Notice of Funding Opportunity for Rural Digital Health Sandbox Program

Rural Health Transformation Program Activity 2.4

NOFO No. 2027-MeHI-02

Massachusetts Technology Collaborative
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1. INTRODUCTION

1.1 Overview

Massachusetts Technology Collaborative ("MassTech"), on behalf of the Massachusetts eHealth Institute ("MeHI"), a division of MassTech, is issuing this Notice of Funding Opportunity ("NOFO"). offering sandbox grant allocations to support companies looking to test and validate new products and services within an authorized sandbox environment. Proposed projects must demonstrate a clear focus on improving healthcare access, quality, and clinical outcomes in rural communities across the Commonwealth. Except where the context warrants otherwise, MeHI and MassTech are collectively referred to herein as MassTech and any singular reference to MassTech or MeHI shall mean and apply to both entities interchangeably throughout this NOFO.

Under this NOFO, MassTech will provide grant funding in amounts up to $475,000 directly to the selected Applicants' chosen sandbox organizations. No funding will be directly allocated to the selected Applicant companies. A notice of conditional award will be provided to the selected Applicants, and MassTech will enter into a formal subrecipient grant agreement directly with the chosen sandbox organizations. Sandboxes who execute this Agreement with MassTech will receive federal pass-through funding and will be considered federal subrecipients as defined in 2 CFR § 200.1. The Agreement will include all applicable federal and CMS RHTP flow-down terms and conditions.

This NOFO is funded 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 $162,005,238.13, with 100 percent funded by CMS/HHS. The contents of this NOFO 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.

1.2 MassTech and the Massachusetts eHealth Institute

MassTech is an independent public instrumentality of the Commonwealth of Massachusetts chartered by the Commonwealth to serve as a catalyst for growing its innovation economy. MassTech brings together leaders from industry, academia, and government to advance technology-focused solutions that lead to economic growth, job creation, and public benefits in Massachusetts. For additional information about MassTech and its programs and initiatives, please visit our website at www.masstech.org.

In 2008, MeHI became the state agency charged with promoting Health IT innovation, technology and competitiveness to improve the safety, quality and efficiency of health care. Our mission is to engage the healthcare community and catalyze the development, adoption and effective use of Health IT. In 2017, MeHI's mandate was expanded when MassTech was designated as the lead public agency to partner with industry and healthcare leaders on digital health cluster development activities designed to promote and support the sector. For more information about MeHI please visit the web site at http://mehi.masstech.org.

2. The Grant

2.1 Grant Overview

In 2025, the Rural Health Transformation Program ("RHTP") was authorized pursuant to Section 71401 of Public Law 119-21 (One Big Beautiful Bill Act). This federal initiative provides funding to states to support

rural communities in improving health care access, quality, and outcomes by transforming the health care delivery ecosystem. The Centers for Medicare and Medicaid released a notice of funding opportunity for all states for a total of $50 billion over five budget periods to support the goals of RHTP. The NOFO directed states to propose uses of the funding to meet RHTP's strategic goals, including fostering the use of innovative technologies to help transform the way care is delivered in rural communities. MeHI's Digital Health Sandbox Program was cited in the NOFO as one of two national examples demonstrating how a state could adopt programs like a Rural Catalyst Innovation Fund to support rural health transformation efforts.

The Commonwealth of Massachusetts included a proposal for a Rural Digital Health Sandbox Program, launched in partnership with MeHI, in the Innovation in Rural Care Models initiative included in the state's application to the RHTP. The program was proposed to encourage tech innovations focused on rural healthcare and to create an innovation marketplace. Massachusetts will receive approximately $162 million in federal funding for federal fiscal year 2026 as part of this new five-year initiative and a portion of this funding will support the launch of the Rural Digital Health Sandbox Program to advance digital health innovations that can support rural regions of the Commonwealth.

Through the Rural Digital Health Sandbox Program, MeHI will fund partnerships between digital health companies and the research and development organizations in the Massachusetts Digital Health Sandbox Network to test, validate, and pilot innovative solutions designed to improve access to care, enhance quality, and strengthen the rural health care delivery ecosystem. Projects for selected Applicants will receive award funding from MeHI. **MeHI will be directing all award funds directly to the selected Applicant's sandbox, not to chosen Applicants, and any award funds will be used to cover the sandbox's costs and fees for the project**.

Selected Applicants will also be invited to participate in the 2027 session of Mass Digital Health Connects, a two-month series of informative and interactive virtual workshops featuring prominent voices from across the ecosystem, including venture capitalists, state and federal policymakers, and leading researchers. Applicants can learn more about Mass Digital Health Connects here. In addition, selected Applicants will be eligible to participate in the Sandbox Mentorship Program throughout the duration of their sandbox project. The Sandbox Mentorship Program will match companies with volunteer mentors from MeHI's ecosystem to provide strategy, advice, and feedback as selected Applicants work on their validation projects with their sandbox partners. In addition, MeHI will make subject matter expert mentors available on an as-needed basis to provide selected Applicants with guidance in areas including interoperability, reimbursement models, public health, and more.

