

Budget Narrative

This budget narrative outlines the financial plan for South Carolina’s application to the CMS-RHT-20-001 funding opportunity. It provides a detailed justification for all projected costs associated with the implementation and administration of the Rural Health Transformation (RHT) program. The proposed budget supports a comprehensive strategy to enhance rural health outcomes through targeted initiatives, including Connections to Care, Leveling Up, Wellness Within Reach, Shoring Up to Sustainability, and the Tech Catalyst Fund. Each cost category—personnel, fringe benefits, travel, supplies, contractual services, and indirect costs—has been carefully calculated to ensure alignment with program goals, fiscal responsibility, and compliance with federal funding requirements. This narrative serves to demonstrate the State’s commitment to transparency, accountability, and effective stewardship of public funds.

Budget years in the following tables are defined as follows:

Year 1: Dec. 31, 2025 – Oct. 31, 2026

Year 2: Nov. 1, 2026 – Oct. 31, 2027

Year 3: Nov. 1, 2027 – Oct. 31, 2028

Year 4: Nov. 1, 2028 – Oct. 31, 2029

Year 5: Nov. 1, 2029 – Oct. 31, 2030

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Personnel

Position Title	Name (if known)	Annual	Time	Months	Amount Requested	Initiative
RHT Program Director	N/A	\$90,000	100%	12 Months	\$90,000	All
RHT Program Data Analyst	N/A	\$85,000	100%	12 Months	\$85,000	All
RHT Program Coordinator (Connections to Care)	N/A	\$60,000	100%	12 Months	\$60,000	Connections to Care
RHT Program Coordinator (Leveling Up)	N/A	\$60,000	100%	12 Months	\$60,000	Leveling Up
RHT Program Coordinator (Wellness Within Reach)	N/A	\$60,000	100%	12 Months	\$60,000	Wellness Within Reach
RHT Program Coordinator (Shoring Up to Sustainability & Tech Catalyst Fund)	N/A	\$60,000	100%	12 Months	\$60,000	Shoring Up to Sustainability & Tech Catalyst Fund
RHT Program Contracts Monitor	N/A	\$60,000	100%	12 Months	\$60,000	All
RHT Program Fiscal Analyst	N/A	\$75,000	100%	12 Months	\$75,000	All
Total					\$550,000	

Table 1: Personnel

Personnel by budget year

Budget Year	Year-to-year Increase (Cost of Living Adjustment – 3%)	Total Salaries and Wages
Year 1	Base year (adjusted to ten months)	\$458,333
Year 2	\$16,500	\$566,500
Year 3	\$16,995	\$583,495
Year 4	\$17,505	\$601,000
Year 5	\$18,030	\$619,030
	Total	\$2,828,358

Table 2: Personnel by budget year

Personnel Justification

The state will utilize a team of eight individuals to manage the RHT program in addition to the consultants hired to ensure program compliance (see Consultant/Subrecipient/Contractual Justification for additional details on the consultants). Brief individual job descriptions for each of these eight roles can be found below. The state believes that each of these roles are essential to successfully administering the RHT program in South Carolina in accordance with Centers for Medicare and Medicaid Services (CMS) guidelines.

These costs represent administrative costs with specific initiative allocations detailed in **Table 1**.

Job Summary – RHT Program Director – Vacant

This position directs the overall operations of the program and is responsible for: overseeing the implementation of program activities; coordinating with other agencies and stakeholders. This position will be the responsible authority for ensuring necessary reports/documentation are submitted to CMS. This position relates to all program objectives.

Job Summary – RHT Program Data Analyst – Vacant

The data analyst supports the data-collection, performance-measurement, and reporting functions for the RHT program. They will drive the tracking of project deliverables, evaluate outcomes against program metrics, and generate actionable insights to inform decision-making and compliance with the program. They will work closely with the program team to ensure that key performance indicators are captured, trends are monitored, and deliverables are achieved on time.

