and documented through partnership agreements, memoranda of understanding (MOUs), or other HCAI-approved documentation.

Eligible Funding Categories for Organizational Applicants

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

- Planning subawards for organizations developing a new fellowship,
- Implementation and expansion subawards for organizations ready to launch or expand rural-focused fellowship capacity,
- Regional shared services and supervision pools across rural training sites,

- Curriculum and training infrastructure, including simulation and telementoring such as Project Extension for Community Healthcare Outcomes (Project ECHO) models, and/or
- Slot creation and program operations, including micro-grants to rural clinics, hospitals, and FQHCs to create new fellowship slots, program coordinator time, and accreditation costs.

Regional Care Collaborative Participation

Participation in a regional care collaborative or other formal rural partnership structure is encouraged but is not required for eligibility. Applicants that demonstrate meaningful collaboration with regional partners, rural training sites, or maternity care networks may receive additional consideration during application review. HCAI recognizes that the availability and structure of regional collaboratives may evolve over time and does not require affiliation with a specific network as a condition of funding.

Rural Training Exposure and Workforce Development

The FM-OB Fellowship Program is designed to expand rural maternity care capacity through fellowship training experiences that include participation in rural clinical settings. Fellowship programs are expected to incorporate meaningful rural training experiences, which may include rural practice sites, rural rotations, or other structured rural learning opportunities.

Because comprehensive obstetric training may require clinical experiences available only in higher-volume settings, fellowship programs may include both rural and urban training components. The program does not require fellows to originate from rural communities or to commit to practicing in a rural community following completion of training. Instead, the program seeks to increase rural workforce capacity through direct support to rural training sites, meaningful rural clinical exposure, and alignment with other CalRHT workforce initiatives that encourage long-term rural practice.

Allowable Use of Funds & Budget Restrictions

Allowable Uses of Funds

CalRHT funds under this program may be used for the programmatic and infrastructure costs of expanding rural FM-OB fellowship capacity. Allowable uses of funds include, but are not limited to the following categories:

- **Faculty effort and preceptor support.** Salary, benefits, and protected time for the faculty and preceptors who carry the expansion. This covers program director and associate program director effort tied to the new rural focus or new fellowship slot, supervising attending time that is not separately reimbursed as clinical care,

preceptor effort at rural rotation sites, faculty development that builds and sustains rural obstetric teaching capacity, and faculty recruitment to fill roles required by the expansion. CMS guidance identifies preceptors and faculty as workforce infrastructure, not as individuals to whom the five-year rural service commitment attaches.

- **Administrative and program operations.** Program coordinator and administrator salary, accreditation and recognition fees, malpractice coverage at the institutional level, electronic medical record and information technology integration for trainees, and the share of graduate medical education (GME) or departmental administrative overhead (≤10%) reasonably allocable to the funded expansion.
- **Teaching, curriculum, and didactic infrastructure.** Curriculum development for rural-focused obstetric training, simulation equipment and training materials, didactic delivery, teaching technology, partnerships with universities and academic partners for didactic content, and educational delivery models that expand access to specialty expertise in rural communities. Allowable activities include telementoring platforms such as Project Extension for Community Healthcare Outcomes (Project ECHO), Train-the-Trainer programs, the Perinatal Psychiatry Access Program (PPAP), the California Child and Adolescent Mental Health Access Portal (Cal-MAP), and other evidence-based educational and consultation models that strengthen maternal, behavioral health, and interdisciplinary care capacity. Activities that support participation in rural maternal health collaboratives, regional care collaboratives, and other maternity-focused workforce development initiatives are also allowable when directly related to the objectives of the FM-OB Fellowship Program.
- **Regional shared services.** Shared regional staffing pools, coordinated scheduling across rural training sites, regional supervision and preceptor capacity, faculty and program travel between affiliated fellowship sites, and the coordination infrastructure that supports multiple fellowship sites within a TCM regional care collaborative.

