

2026-2028 FQHC Subsidy Grant Program Question and Answers

UPDATED NOVEMBER 20, 2025

Q1. Will the award notifications include two different funding amounts based on what goes in the budget for the grant agreement?

Yes, award notifications will include two funding amounts due to the expiration of funds at different times.

Q2. Will organizations have to submit two work plans?

No, organizations will only need to submit one work plan each year, only the budget area will have two different funding amounts based on when the funds will expire.

Q3. How do we obtain a copy of the information session slides?

A copy of the slides is available at [Federally Qualified Health Center Subsidy Grant - ORHPC Grants and Funding](https://www.health.state.mn.us/facilities/ruralhealth/funding/grants/index.html#fqhc) (<https://www.health.state.mn.us/facilities/ruralhealth/funding/grants/index.html#fqhc>) in the informational webinar section.

Q4. Our 2024 UDS report submitted to HRSA reflects a lower sliding fee discount amount than what is shown in our EHR data. [Can] this variance could be taken into consideration as you finalize calculations for each health center's allocation?

Unfortunately, due to the language in the statute authorizing this grant program, MDH can only use the data as reported on the federal Uniform Data System report. This program is authorized by 145.9269, which states that MDH has to use the data "as reported on the federal Uniform Data System report." Because of this we have no flexibility when it comes to data sources.

Q5. Are there any updates on the MDH announcement regarding the FQHC subsidy? [...] Given the delay, we'd like MDH to push back the Budget and Narrative Application due date from 11/21.

[Two very similar questions were submitted. Response the same as of 10/27/2025 and 11/3/2025] Unfortunately, I don't have an update on timeline, we apologize for the delay and hope to have award letters out soon. We definitely will push back the due date for the budget and workplans once we know exactly what date the award notices will go out. One caveat I need to add is that for budget and narrative applications that come in later, there is a

chance MDH won't be able to get them executed by January 1st, 2026 because of the time it takes to go through the contracting process. Contracts can still get executed after Jan 1, organizations just won't be able to expense for activities that happen before the execution date.

Q6. What is the process a health center could go through to amend their budget during a year?

Budget amending is a case-by-case basis depending on the activities and expenses that are listed in the grant agreement. Generally speaking, if a total dollar amount within a given category (supplies, equipment, salaries etc) changes by up to 10% of that category amount, the organization can reach out and let us know about the change in writing and then proceed. If the allocation in a given category needs to change by more than 10%, there is a formal approval process they go through in our grant portal. Approval of budget amendment is not guaranteed but we do our best to work with grantees to meet the grant agreement goals and help them spend the funds.

Q7. We would like to have some additional information about how the funding level was determined. We are interested to know the details of formula and whether it there has been some changes to the formula itself.

The state calculates awards using the formula in statute. It states that the amount of each subsidy shall be in proportion to each federally qualified health center's amount of discounts granted to patients during the most recent calendar year. It also states that each eligible health center shall receive at least five percent of the total amount of funding available. This minimum amount health centers will receive was changed by the legislature during the 2025 session when they added additional funding to the program. In previous years, each eligible health center was required to receive at least 2%, and last year the legislature increased it to 5%. There are 19 eligible entities in Minnesota, which reduces the amount of funding available for awards greater than the floor amount.

There was a request for additional clarity about this question, this was the MDH response:

MDH took all of the FQHC Subsidy funding allocated by the legislature to be available over the next three years and is evenly distributing it between all three years which will total around \$13,193,000 each year. So each year there will be an LOI process with a subsequent award allocation amount based on the statute formula.

The floor amount is 5% which is \$659,650 each year, that multiplied by 19 organizations is \$12,533,350 which leaves \$659,650 to be allocated to any organizations receiving more than the floor amount.

Q8. Will we receive another \$659k in each of 2027 and 2028 for a total of \$1.977 million which is what was presented originally?

Each year your organization will submit a new letter of intent that will include submitting the total sliding fee discounts for the previous year. The calculation outlined in statute will then be used to determine how much funding will be awarded. So later in 2026 there will be a letter of intent that will be used to determine the funding award amount for 2027 and then the same in 2027 for 2028.

Q9. When will the funds become available to spend? Will the 2026 allocation all be available January 1 2026 or just the \$213,750 be available January 1 and the remainder will be reimbursed after funds are spent?

All funds are reimbursement based, and expenses can begin to be incurred when the grant agreement is executed. The grant agreement is considered executed on the start date of the grant agreement (January 1, 2026) or the date MDH obtains all required signatures, whichever date is later.

Q10. Since this is all paid as reimbursement, what are the timeframes to incur the expense, submit and be paid? For example, do we need to wait to the end of each month to submit and then wait a few weeks to receive the reimbursement?

The 2026-2028 grant process will function the same as the current FQHC subsidy grant. Financial reports are submitted on a quarterly basis with the due dates listed in the first paragraph on [page 9 of the NOGO](#). Once invoices are submitted with a request for reimbursement as well as a satisfactory progress report, MDH has up to 30 days to process and pay the invoice. In extenuating circumstances that receive prior written approval, MDH can do a onetime reimbursement off the regular schedule for a large or emergency purchase.

Q11. What constitutes an emergency and is there a dollar amount restriction on this request. Obviously, it can't exceed the award amount but is there a cap on how much can be requested?

The only cap on the amount that can be reimbursed at one time is the total award amount granted to the organization. The most common example of using this mechanism in the past is large one-time purchases of equipment or expenses for capital improvement. MDH will review the one-time request based on need from each individual grantee and assess based on our

internal capacity to process the request. There is not a specific policy in the grant notice because generally our office does not have staffing capacity beyond doing reimbursements on a quarterly basis so we can't guarantee anything more frequent than that.

Q12. There are the two award amounts, one is the one time and then the other is annual. How do we do the budget and budget narrative broken out in the portal?

You should put the total for each category of the two different amounts into each category section in the application. There is an optional spreadsheet you can use to prepare your expense details. You only need to include the numbers from column E of the [FQHC Subsidy Grant Sample Budget Worksheet \(Excel\)](#) into the application.

Q13. Is it okay if our activities are very straight forward and boring?

Yes, we want to see clear and understandable activities that serve the requirements of the grant program but they don't have to be new or elaborate.

Q14. It's a Jan 1 start date, if the grant agreement is not signed by Jan 1, can we expense funds before all signatures are applied to the grant agreement.

No, you may only incur eligible expenditures when the grant agreement is fully executed, and the grant has reached its effective date, whichever date is later.

Q15. If we hire a staff member before the grant agreement is executed, can we submit expenses for them after the grant agreement is executed?

Yes, you can submit these types of staff expenses after the grant agreement has been executed and the start date has been reached.

Q16. Should we reflect all funding from Year 1 allocation in the year one budget even if we'll get more in Year 2?

Yes, be sure to reflect the total amount of funding that was awarded in the Year 1 grant allocation notice in the application.

Q17. Will there be more funding allocated that needs to be included in this application?

FEDERALLY QUALIFIED HEALTH CENTER SUBSIDY GRANT PROGRAM Q & A

There will be another Letter of Intent process in 2026 that will inform another grant allocation award for 2027 and again in 2027 for 2028. Those award amounts do not need to be included in this year's application as they have not yet been determined.

Minnesota Department of Health
Office of Rural Health and Primary Care
PO Box 64975
St. Paul, MN 55164-0975
FQHC.Subsidy.MDH@state.mn.us
www.health.state.mn.us

11/20/25

To obtain this information in a different format, call: 651-201-3838.