Job Summary - RHT Program Coordinator (Connections to Care) – Vacant

The program coordinator supports the implementation and management for the Connections to Care initiative detailed in the project narrative within the larger RHT program. Reporting to the program director, the coordinator is responsible for serving as the primary contact for the Connections to Care sub awardees, ensuring they receive the guidance, resources, and oversight needed to meet program goals and compliance requirements. This role involves day-to-day coordination, monitoring sub awardee activities, facilitating communication, and assisting with data collection and reporting.

Job Summary - RHT Program Coordinator (Leveling Up) – Vacant

The program coordinator supports the implementation and management for the Leveling Up initiative detailed in the project narrative within the larger RHT program. Reporting to the program director, the coordinator is responsible for serving as the primary contact for the Leveling Up sub awardees, ensuring they receive the guidance, resources, and oversight needed to meet program goals and compliance requirements. This role involves day-to-day coordination, monitoring sub awardee activities, facilitating communication, and assisting with data collection and reporting.

Job Summary - RHT Program Coordinator (Wellness Within Reach) – Vacant

The program coordinator supports the implementation and management for the Wellness Within Reach initiative detailed in the project narrative within the larger RHT program. Reporting to the program director, the coordinator is responsible for serving as the primary contact for the Wellness Within Reach sub awardees, ensuring they receive the guidance, resources, and oversight needed to meet program goals and compliance requirements. This role involves day-to-day coordination, monitoring sub awardee activities, facilitating communication, and assisting with data collection and reporting.

Job Summary - RHT Program Coordinator (Shoring Up to Sustainability & Tech Catalyst Fund) – Vacant

The program coordinator supports the implementation and management for the Shoring Up to Sustainability and the Tech Catalyst Fund initiatives detailed in the project narrative within the larger RHT program. Reporting to the program director, the coordinator is responsible for serving as the primary contact for the Shoring Up to Sustainability and Tech Catalyst Fund sub awardees, ensuring they receive the guidance, resources, and oversight needed to meet program goals and compliance requirements. This role involves day-to-day coordination, monitoring sub awardee activities, facilitating communication, and assisting with data collection and reporting.

Job Summary – RHT Program Contracts Monitor – Vacant

The contract monitor supports the effective administration of all contracts associated with the RHT program. Reporting to the program director, this role is responsible for monitoring contractor performance, ensuring compliance with contractual terms, maintaining accurate records, and supporting the procurement and renewal processes. The contract monitor plays a key role in tracking deliverables, reviewing invoices, and coordinating with internal teams and external partners to ensure accountability and adherence to contract requirements.

Job Summary - RHT Program Fiscal Analyst – Vacant

The fiscal analyst is responsible for managing the financial activities and compliance requirements of the RHT program. Reporting to the program director, this role ensures proper budgeting, tracking, reporting, and reconciliation of awarded funds. The analyst works closely with program and finance teams to monitor expenditures, prepare financial reports, and ensure compliance with funding regulations and organizational policies.

Fringe Benefits

Fringe Benefit	Rate	Total Salaries Requested	Amount Requested	Initiatives
Retirement	24.66%	\$550,000	\$135,630	All
Social Security & Medicare	7.65%		\$42,075	All
Insurance	\$10,151 per person/year		\$81,208	All
Worker’s Compensation	1.68%		\$9,240	All
Total			\$268,153	

Table 3: Fringe Benefits

Fringe benefits by budget year

Budget Year	Year-to-year Increase (Cost of Living Adjustment) *	Total Fringe Benefits
Year 1	Base year (adjusted to ten months)	\$223,461
Year 2	\$11,049	\$279,202
Year 3	\$11,582	\$290,784
Year 4	\$12,144	\$302,929
Year 5	\$12,738	\$315,667
Total		\$1,412,043

*6.7% increase in Insurance and 3% in Retirement, Social Security & Medicare, Worker's Compensation

Table 4: Fringe benefits by budget year

Fringe Benefits Justification

Fringe benefits are calculated using standard state agency rates. These represent administrative costs, with specific initiative allocations detailed in the Personnel section above.

