



Texas Rural Hospital Financial Stabilization Grant: Frequently Asked Questions (FAQ)

A. General

1. What is the Rural Hospital Financial Stabilization Grant?

The Texas Rural Hospital Financial Stabilization Grant will provide qualifying hospitals funding for time-limited financial stabilization supports. Financial Stabilization Grant awards will be based on financial need to ensure the maximum amount of funding goes to the hospitals with the greatest need. There will be three tiers of need based on certain financial criteria. Applicants will provide documentation to support the Tier for which they qualify. Tier 1, basic need, will provide \$100,000; Tier 2, moderate need, will provide \$175,000; and Tier 3, high need, will provide \$250,000 to eligible hospitals. The Financial Stabilization Grants are 2-year awards and made in lump sum amounts during the grant project period. Year two of the grant awards will be 50 percent of the amount awarded in year one (e.g., a Grantee receiving \$100,000 in year one will automatically be awarded \$50,000 in year two).

2. Why does HHSC have this funding to give grants to rural hospitals?

Governor Abbott and the Texas Legislature ([2024-25 General Appropriations Act, House Bill 1, 88th Legislature, Regular Session 2023 \[Article II, HHSC, Rider 88, the Rural Hospital Grant Program\]](#)) allocated \$25 million per year for state fiscal years 2024 and 2025 for rural

hospitals beginning September 1, 2023. The grants will target the following needs: financial stabilization, maternal care operations, and alternative payment model readiness.

The Office of Rural Hospital Finance and Coordination (RHFC) team provides funding opportunities and administers programs for rural hospitals in alignment with the Rural Hospital Services Strategic Plan with the goal of ensuring rural Texans have access to hospital services. HHSC distributed the first portion of this funding in October 2023 as a 2-year grant for time-limited financial support for rural hospitals that are transitioning to the new Rural Emergency Hospital (REH) status.

If you are interested in receiving additional information about rural hospital finance, grants and/or technical assistance, please [sign up for email updates](#).

3. What are the reporting requirements for the Financial Stabilization Grant?

HHSC will require rural hospitals that receive Financial Stabilization Grant awards to submit:

- A 2-year Financial Solvency Plan with one-page narrative prior to receiving the first payment of grant funds;
- Monthly progress reports; and
- Any expenditure documents that support eligible expenses.

4. Are there grants for rural health clinics or other rural providers?

Unfortunately, HHSC is not currently offering grants to support rural health clinics. HHSC received a set amount of funding from the Texas Legislature and was directed to support rural hospitals through grants.

5. Who do I contact if I have questions about this grant?

Please email the Rural Hospital Financial Stabilization Grant sole point of contact, Laurie Anderson at HHSC with questions at Laurie.Anderson@hhs.texas.gov.

B. Eligibility/Participation

1. What are the qualifications a rural hospital needs to satisfy to apply for the Financial Stabilization Grant?

To qualify for the Financial Stabilization Grant, a rural hospital must:

- a) Not be a recipient of the HHSC *Texas REH Financial Stabilization Grant* ([Open Enrollment # HHS0014031](#)) **and**
- b) Have a current and active license **and**
- c) Be the sole licensed general hospital or special hospital provider in the county **and**
- d) Be licensed for 25 or fewer beds **and**
- e) Meet certain indicators of financial need **and**
- f) Be classified as a rural hospital as defined by the current [Texas Administrative Code \(TAC\) Title 1, Part 15, Chapter 355, Subchapter J, Division 4, §355.8052](#) **and**
- g) Have no current vendor holds and/or pending disciplinary actions **and**
- h) Agree to monthly reporting/monitoring and periodic meetings with the Office of Rural Hospital Finance and Coordination **and**
- i) Submit a complete application and a 2-year Financial Solvency Plan with a one-page narrative electronically via a web-based tool located at <https://orhfcgrants.smapply.us>.

2. Why are there eligibility requirements for this grant?

Due to the amount of the funding received for the grant program, HHSC had to put limits on its distribution. We needed to ensure funds went where the greatest need existed.

C. Application and Process

1. How does a rural hospital apply for the Financial Stabilization Grant?

HHSC recommends a rural hospital review the Request for Application (RFA) for the Financial Stabilization Grant before they decide to apply. Once a rural hospital is ready to apply, it will need to:

- a) Identify who from their facility needs to register and complete the application;
- b) Gather State Fiscal Year 2022 or State Fiscal Year 2023 administrative and financial data to support the application (e.g., balance sheets, cash flow statements, cost reports, any forecasted report for Unprofitability, rolling 13-week cash flow forecast, profit and loss accounts, etc.);
- c) Register in ["Apply" by Survey Monkey](#);
- d) In "Apply" by Survey Monkey, complete the Administrative Applicant Information and Application (an authorized signatory signature needs to sign the application); and
- e) In "Apply" by Survey Monkey, submit documentation to support the financial data it provided in the application.

2. What information do I need to gather before I fill out the grant application?

Rural hospitals can prepare by referencing the [Financial Stabilization Grant Request for Applications](#) to preview the grant application questions.

Before completing a grant application, HHSC recommends gathering the following information:

- General/Administrative
 - Complete legal name of the hospital, including any “Doing Business As (DBA)”
 - 10-digit Rural Hospital National Provider Identifier (NPI);
 - Federal Employer Identification Number;
 - Texas Franchise Number;
 - Texas Secretary of State Filing Number;
 - DUNS Number;
 - SAM.gov Unique Entity Identifier (UEI);
 - 2 to 6-digit Rural Hospital License Number; and
 - 11-digit Rural Hospital Texas Identification Number (TIN). If your organization does not have a TIN, go to the [Texas Comptroller of Public Accounts website](#) and begin the process for obtaining one by completing [form AP-152](#).
- Financial Performance
 - Facility’s operating margin for State Fiscal Year 2023;
 - Rural hospital’s operating margin for State Fiscal Year 2022 or Texas State Fiscal Year 2023;
 - Cash on Hand for the most recent quarter;
 - Cost reports; and
 - Rolling 13-week Cash Flow Forecast (State Fiscal Years 2022 or 2023)

3. Can multiple people from my hospital access the application?

Yes, multiple people from a rural hospital can access the rural hospital’s application. Before beginning the application, HHSC recommends the

signatory authority for the rural hospital create the first account to register the hospital and completes the eligibility quiz (this can only be completed once). HHSC also recommends that the signatory authority be the representative that submits the completed application on behalf of the hospital since s/he will need to electronically sign it before submission.

If more than two hospital representatives will be accessing a hospital's application, it might also be helpful to designate one representative to coordinate and track the other people in its hospital who will be accessing or completing certain parts of the application.

4. Can my application be saved and completed at a different time?

Yes, it is possible to save a grant application and complete it at a different time. Be sure to click, "Save and Close" before exiting the HHSC Rural Hospital Program Grants Portal.

5. Who can sign a hospital's grant application so it can be submitted?

A hospital signatory authority must sign the application. This is an individual who can enter into legally binding agreements on behalf of the rural hospital.

D. Funding

1. How can funding from the Financial Stabilization Grant be used?

An awarded rural hospital may use grant funds for operational expenses and costs to ensure the hospital remains in continuous operation and is able to provide health services to the public. Examples of expenditures include debt service payment, capital repairs, and equipment purchases/rentals. Please contact the Rural Hospital Stabilization Grant

point of contact at Laurie.Anderson@hhs.texas.gov regarding any questions about the use of grant funds.

2. What is the deadline that grant funding needs to be expended?

At this time, awarded rural hospitals need to expend year 1 funds by August 31, 2024 and year 2 funds by August 31, 2025. These dates are subject to change.