This program is part of the Digital Health Sandbox Program, established by MeHI in 2019 to leverage the strong research and development ecosystem in Massachusetts to support the lifecycle of testing and validation for digital health companies. MeHI has selected Massachusetts organizations that offer testing and validation capabilities and services to digital health companies to join the Sandbox Network. As of November 2026, there are 10 organizations in the Sandbox Network with a variety of capabilities to support digital health companies. Sandboxes will be periodically added as they are approved by MeHI and information on the participating sandboxes and their capabilities will be kept up to date on the Sandbox Network page. The Rural Digital Health Sandbox Program is one of the ways MeHI supports digital health companies through the Sandbox Program. To learn more about the broader Sandbox Network and Program,

visit https://mehi.masstech.org/programs/digital-health-sandbox-program.

2.2 Grant Requirements and Guidance

MassTech released this NOFO for applications from digital health companies seeking support to test and validate their products or services in a sandbox environment to help improve healthcare access, quality, and outcomes in rural communities. This is a rolling NOFO with an initial application deadline of December 7, 2026. Applications received after the initial deadline will be reviewed periodically pursuant to the schedule and evaluation criteria set forth below.

Applicants should carefully review the information on MeHI's Sandbox Program page to determine which sandbox can support their testing needs. As part of the application, Applicants must include a letter from the sandbox detailing the services and resources the sandbox will provide and confirming the sandbox's ability to support the proposed project. **Applicants must inform their intended sandbox providers prior to application submission that, as subrecipients of RHTP federal funding, the sandbox provider will be legally bound by all applicable federal regulations, including but not limited to**:

- 2 CFR 200 (Uniform Guidance): Adherence to federal cost principles, administrative requirements, and audit thresholds.
- The Single Audit Act: If the sandbox provider expends $1,000,000 or more in total federal awards during their fiscal year, they are subject to a Federal Single Audit.
- RHTP Reporting Metrics: The sandbox provider must track, validate, and report project performance data, specifically detailing how the applicant's technology impacts healthcare access, quality, or clinical outcomes in rural populations.
- CMS and Federal Oversight: The sandbox provider must grant access to project data, financial records, and operational sites to MassTech, CMS, or federal auditors upon request.

Applicants are encouraged to reach out to MeHI staff for advice and assistance on matching with a sandbox. Applicants may sign up for Sandbox Office Hours to meet with MeHI staff here.

Applicants must complete the form linked below and attach all requested documents, including a pitch deck, high-level project plan, high-level budget, brief bios of team members, and signed letter of support from a sandbox. The application should indicate the sandbox they are working with and clearly describe the Applicant's organization, their proposed use of the sandbox, how their proposed project will drive innovation to improve health care access and outcomes for rural populations, their expected outcomes during the project period, and the potential impact of the project on the applicant company.

If selected, Applicants will be required to execute agreements with their selected sandbox, solely at the sandbox's direction. At the end of their project, selected Applicants will be required to submit a final report to their sandbox summarizing their project, outcomes, barriers to completing the project, and plans for next steps. Additionally, in order to evaluate and evolve the overall program, selected Applicants will be required to submit follow up reports to their sandbox documenting ongoing progress for five years after the grant period ends to understand the long-term impact of the program.

Selected Applicants are eligible for sandbox funding in amounts up to $475,000. Amounts will be based on the cost of the Applicant's proposed project. Applicants must include a project budget with their application and indicate any in-kind funding from the Applicant company and/or sandbox. Applications that provide in-kind funding will receive preference.

2.3 Evaluation Process and Criteria

MassTech will review applications and bring a select group for further review with a group of external evaluators. The external evaluators will make funding recommendations to MassTech based on their review.

The following evaluation criteria will be used to review Applicants:

- Potential commercial viability of the proposed solution and the uniqueness of the company or product in the digital health market;
- Potential for the proposed solution to improve health care access, quality, and outcomes in rural communities;
- Feasibility of the proposed project, including technical merit and economic viability
- Potential impact of the project on the growth path of the company
- Number of rural healthcare facilities that will be engaged through the project;
- Ability to scale solutions across rural healthcare facilities; and
- Ability to engage with rural-designated patients living within rural communities.

Lack of debarment status by both the state and federal government is required.

All Applicants will be notified of final decisions via e-mail to the identified project lead.

3. APPLICATION PROCESS

3.1 Application and Submission Instructions

Applicants are cautioned to read this NOFO carefully and to conform to its requirements. Failure to comply with the requirements of this NOFO may serve as grounds for rejection of an application.