Travel

Purpose of Travel	Location	Item	Rate	Cost per year	Initiative
Site Visits	Statewide	Mileage	120 trips x 75 miles x \$0.70	\$6,300	All
Site Visits	Statewide	Hotel (per diem)	\$110 x 1-day x 60 trips	\$6,600	All
Site Visits	Statewide	Meals (per diem)	\$35 x 1-day x 60 trips	\$2,100	All
Rural Health Program Summit	Baltimore, MD	Flight	\$750 x 4 Staff	\$3,000	All
Rural Health Program Summit	Baltimore, MD	Hotel (per diem)	\$150 x 2-nights x 4 staff	\$1,200	All
Rural Health Program Summit	Baltimore, MD	Meals (per diem)	\$50 x 3 days x 4 staff	\$600	All
Total				\$19,800	

Table 5: Travel

Travel by budget year

Budget Year	Year-to-year Cost	Total travel
Year 1	Site Visits + Rural Health Summit	\$19,800
Year 2	Site Visits	\$15,000
Year 3		\$15,000
Year 4		\$15,000
Year 5		\$15,000
Total		\$79,800

Table 6: Travel by budget year

Travel Justification

For this program, SCDHHS anticipates that staff will conduct site visits to each organization receiving RHT funds. Mileage reimbursement will follow the U.S. General Services Administration rate, with estimated mileage based on the average distance from Columbia (SCDHHS headquarters) to the furthest point in the state. The program director (1) and program coordinators (4) will conduct these visits twice per month, an estimated 120 trips per year. This travel is necessary to ensure sub awardees are using the funding as directed to further the RHT program goals.

To maximize staff efficiency, approximately half of the site visits are expected to require overnight travel. Accordingly, hotel and meal expenses—reimbursed at the standard per diem rate—are included in the cost estimate. These travel-related administrative expenses will recur annually from FY26 through FY30 and are not tied to any specific initiative.

To meet the terms and conditions of the cooperative funding agreement, SCDHHS anticipates sending a total of four RHT team members to the CMS RHT Annual Meeting in year 1. This estimate is based on SCDHHS’ established per diem meal rates for out of state travel, the U.S. General Service Administration hotel per diem rates and an flight costs from Columbia, SC to Baltimore, MD.

Equipment

The state will not seek funding for equipment through this process.

Supplies

Item(s)	Rate	Cost per year	Initiative
General Office Supplies	12 months x \$32/mo. x 8 staff	\$3,072	All
Total		\$3,072	

Table 7: Supplies

Supplies by budget year

Budget Year	Item(s)	Total supplies
Year 1	General Office Supplies	\$3,072
Year 2		\$3,072
Year 3		\$3,072
Year 4		\$3,072
Year 5		\$3,072
Total		\$15,360

Table 8: Supplies by budget year

Supplies Justification

Supply funding will be limited to general office supplies necessary to support the eight staff members assigned to this program. These supplies may include, but are not limited to, items such as tape, binders, tab dividers, labels, rubber bands, printer paper, notepads, sticky notes, folders, pens, writing instruments, desk calendars, desk accessories, staples, scissors, paperclips, and push pins. This is considered an administrative cost and is not associated with any specific initiative.

Consultant/Subrecipient/Contractual

	Year 1	Year 2	Year 3	Year 4	Year 5
Consultant	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Subrecipient	\$174,725,452.32	\$159,700,000	\$159,700,000	\$159,700,000	\$159,700,000
Contractual	\$8,990,000	\$26,000,000	\$26,000,000	\$26,000,000	\$26,000,000
Total	\$184,015,452.32	\$186,000,000	\$186,000,000	\$186,000,000	\$186,000,000

Table 9: Consultant/Subrecipient/Contractual

Consultant/Subrecipient/Contractual by initiative

	Connections to Care	Leveling Up	Wellness Within Reach	Shoring Up to Sustainability	Tech Catalyst Fund	Administrative
Consultant	\$0	\$0	\$1,500,000	\$0	\$0	\$0
Subrecipient	\$300,000,000	\$80,000,000	\$248,500,000	\$160,000,000	\$25,025,452.32	\$0
Contractual	\$0	\$85,000,000	\$0	\$0	\$0	\$27,990,000
Total	\$300,000,000	\$165,000,000	\$250,000,000	\$160,000,000	\$25,025,452.32	\$27,990,000

Table 10: Consultant/Subrecipient/Contractual by initiative

Consultant/Subrecipient/Contractual Justification

Connections to Care – Subrecipient - \$300 million over 5 years

The Connections to Care initiative funding will be distributed to **subrecipients** via a competitive grant application process that aligns with the projects outlined in the project narrative under the Connections to Care initiative.