Budget Category Limitations

CalRHT funds do not support fellow salary, stipend, housing, relocation, tuition, or other individual benefits, as described below. CalRHT funds may not supplant existing faculty, administrative, or program funding. Where a faculty or administrative role already exists and is already funded, CalRHT may support only the incremental effort tied to the expansion, not the existing baseline.

Unallowable Use of Funds. CalRHT funds under this program may not be used for:

- **Individual provider support.** Fellow salary, stipend, housing or living assistance, relocation costs, travel allowances, tuition, loan repayment, sign-on or retention bonuses and childcare vouchers or subsidies. These are individual benefits that would trigger the 5-year rural service commitment and are outside the design of this program.
- **Supplanting.** Replacing State, local, tribal, or private funds already budgeted for an existing fellowship position or activity. CalRHT funds may support only genuine expansion that current funding cannot cover.
- **Provider payments and duplicate payments.** Payments for billable clinical services, payments that duplicate services reimbursable by insurance, or payments that change existing fee schedules.
- **New construction and major capital.** New construction, building expansion, significant retrofitting, cosmetic upgrades, or costs that materially increase the value or useful life of a capital asset. Minor renovations or alterations may be allowable only if clearly linked to program goals, approved by CMS in advance, and within the CMS limit that renovation and alteration costs do not exceed 20% of total funding awarded in a budget period.
- **Pre-award costs, lobbying, and other prohibited costs.** Costs incurred before the subaward start date, lobbying activities, and other costs prohibited under 2 CFR Part 200 and the U.S. Department of Health and Human Services (HHS) Grants Policy Statement.
- **Duplication across CalRHT initiatives.** Any cost already funded under any other CalRHT-funded activity, contract, or subaward.

Application Process Resources

It is critical that all organizations review the full application package before applying. The final applicant package will include the following resources:

1. **Expand and Support Rural Workforce Capacity Request for Application (RFA)**. This document sets forth the controlling solicitation terms, including dates, submission requirements, and evaluation procedures. This also includes the fillable application portal.
2. **Budget workbook template.** This template document provides structured instructions for budget development and submission, and it is a required attachment for applicants.
3. **Glossary and addenda issued by HCAI, if / when applicable.**

HCAI is committed to supporting applicants throughout the application process and encourages interested organizations to reach out with any questions. Questions

regarding the application or submission process may be directed to info@calruralhealth.org.

Key Dates

The final published Expand and Support Rural Workforce application portal will specify the official application cycle dates which are subject to change. Estimated dates are as follows:

Milestone	Timeline
RFA release target	July 15, 2026
Application close	August 14, 2026
CMS review of selected applicants	August / September 2026
Award notifications issued	August / September 2026
Grant agreements executed	September / October 2026

Application Instructions

- Read this Grant Guide and the provided application materials before starting the application.
- Confirm organizational fit based on the final eligibility criteria.
- Identify a primary point of contact and an authorized representative before beginning the application.
- Prepare materials needed for each application component before the application close date.

A submitted application must contain all required information and conform to required formatting. The core sections of the application are as follows:

Section	Details
Applicant Profile	This section consists of organizational identifiers and contact information for the applicant organization. This would reflect the legal entity that will execute the grant agreement. Fields in this section include:

	Entity legal name, primary point of contact, authorized representative, additional contact (optional), legal business address, System for Award Management (SAM) status, Unique Entity Identifier (UEI), Taxpayer Identification Number (TIN) / Employer Identification Number (EIN), National Provider Identifier (NPI – optional), Tribal Entity
Proposal Overview	This section provides information about the proposed request for funds, including the specifics about the Family Medicine Obstetrics Fellowship Subaward Program you wish to establish or expand. Fields in this section include: Executive summary, proportion of fellowship training occurring at rural or rural-serving sites, curriculum and training site capacity, requested funding amount, completed budget workbook
Partnership Participants	This section provides information about proposed or existing partnerships that will support the applicant organization in fulfilling the proposed fellowship program. It includes information regarding partner organizations and partnership documentation. Fields in this section include: Partnership descriptions, partner organization information, description of partner funding, and partnership documentation
Operations Capability	This section is intended to assess whether the applicant organization has the experience, systems, governance structure, workforce capacity, and operational readiness necessary to: • Implement the proposed program • Manage grant funding and reporting requirements • Coordinate across participating partners Fields in this section include: Partnership management capabilities; operations and grant management capabilities; IT, data, & telehealth infrastructure; staffing & workforce readiness; and execution capabilities
Implementation	This section provides information on a high-level implementation timeline, organized by quarter, that identifies the project's major phases, milestones, anticipated deliverables, and the participating entity or organization responsible for each deliverable or milestone. Fields in this section include: Federal fiscal year quarter; individual in charge of deliverables and/or milestones; and proposed deliverables and/or milestones

Additional Documents	Applicants must submit the most recent IRS Form 990 available for the applicant organization, if applicable. This information may be used to support organizational review, financial assessment, and grant administration activities. Fields in this section include: Form 990 (optional) or alternative documentation
Attestations	This section requires an authorized signature for final submission certification. The authorized representative identified in the application must be authorized to act on behalf of the applicant organization and to make all representations, certifications, and attestations in this application. Fields in this section include: Disclosure of investigations or enforcement actions, non-duplicative funding attestation, acknowledgement of allowable-use restrictions, documentation attestation, and certification of accuracy and completeness

- Applicants are responsible for providing all necessary application information and ensuring that the application submitted is complete and accurate.
- Application development costs in anticipation of award shall not be charged to the State of California.
- Pre-award costs cannot be applied to the grant, thus are not reimbursable, as they occur outside of the window of award.
- HCAI will not consider late or incomplete applications except to the extent expressly stated in the final published application materials.

Budget Workbook

Each organizational applicant must submit a high-level budget at application aligned 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 prioritize needs in rank order, including costs exceeding the funding cap, so HCAI can assess and allocate based on demonstrated need:

- Budget broken out by recipient organization, when multiple sites are identified.
- Program costs allowance: up to 10% of total award, taken from the total award, documented against actual staff time on FM-OB coordination.
- Non-supplantation budget narrative confirming no overlap with other HCAI, federal, state, local, private, or employer reimbursement sources.

- Identification of any individual direct salary at or above the current Executive Level II salary cap of $228,000, effective January 1, 2026, with confirmation that any salary amount exceeding this cap will be paid from non-HHS funds.

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. Organizational applicant workplans must align with the CalRHT goals and objectives. Each organizational applicant must submit a workplan including the following elements:

- Faculty development and assignment to support fellow supervision and instruction (as applicable)
- Administrative and programmatic activities to support expanded/enhanced program capacity
- Plans for fellow recruitment and identification
- Curriculum/didactic development activities (as applicable)
- Use of regional staffing to support the FM-OB program (as applicable)
- Any use of telementoring programs to support program capacity (as applicable)
- Reporting plan aligned to annual Financial Reports, annual Activity Reports, streamlined quarterly financial and performance reports, and streamlined monthly subrecipient activity and financial reporting.
- Align workplan milestones and activity dates to the CalRHT BP1 federal obligation date of October 30th, 2026, and the final HCAI payment of no later than September 30th, 2027.

Organizational Award Process

Review, Evaluation and Scoring

HCAI will make final selections using the criteria in Attachment A: Organizational FM-OB Evaluation Guidelines. HCAI intends to support geographic distribution and may give preference to applicants serving rural counties and to regions not addressed by other scored applications. During review, HCAI staff verify the presence or absence of required information and score applications using the criteria in Attachment A.

