

# Community Health Access and Rural Transformation (CHART) Model



CCHP FACT SHEET | August 2020

## INTRODUCTION

**A pandemic caused by the spread of COVID-19 has exacerbated the existing challenges America's rural communities face in accessing healthcare.<sup>1</sup>** Over the last decade, 131 rural hospitals in the U.S. have closed because of declining revenues.<sup>2</sup> A recent analysis found that roughly 1 in 4 rural hospitals – 354 facilities – are at risk of closing as a result of the COVID-19 pandemic without critical financial support.<sup>3</sup> Telehealth has become a crucial lifeline for many rural healthcare facilities to continue providing care to vulnerable patients while in-person visits are suspended.<sup>4</sup>

On August 11, 2020, the Centers for Medicare & Medicaid Services (CMS) announced the development of a new alternative payment model (APM) to address the operational and financial issues faced by rural health systems. The Community Health Access and Rural Transformation (CHART) Model is designed to reduce costs and improve access to care by targeting three core limitations of rural healthcare delivery: funding stability, operational flexibility, and technical support. The CHART Model will do this by providing up to \$75 million in seed funding to 35 organizations or ACOs located in rural communities. These investments will enable rural health systems to implement care delivery reforms and expand telehealth services, while ensuring financial stability. The Model's funding is also intended to help rural providers offer additional services to meet patient's social determinants of health needs (e.g., transportation, food). The Model will implement these APMs through one of two tracks, the Community Transformation Track or the ACO Transformation Track.

## COMMUNITY TRANSFORMATION TRACK

The Community Transformation Track relies on various community stakeholders to design and implement the APM and care delivery strategy. In this track, CMS will award funding of up to \$5 million to a maximum of 15 "Lead Organizations" that represent participating partners from a federally-designated rural community. Of this \$5 million award, up to \$2 million will be made available upfront. This track further promotes financial sustainability among participating hospitals through prospective capitated payments set on an annual basis. These capitated payments will provide an essential and steady source of revenue for at-risk rural hospitals and encourage cost saving measures that reduce hospital utilization.

<sup>1</sup> <https://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2020/07/22/rural-hospitals-hang-on-as-pandemic-reaches-smaller-communities>

<sup>2</sup> <https://www.shepscenter.unc.edu/programs-projects/rural-health/rural-hospital-closures/>

<sup>3</sup> <https://guidehouse.com/insights/healthcare/2020/rural-hospital-sustainability-index>

<sup>4</sup> <https://www.hhs.gov/about/news/2020/04/22/hhs-awards-nearly-165-million-to-combat-covid19-pandemic-in-rural-communities.html>

CMS will grant communities in this track an array of Medicare regulatory flexibilities under Section 1115 waivers. Notable among these are waivers for cost sharing in Medicare Part B services and conditions of participation to allow other healthcare facilities to receive reimbursement. CMS has clarified that this track will provide additional flexibilities to allow healthcare providers and hospitals to provide benefit enhancements to patients. Waivers and additional flexibilities include:

- **Critical Access Hospital (CAH) 96-hour certification rule**
- **Skilled Nursing Facility (SNF) 3-day inpatient stay requirement**
- **In-person care management home visits**
- **Telehealth expansion**
- **Providing patient transportation**
- **Designing programs to address patients' social determinants of health**
- **Patient rewards for chronic disease management**

This track of the CHART Model would afford providers additional flexibility to build upon COVID-19 telehealth expansions to date and propose additional telehealth services, although these flexibilities remain unspecified. Applicants under this track must indicate the requested telehealth flexibilities in their applications to CMS, which will be approved on a case-by-case basis.

## ACCOUNTABLE CARE ORGANIZATION TRANSFORMATION TRACK

Up to 20 rural ACOs will be selected for participation in the ACO Transformation Track over a 5-year period. This track is based on the advanced shared savings approach of the ACO Investment Model (AIM) and will place ACOs in the Medicare Shared Savings Program. Similar to the AIM, this track will use upfront payments and a fixed per beneficiary per month (PBPM) fee to incentive ACOs to assume greater risk. CMS estimates that the AIM saved \$382 million over a three-year period and it is hoping that these savings will translate to the ACO Transformation Track.