Name of Subrecipient(s): Unknown, these will be determined through the competitive grant application process

Year One: the estimated number of subrecipients for year one will be 27-40 that will be procured through a competitive grant application process managed by the South Carolina Department of Health and Human Services

Period of Performance: Summer 2026 – December 2030

Year One	August 2026 – September 2027
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Scope of Work: This will depend on the needs identified by the state and the subrecipient in alignment with the Connections to Care description and projects highlighted in the project narrative. Outcomes will be linked to the outcomes stated in the project narrative under the Connections to Care initiative.

Year One: South Carolina will focus on providing funding for the following projects within Connections to Care within year one.

- **Modernize Health IT Infrastructure**

This project focuses on upgrading outdated health IT systems in rural South Carolina to certified, interoperable EHR platforms with enhanced cybersecurity and AI-enabled tools. By creating a secure, future-ready digital ecosystem, the initiative

will improve care coordination, reduce administrative burden, and enable advanced analytics for better clinical decision-making and population health management.

- **Remote Patient Monitoring and Assistive Technology**

This initiative deploys remote monitoring devices for chronic conditions and assistive technologies for individuals with developmental disabilities to improve access and continuity of care in rural areas. By enabling real-time health tracking, early interventions, and tools that promote independence and communication, the project reduces hospitalizations, overcomes geographic barriers, and enhances quality of life for underserved populations.

Method of Accountability: Subrecipients will be held to a contract awarded as a result of the competitive grant application process. State staff will monitor compliance with deliverables identified as part of the grant application process. In addition, BDO Government Services LLC will monitor the overall RHT program, which will include the monitoring of the subrecipients.

Itemized Budget and Justification: The state will distribute \$300 million over a five-year period through the competitive grant application process. Itemized budget and justification information will be available following this process.

Connections to Care – Year One		Year One Total Funding - \$75,000,000	
Projects	Minimum Amount	Maximum Amount	Estimated Number of Awards
Remote Patient Monitoring and Assistive Technology	\$250,000	\$5,000,000	21-28
Modernize Health IT Infrastructure			
<ul style="list-style-type: none"> • System Modifications/Upgrades 	\$100,000	\$2,000,000	5-10
<ul style="list-style-type: none"> • New/Replacement System 	\$5,000,000	\$10,000,000	1-2

Leveling Up – Contractual – \$85 million over 5 years

The State will utilize a contracted entity to assist in streamlining agency projects that align with the stated goals for the RHT program and completing a statewide rural needs assessment.

Name of Contractor: Unknown, these will be determined through the competitive application process. The selected contractor(s) will demonstrate expertise in rural health systems, mixed-methods research, and strategic planning for statewide initiatives.

Method of Selection: Procurement by the South Carolina Department of Health and Human Services (SCDHHS) under federal and state procurement guidelines.

Period of Performance: Spring 2026 – Spring 2027

Scope of Work: The Contractor will provide services under the Leveling Up initiative for streamlining agency projects that align with the stated goals for the RHT program and the completion of a statewide rural needs assessment.

Under the Leveling Up initiative, the consultant(s) will design and execute a comprehensive rural needs assessment across South Carolina. Services will include:

- Data integration and baseline analysis for access, workforce, technology, and health outcomes.
- Surveys and qualitative engagement with rural providers, residents, and stakeholders.
- Geographic Information System (GIS) mapping of access gaps
- Development of initiative-specific findings and recommendations to inform the grant opportunity designs and investment priorities.
- Preparation of a final report, dashboards, and county-level profiles aligned with RHT goals.

Method of Accountability: Contractor performance will be monitored through Service Level Agreements (SLAs) and milestone-based billing. SCDHHS will review and approve deliverables.