Budget Revision

After full review, HCAI intends to issue tentative organizational awards. Organizations selected for tentative awards will be required to submit a revised 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, 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 business days to electronically sign and accept or decline the agreement. Agreements not signed within this period may be considered declined.

Post-Award and Payment Provisions

Subaward Period and Reporting Requirements

Subaward agreements must be fully executed no later than October 30, 2026. All subaward agreements will expire on or before September 30, 2027, which is the end of the federal period of performance. No payments will be issued after September 30, 2027.

Subrecipients are required to submit financial and programmatic reports, along with supporting documentation, through HCAI's web-based Funding Portal according to the reporting schedule established in the final subaward agreement. HCAI or its designee will review submitted reports for completeness, quality, and accuracy before authorizing payment.

To support HCAI's reporting requirements to CMS, subrecipients will provide information necessary for HCAI to complete required annual financial and activity reports, as well as streamlined quarterly financial and performance reporting. Quarterly reporting will include, at a minimum, information on fund obligations and expenditures, fellowship subaward status, and other performance measures identified in the subaward agreement.

Fellowship Program Reporting

In addition to standard program and financial reporting, fellowship programs will be required to report the following:

1) Annual fellow case logs for each fellow, by training site.
2) Clinical training time completed at each participating site for each fellow.
3) Initial post-fellowship practice location for each fellow who completes the program.
4) The total number of fellows who successfully complete the fellowship program.

Payment Provisions

The final subaward agreement will define the payment method and required deliverables. Milestone-based payments could include but are not limited to start-up milestones, output-based milestones, outcomes-based milestones, or administrative / reporting milestones.

Additional Terms and Conditions

1. By submitting an application, the applicant acknowledges that any award will be subject to the final terms and conditions of the program.
2. HCAI may consider the submission of an application to imply acceptance of the final published terms and conditions. All applicants must agree to the final terms and conditions before receiving funds.
3. If the applicant requires internal approval to contract, the applicant must inform the approving authority of the terms and conditions contained in the final award agreement package.
4. Applicants must comply with civil rights, nondiscrimination, accessibility, records retention, audit readiness, required disclosures, privacy and security, and any applicable federal or state publicity requirements.
5. 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).
6. All reports, supporting documentation, and data collected during the funding period which are embodied in those reports, shall become the property of the State and subject to the California Public Records Act (Gov. Code §§ 7920.000 et seq.)

HCAI Department Contact

For questions related to the FM-OB Fellowship Subaward application, please email HCAI staff at info@calruralhealth.org.

Thank you!

We thank you for your interest in the CalRHT FM-OB Fellowship Subaward Program.

Attachment A: Organizational FM-OB Evaluation Guidelines

Category	Guideline
Fellowship Development or Expansion Plan	Quality and feasibility of the proposed plan to establish a new FM-OB fellowship program or expand an existing fellowship program. Consideration may include program design, fellowship positions, and sustainability.
Training Site Capacity and Partnerships	Demonstrated availability of participating training sites, clinical volume, faculty, preceptors, supervision capacity, and partnership agreements necessary to support fellowship activities.
Maternal Health and Integrated Care Curriculum	Availability of procedural and surgical obstetrical training opportunities. Incorporation of evidence-based educational models, maternal behavioral health integration, telehealth, telementoring, Project ECHO, Train-the-Trainer (TnT) programs, Perinatal Psychiatry Access Program (PPAP), California Child and Adolescent Mental Health Access Portal (Cal-MAP), or other innovative approaches that strengthen rural maternal health capacity.
Operational Capability	Experience and previous partnerships, operations and management capabilities, IT, data, and telehealth infrastructure, staffing and workforce readiness, and governance and organizational stability.
Budget and Organizational Readiness	Reasonableness of the proposed budget, alignment of requested costs with allowable activities, organizational readiness, and ability to meet reporting and performance requirements.
Implementation	Project timeline, major milestones, which organization owns deliverables / milestones, and how soon a project can be implemented.