

# **RURAL HOSPITAL INVESTMENT PROGRAM**

## **OPERATIONS MANUAL**

**Adopted as of September 25, 2026**

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Pursuant to Act No. 2025-404, this operations manual contains the following:

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## **2026 RURAL HOSPITAL INVESTMENT PROGRAM DOCUMENT SUBMISSION TIMELINE**

### **Timeline for Determining Eligibility for the Calendar Year 2027 Rural Hospital Investment Program:**

**November 1, 2026** — Deadline for hospitals to submit the following required information to the Department of Revenue on behalf of the Rural Hospital Investment Program Board:

- Attestation Form
  - Five Year Plan
  - The financial statements from the G Series of the most recently available Medicare Cost Report
- Submit to: [incentives@revenue.alabama.gov](mailto:incentives@revenue.alabama.gov)

**December 1, 2026** — Calendar Year 2027 Final List of Eligible Hospitals and Eligible Hospitals ranked by Financial Need posted to the Department of Revenue website.

### **Timeline for Reporting on Calendar Year 2027 Rural Hospital Donations and Expenditures:**

**January 2, 2027** — Calendar Year 2027 Rural Hospital Tax Credit Donation and Expenditure Report template posted to the Rural Hospital Investment Program Tax Credit webpage on the Department of Revenue website.

**March 1, 2027** — Qualifying Donation Report for 2026 Tax Year due to Board

**HOSPITAL ATTESTATION FORM FOR ELIGIBILITY  
UNDER ACT 2025-404**

Hospital: \_\_\_\_\_

FEIN: \_\_\_\_\_

- (1) Be a rural general acute care hospital, rural emergency hospital, or a critical access hospital licensed by the Alabama Department of Public Health Pursuant to Section 22-21-22, Code of Alabama 1975.
- (2) Be in a location considered to be a rural area under the federal Centers for Medicare & Medicaid Services eligibility definition of “rural” as verified through the Federal Office of Rural Health Policy in the Rural Health Information website supported by the federal Health Resources and Services Administration.
- (3) Provide hospital services to both Medicare and Medicaid participants without discrimination.
- (4) Provide hospital services to indigent patients, regardless of ability to pay.
- (5) Be in compliance with all reports and audits required by law.

☐ I hereby attest that the hospital meets all the requirements of Act 2025-404 as stated in this document.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

## **FIVE-YEAR PLAN FOR UTILIZATION OF TAX CREDIT AND DONATIONS**

### **REQUIRED FILINGS:**

The five-year plan shall be completed on pages 6-9. The application will be limited to the information provided in the space below and any required filings as noted. Additional documents will be disregarded from the application and review process.

The form requires each hospital to submit certain elements of financial information, which should be obtained from the hospital's most recently completed fiscal year. This may include unaudited financial data.

The narrative component of the five-year plan should include strategies the hospital anticipates being utilized in addressing the challenges of uncompensated care and other operational issues impacting the fiscal viability and stability of the rural hospital.

**Disclosure: This information contained within this application shall only be used for purposes of the Rural Hospital Investment Program but may be subject to the provisions of Title 36, Chapter 12 of the Code of Alabama, 1975.**

**DUE DATE: ON OR BEFORE NOVEMBER 1**

HOSPITAL: \_\_\_\_\_

FISCAL YEAR ENDING DATE: \_\_\_\_\_

Provided is a formula originated by the American Hospital Association to capture uncompensated care costs of hospitals. Calculate your uncompensated care costs using the three formula elements. Please add your final uncompensated care costs to the space below:

1. Uncompensated Care Charges = Bad Debt Charges + Financial Assistance Charges
2. Cost-to-Charge Ratio = 
$$\frac{\text{Total Expenses Exclusive of Bad Debt}}{\text{Gross Patient Revenue} + \text{Other Operating Revenue}}$$
3. Uncompensated Care Costs = Uncompensated Care Charges x Cost-to-Charge Ratio

|                          |    |
|--------------------------|----|
| Uncompensated Care Costs | \$ |
|--------------------------|----|

How will tax credit donations be used to address uncompensated care and/or be used to reduce/eliminate debts of the hospital?

### **OTHER CHALLENGES TO FINANCIAL VIABILITY AND STABILITY**

Provide a narrative describing other challenges to the hospital's financial stability and how the tax credit donations will be used to address them. (Examples: new equipment purchase, enhance efficiencies/increase revenues, building renovations/improvements to increase patient access, recruitment needs, etc.)

## **RURAL HOSPITAL INVESTMENT PROGRAM RANKING FORMULA**

**Purpose:** If a qualified donor desires to contribute to the program but does not wish to designate the funds for a specific hospital, the unspecified or undesignated donations will be allocated to eligible rural hospitals that have not received the maximum amount allowed for that calendar year according to a ranking established by the Board.

In order to establish this ranking, hospitals are required to submit the documentation and information below under the Required Filings to the Board by November 1 of each calendar year.

The total submission by each hospital, including the five-year viability plan, will be used to determine the final Rural Hospital Investment Program Ranking Order.

### **Required Filings:**

- (1) The financial statements from the G Series of the most recently available Medicare Cost Report, (Worksheet G Series: G, G-1, G-2 & G-3).