Itemized Budget and Justification:

Year One has funding allocated as follows:

- Project Mobilization & Detailed Workplan: \$400,000
- Data Integration & Baseline Metrics: \$1,000,000
- Statewide Stakeholder Engagement & Surveys: \$900,000
- GIS Mapping: \$750,000
- Interim Findings & Initiative-specific Recommendations: \$500,000
- Final Report, Dashboards & County Profiles: \$1,050,000
- Program Management, QA & Compliance Reporting: \$400,000

These estimates are based on milestone deliverables.

Leveling Up – Subrecipient - \$80 million over 5 years

A portion of the Leveling Up initiative funding will be distributed to **subrecipients** via a competitive grant application process that aligns with the projects outlined in the project narrative under the Leveling Up initiative.

Name of Subrecipient(s): Unknown, these will be determined through the competitive grant application process

Year One: the estimated number of subrecipients for year one will be 12-20 that will be procured through a competitive grant application process managed by the South Carolina Department of Health and Human Services

Period of Performance: Summer 2026 – December 2030

Year One	August 2026 – September 2027
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Scope of Work: This will depend on the needs identified by the state and the subrecipient in alignment with the Leveling Up description and projects highlighted in the project narrative. Outcomes will be linked to the outcomes stated in the project narrative under the Leveling Up initiative.

Year One: South Carolina will focus on providing funding for the following projects within Leveling Up within year one.

- **Chronic Disease Program Expansion**

This project aims to improve chronic disease management in rural South Carolina by expanding evidence-based programs that integrate specialty care, telehealth, provider training, and patient education. Through coordinated care systems and self-management resources, the initiative seeks to reduce preventable hospitalizations, improve health outcomes, and enhance quality of life for individuals with conditions such as diabetes, hypertension, and sickle cell disease.

Method of Accountability: Subrecipients will be held to a contract awarded as a result of the competitive grant application process. State staff will monitor compliance with deliverables identified as part of the grant application process. In addition, BDO Government Services LLC will monitor the overall RHT program, which will include the monitoring of the subrecipients.

Itemized Budget and Justification: The state will distribute \$80 million over a five-year period through the competitive grant application process. Itemized budget and justification information will be available following this process.

Leveling Up – Year One		Year One Total Funding - \$27,000,000	
Projects	Minimum Amount	Maximum Amount	Estimated Number of Awards
Chronic Disease Program Expansion	\$100,000	\$5,000,000	12-20

Wellness Within Reach – Consultant – \$1,500,000 over 5 years

A portion of the Wellness Within Reach initiative funding will be distributed to **consultants** utilizing SCDHHS’ current actuarial consultant. They will be retained to develop a rate methodology for community paramedics to determine financial feasibility of incorporating those rates into the South Carolina Medicaid fee schedule.

Name of Consultant: Milliman

Organizational Affiliation: None

Nature of Services to be Rendered: The state will utilize consulting services to develop an actuarially sound rate for community paramedic services

Relevance of Service to the Project: Consultant services allow the state to achieve the program objectives outlined in the Wellness Within Reach initiative as described in the project narrative

Number of Days of Consultation: Unknown, this will be determined prior to the beginning of the work

Expected Rate of Compensation: Approximately \$450/hr. All other budget items will be determined after a full proposal is submitted by the vendor.

Method of Accountability: Consultants will be held to the contract that the state currently has with the vendor. State staff will monitor compliance as part of the process. In addition, the state will hire a consultant to monitor the overall RHT program, which will include the monitoring of the consultants associated with each initiative.

Wellness Within Reach – Subrecipient - \$248.5 million over 5 years

A portion of the Wellness Within Reach initiative funding will be distributed to **subrecipients** via a competitive grant application process that aligns with the projects outlined in the project narrative under the Wellness Within Reach initiative.

Name of Subrecipient(s): Unknown, these will be determined through the competitive grant application process

Year One: the estimated number of subrecipients for year one will be 40-56 that will be procured through a competitive grant application process managed by the South Carolina Department of Health and Human Services

Period of Performance: Summer 2026 – December 2030

Year One	August 2026 – September 2027
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Scope of Work: This will depend on the needs identified by the state and the subrecipient in alignment with the Wellness Within Reach description and projects highlighted in the project narrative. Outcomes will be linked to the outcomes stated in the project narrative under the Wellness Within Reach initiative.