Applicants must complete the application at the following link: **Applications**

Any responses, applications, data, materials, information and documentation submitted to MassTech in response to this NOFO shall become MassTech's property and be subject to public disclosure. As a public entity, the MassTech is subject to the Massachusetts Public Records Law (set forth at Massachusetts General Laws Chapter 66). There are very limited and narrow exceptions to disclosure under the Public Records Law. If an Applicant wishes to have MassTech treat certain information or documentation as confidential, the Applicant shall clearly label only the information and/or documentation they believe is confidential or proprietary as "**CONFIDENTIAL**" in the application. MassTech's receipt of such documents does not represent a finding by MassTech's or the Supervisor of Public Records that such documents are exempt from public disclosure, and they may be disclosed if an applicable exemption does not apply.

Applicants please note: By executing the **Authorized Applicant's Signature and Acceptance Form** and submitting an application in response to this NOFO, the applicant certifies that it (1) acknowledges and understands the policies and procedures for handling materials submitted to MassTech, as described in this NOFO, (2) agrees to be bound by those policies and procedures, (3) acknowledges that the statutory exemptions from the Massachusetts Public Records Law are very limited, and (4) agrees that MassTech shall not be liable under any circumstances for any disclosure of materials submitted to in connection with this NOFO that is required by law.

3.2 Application Timeframe

Applications are accepted on a rolling basis with an initial application deadline of December 7, 2026.

As part of their application, Applicants must upload the following documents:

- A pitch deck, video presentation, or other materials that describe applicant's company and its value proposition
- A high-level project plan; download a template at https://mehi.masstech.org/rural-digital-health-sandbox
- A project budget; download a template at: https://mehi.masstech.org/rural-digital-health-sandbox
- Signed letter of support from selected sandbox outlining the services and resources the sandbox will provide and confirming their ability to support the proposed project.
- Brief bios for key team members
- A signed copy of the Massachusetts Technology Collaborative Authorized Applicant's Signature and Acceptance Form; download the form at: https://mehi.masstech.org/rural-digital-health-sandbox
- Applicant's W9
- Applicants who have previously received funding from the Sandbox Program must answer the additional questions on the application form and attach the final project report from their first Sandbox project

4.0 GENERAL CONDITIONS

4.1 General Information

a. If an application fails to meet any material terms, conditions, requirements or procedures, it may be deemed unresponsive and disqualified. MassTech reserves the right to waive omissions or irregularities that it determines to be non-material.
b. This NOFO, as may be amended from time to time by MassTech, does not commit MassTech to select any firm(s), pay any costs incurred in preparing an application or in connection with the award of any contracts. MassTech reserves the right, in its sole discretion, to make no awards through this NOFO, to withdraw the NOFO, to engage in preliminary discussions with prospective applicants, to accept or reject any or all applications received, to request supplemental or clarifying information, to negotiate with any or all qualified applicants, and to request modifications to applications in accordance with negotiations.
c. Unless otherwise specified in this NOFO, all communications, responses, and documentation must be in English, and all cost applications or figures in U.S. currency. All applications must be submitted in accordance with the specific terms of this NOFO.
d. On matters related to this NOFO that arise prior to an award decision by MassTech, Applicants shall limit communications with MassTech to the NOFO Team Leader and such other individuals as MassTech may designate from time to time. No other MassTech employee or representative is authorized to provide any information or respond to any questions or inquiries concerning this NOFO. Applicants may contact the NOFO Team Leader for this NOFO if it is incomplete.
e. MassTech may provide reasonable accommodations, including the provision of materials in an alternative format, for applicants with disabilities or other hardships. Applicants requiring accommodation shall submit requests in writing, with supporting documentation justifying the

accommodation, to the NOFO Team Leader. MassTech reserves the right to grant or reject any request for accommodation.

f. Applicant's application will be treated by MassTech as an accurate statement of Applicant's capabilities and experience. Should any statement asserted by Applicant prove to be inaccurate or inconsistent with the foregoing, such inaccuracy or inconsistency shall constitute sufficient cause for MassTech in its sole discretion to reject the application and/or terminate of any resulting agreement with Applicant's sandbox.

4.2 Posting of Modifications/Addenda to NOFO

This NOFO has been distributed electronically using MassTech, MeHI, and COMMBUYS websites. If MassTech determines that it is necessary to revise any part of this NOFO, or if additional data is necessary to clarify any of its provisions, an addendum will be posted to the websites. Each potential Applicant is responsible for checking the MassTech, MeHI, and COMMBUYS websites for any addenda or modifications to the NOFO. MassTech accepts no liability and will provide no accommodation to applicants who submit a response based on an out-of-date NOFO.