Accountable Care Organizations selected for this track will receive an initial \$200,000 payment in addition to \$36 per beneficiary. This initial lump payment is a one-time award. Organizations in this track will also be eligible for a minimum \$8 PBPM fee for up to 2 years. In addition, the ACO Transformation Track will offer ACOs existing waivers available under the Shared Savings Program. Benefit enhancements include:

- **Waiver of the SNF 3-day inpatient rule**
- **Continuation of telehealth expansions (post-COVID-19)**
- **Beneficiary incentives for preventive care and treatment compliance**

## CHART MODEL TIMELINE

Lead Organizations can apply for the Community Transformation Track in early 2021 and CMS expects to announce awardees in Spring 2021. The Track will officially launch in July 2021 with a pre-implementation window to allow Lead Organizations a planning and startup period. The 5-year performance period will commence in Summer 2022 and end in Summer 2028.

Applications for the ACO Transformation Track are expected to launch in Spring 2021, with notice of awards anticipated in Fall 2021. Because eligibility is limited to existing rural ACOs, this track does not include a pre-implementation period. The performance period for this track will launch in early 2022 and end in late 2026.

MILESTONE	APPROXIMATE DATE*	
	Community Transformation Track	ACO Transformation Track
NOFO / RFA released / Application portal opens	Summer 2020 (NOFO)	Spring 2021 (RFA)
Application deadline	Late Winter 2021	Summer 2021
Participant selection	Spring 2021	Fall 2021
Pre-implementation period	July 2021 - June 2022	N/A
Performance periods	July 2022 - June 2028	Jan 2022 - Dec 2026

*Source: Centers for Medicare & Medicaid Services*

## WHAT THE CHART MODEL MEANS FOR TELEHEALTH

The CHART Model was announced in response to President Trump’s August 3rd Executive Order to cement the telehealth expansions to date and improve telehealth access in rural communities. While applicants await further guidance from CMS, the available information suggests that CHART Model waivers under both tracks will promote the continued growth of telehealth in rural communities. In particular, the CHART Model appears to:

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- **Provide rural health systems and providers with the financial support to adopt telehealth platforms and expand availability of telehealth services;**
- **Extend geographic limitations and originating site waivers to ACO Transformation Track awardees under Shared Savings Program authority;<sup>5</sup>**
- **Enable ACOs to coordinate care through telehealth, including remote patient monitoring;<sup>6</sup>**
- **Enable rural providers to conduct home visits for evaluation and management using telehealth;<sup>7</sup> and**
- **Extend at least some of the telehealth expansions made during the public health emergency.**

To date, it is unclear how the telehealth flexibilities provided under the new CHART Model will align with the proposed Physician Fee Schedule (PFS) for calendar year 2021, or if it will extend some of the COVID-19 telehealth expansions that are not currently in the Shared Savings Program, such as allowing audio-only telephone evaluation and management services, or allowing all health care professionals eligible to bill Medicare (including FQHCs and RHCs) as telehealth distant site providers. CMS has indicated that it will be releasing additional information regarding telehealth-specific flexibilities in the Request for Applications, which are scheduled to launch September 2020.

<sup>5</sup> <https://www.cms.gov/files/document/shared-savings-program-telehealth-fact-sheet.pdf>

<sup>6</sup> [www.govinfo.gov/content/pkg/FR-2015-10-29/pdf/2015-27599.pdf](http://www.govinfo.gov/content/pkg/FR-2015-10-29/pdf/2015-27599.pdf)

<sup>7</sup> <https://www.cms.gov/newsroom/press-releases/trump-administration-proposes-expand-telehealth-benefits-permanently-medicare-beneficiaries-beyond>