Year One: South Carolina will focus on providing funding for the following projects within Wellness Within Reach within year one.

- **Mobile Crisis Response**

This project strengthens behavioral health support in rural South Carolina by improving awareness and utilization of mobile crisis teams. It focuses on building partnerships with law enforcement and community organizations, providing training, and launching outreach campaigns to ensure individuals in crisis receive timely, compassionate care instead of punitive measures.

- **Expand Community Care Sites**

This initiative increases healthcare access in rural areas by establishing flexible care points such as pop-up clinics, mobile health units, and renovated community spaces. By bringing primary, preventive, and specialty care closer to residents, it reduces travel barriers, improves continuity of care, and fosters trust through locally integrated services.

Method of Accountability: Subrecipients will be held to a contract awarded as a result of the competitive grant application process. State staff will monitor compliance with deliverables identified as part of the grant application process. In addition, BDO Government Services LLC will monitor the overall RHT program, which will include the monitoring of the subrecipients.

Itemized Budget and Justification: The State will distribute \$284.5 million over a five-year period through the competitive grant application process. Itemized budget and justification information will be available following this process.

Wellness Within Reach – Year One		Year One Total Funding - \$27,700,000	
Projects	Minimum Amount	Maximum Amount	Estimated Number of Awards
Mobile Crisis Response	\$50,000	\$500,000	10-16
Expand Community Care Sites	\$100,000	\$2,000,000	20-32

Based on the above estimates, the State anticipates distributing approximately \$20,000,000 to subrecipients for the expansion of community care sites. Some examples of expanded community care sites could include the following:

- Establish seasonal pop-up clinics in high-need areas
- Equip sites with necessary medical technology and supplies
- The following activities will not exceed \$15,000,000 to ensure adherence to the 20% capital expenditures restrictions:
 - Purchase and deploy mobile health units for specialized services
 - Renovate underutilized spaces for permanent or intermittent clinics. A few examples of this could include:
 - Converting unused school classrooms into part-time clinics.
 - Turning unused community center rooms into exam or telehealth spaces.
 - Using church halls or fellowship rooms for intermittent wellness clinics.
 - Equip EMS vehicles with essential medical supplies, technology, and equipment to support community-based care delivery

Shoring Up to Sustainability – Subrecipient - \$160 million over 5 years

The Shoring Up to Sustainability initiative funding will be distributed to **subrecipients** via a competitive grant application process that aligns with the projects outlined in the project narrative under the Shoring Up to Sustainability initiative.

Name of Subrecipient(s): These will be determined through the competitive grant application process

Year One: the estimated number of subrecipients for year one will be 151 - 204 that will be procured through a competitive grant application process managed by the South Carolina Department of Health and Human Services

Period of Performance: Summer 2026 – December 2030

Year One	August 2026 – September 2027
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Scope of Work: This will depend on the needs identified by the state and the subrecipient in alignment with the Shoring Up to Sustainability description and projects highlighted in the project narrative. Outcomes will be linked to the outcomes stated in the project narrative under the Shoring Up to Sustainability initiative.

Year One: South Carolina will focus on providing funding for the following projects within Shoring Up to Sustainability within year one.

- **Facility Enhancements**

This project focuses on upgrading critical infrastructure in rural hospitals and clinics, including HVAC systems, electrical upgrades, equipment replacements, and minor renovations to improve functionality. These enhancements aim to modernize facilities, improve patient experience, and ensure compliance with safety standards, helping rural providers remain financially viable and adapt to new care models.

- **Masterclass training series**

The Masterclass Training Series provides rural healthcare leaders and staff with targeted training and technical assistance in areas such as risk management, business continuity, and adaptive governance. By building operational and strategic capacity, this initiative strengthens financial stability, fosters collaboration, and equips providers to meet evolving healthcare demands.

- **Healthcare Workforce**

This project addresses provider shortages in rural South Carolina by offering financial incentives, such as signing bonuses tied to multi-year service commitments, to recruit and retain clinicians. These efforts aim to stabilize staffing, reduce turnover, and ensure consistent access to essential healthcare services, ultimately improving health outcomes and strengthening local systems.

Method of Accountability: Subrecipients will be held to a contract awarded as a result of the competitive grant application process. State staff will monitor compliance with deliverables identified as part of the grant application process. In addition, BDO Government Services LLC will monitor the overall RHT program, which will include the monitoring of the subrecipients.

Itemized Budget and Justification: The State will distribute \$160 million over a five-year period through the competitive grant application process. Itemized budget and justification information will be available following this process.

For each of the projects, South Carolina has established minimum award amounts, maximum award amounts, and projected the estimated number of awards to be given based on the funding for each year as shown in the table below:

Shoring Up to Sustainability – Year One		Year One Total Funding - \$40,000,000	
Projects	Minimum Amount	Maximum Amount	Estimated Number of Awards
Facility Enhancements	\$100,000	\$3,000,000	18-20
Masterclass Training Series	\$500,000	\$2,500,000	3-4
Healthcare Workforce*			
• Physicians	\$75,000 per physician	\$275,000 per physician	20-30
• Advanced Practice Registered Nurses (APRNs) and Physician Assistants (PAs)	\$37,500 per APRN or PA	\$62,500 per APRN or PA	110-150
<i>*funding cannot go to clinician salaries or wage supports for facilities that subject clinicians to non-compete contractual limitations</i>			

Based on the above estimates, the State anticipates distributing approximately \$20,000,000 to \$25,000,000 to subrecipients for facility enhancements. Some examples of facility enhancements could include the following:

- Fund improvements such as HVAC, electrical, and equipment upgrades. A few examples of this could include:
 - Replacing outdated HVAC systems to improve air quality and temperature control.
 - Upgrading electrical panels and wiring to support modern medical equipment.
 - Installing backup generators to ensure uninterrupted power during outages.
 - Purchasing updated diagnostic tools like digital X-ray machines or EKG units.
 - Replacing aging patient beds, monitors, and sterilization equipment.
- Support minor renovations to improve functionality
- Assist facilities converting to Rural Emergency Hospitals
- Enhance patient experience through modernized spaces.

Tech Catalyst Fund – Subrecipient - \$25 million over 5 years

The Tech Catalyst Fund initiative funding will be distributed to **subrecipients** via a competitive grant application process that aligns with the projects outlined in the project narrative under the Tech Catalyst Fund initiative.

Name of Subrecipient(s): The estimated number of subrecipients for year one will be 4-6 that will be procured through a competitive grant application process managed by the South Carolina Research Authority (SCRA) via a contract with the South Carolina Department of Health and Human Services.

Period of Performance: Summer 2026 – December 2030

Year One	August 2026 – September 2027
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Scope of Work: This will depend on the needs identified by the state and the subrecipient in alignment with the Tech Catalyst Fund description and projects highlighted in the project narrative. Outcomes will be linked to the outcomes stated in the project narrative under the Tech Catalyst Fund initiative.

Method of Accountability: Subrecipients will be held to a contract awarded as a result of the competitive grant application process. State staff will monitor compliance with deliverables identified as part of the grant application process. In addition, BDO Government Services LLC will monitor the overall RHT program, which will include the monitoring of the subrecipients.

Itemized Budget and Justification: The State will distribute \$25 million over a five-year period through the competitive grant application process. Itemized budget and justification information will be available following this process.

Tech Catalyst Fund – Year One	Year One Total Funding	Estimated Number of Awards
Tech Catalyst Fund	\$5,025,452.32	4-6

Administrative – Contractual – \$27,990,000 over 5 years

The State will utilize a contracted entity to perform auditing, monitoring, and compliance functions for the Rural Health Transformation Program (RHTP). These services will ensure fiscal integrity, regulatory compliance, and robust oversight of all program activities and expenditures.

Name of Contractor: BDO Government Services LLC

Method of Selection: Direct procurement by the South Carolina Department of Health and Human Services (SCDHHS) under federal and state procurement guidelines.

Period of Performance: Spring 2026 – January 2031

Scope of Work: The Contractor will provide comprehensive auditing, monitoring, and compliance services for all RHTP-funded activities. This includes:

- Developing and implementing a compliance monitoring framework aligned with CMS requirements.
- Conducting quarterly fiscal audits and programmatic monitoring visits.
- Performing risk assessments, corrective action tracking, and technical assistance for subrecipients.
- Validating performance and outcome data, maintaining KPI dashboards, and preparing quarterly, semi-annual, and annual reports for SCDHHS and CMS.
- Supporting closeout activities, including final reconciliations, audit responses, and knowledge transfer.

Method of Accountability: Contractor performance will be monitored through Service Level Agreements (SLAs) and milestone-based billing. SCDHHS will review and approve deliverables, including compliance frameworks, audit plans, and reporting submissions. Liquidated damages apply for missed deadlines or performance failures.

Itemized Budget and Justification:

Year One has funding allocated as follows:

- Compliance Monitoring Program & System Design/Maintenance: \$1,000,000
- Compliance and Monitoring: \$2,800,000
- Reporting and Performance Evaluation: \$190,000

These estimates are based on staffing plans, estimated hours, and milestone deliverables.

Construction (not applicable)

The state will not be seeking funding for construction through this process.

Other

The state will not be seeking funding for any other items not listed in the above categories

Administrative costs

Budget Year	Personnel	Fringe Benefits	Travel	Equipment	Supplies	Contractual	Indirect Costs	Total requested	Percentage (of total grant funding)
Y1	\$458,333	\$223,461	\$15,000	\$0	\$3,072	\$3,990,000	\$15,310,134	\$20,000,000	
Y2	\$566,500	\$279,202	\$15,000	\$0	\$3,072	\$6,000,000	\$13,136,226	\$20,000,000	
Y3	\$583,495	\$290,784	\$15,000	\$0	\$3,072	\$6,000,000	\$13,107,649	\$20,000,000	
Y4	\$601,000	\$302,929	\$15,000	\$0	\$3,072	\$6,000,000	\$13,077,999	\$20,000,000	
Y5	\$619,030	\$315,667	\$15,000	\$0	\$3,072	\$6,000,000	\$13,047,231	\$20,000,000	
Total	\$2,828,258	\$1,412,043	\$75,000	\$0	\$15,360	\$27,990,000	\$67,679,239	\$100,000,000	

Table 11: Administrative costs

Administrative costs description

Administrative costs include personnel, fringe benefits, travel, equipment, supplies, consultants, and indirect costs. These expenses represent 10% of the total award amount requested, remaining within the allowable limit of 10% for both individual fiscal years and the overall project budget.

Overall Budget

Cost Category	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Personnel	\$458,333	\$566,500	\$583,495	\$601,000	\$619,030	\$2,828,358
Fringe Benefits	\$223,461	\$279,202	\$290,784	\$302,929	\$315,667	\$1,412,043
Travel	\$19,800	\$15,000	\$15,000	\$15,000	\$15,000	\$79,800
Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Supplies	\$3,072	\$3,072	\$3,072	\$3,072	\$3,072	\$15,360
Subrecipients/ Consultants/ Contracts	\$184,015,452.32	\$186,000,000	\$186,000,000	\$186,000,000	\$186,000,000	\$928,015,452.32
Other	\$0	\$0	\$0	\$0	\$0	\$0
Total Direct Costs	\$184,720,118	\$186,863,774	\$186,892,351	\$186,922,001	\$186,952,769	\$932,320,761
Indirect Costs	\$15,310,134	\$13,136,226	\$13,107,649	\$13,077,999	\$13,047,231	\$67,679,239
Total Project Costs	\$200,030,252.32	\$200,000,000	\$200,000,000	\$200,000,000	\$200,000,000	\$1,000,030,252.32

Table 12: Overall Budget

No funding received under the RHT program will be used for unallowable costs or funding limitations as detailed on pages 18-20 of the notice of funding opportunity.