



CMS Regional Office

Trump Administration Announces Initiative to Transform Rural Health

The Trump Administration today announced it is further transforming the nation's rural health care system by unleashing innovation through new funding opportunities that will increase access and improve quality. The Community Health Access and Rural Transformation (CHART) Model delivers on President Trump's Executive Order from last week on Improving Rural Health and Telehealth Access as well as the President's Medicare Executive Order and CMS's *Rethinking Rural Health* initiative. Collectively, the Administration aims to ensure individuals in rural America have access to high quality, affordable health care.

Per the President's Executive Order, the CHART Model also ties payment to value, increases choice and lowers costs for patients. CHART will empower rural communities to develop a system of care to deliver high quality care to their patients by providing support through new seed funding and payment structures, operational and regulatory flexibilities and technical and learning support.

"The Trump Administration has placed an unprecedented priority on improving the health of the one in five Americans who live in rural areas," said CMS Administrator Seema Verma. "The CHART Model represents our next opportunity to make investments that will transform the rural health care system, allowing us to use every lever to support all Americans getting access to high-quality care where they live."

Americans living in rural areas have worse health outcomes and higher rates of preventable diseases than the over 57 million Americans living in urban areas. Impediments such as transportation challenges disproportionately impact rural Americans and their access to care. Rural providers also experience challenges. For example, many rural healthcare facilities experience health care workforce shortages, and operate on thin margins and over 126 rural hospitals have closed since 2010. Many rural hospitals also have difficulty recruiting and retaining medical professionals to rural areas. Meanwhile, value-based payment models have accelerated nationally, though rural health care providers have been slow to adopt these models.

Percentage of hospitals with negative operating margins is between 44-52% (February 2020):
https://protect2.fireeye.com/url?k=65c59613-39918f6f-65c5a72c-0cc47adc5fa2-e4799de251b79272&u=https://www.chartis.com/forum/wp-content/uploads/2020/02/CCRH_Vulnerability-Research_FINAL-02.14.20.pdf

Providers interested in the CHART Model have two options for participation:

Community Transformation Track

The Trump Administration is investing up to \$75 million in seed money to allow up to 15 rural communities to participate in the Community Transformation Track. The upfront investment empowers communities to implement care delivery reform, provide predictable capitated payments, and offer operational and regulatory flexibilities to build a sustainable system of care. Through these flexibilities, health care providers across the community will be able to pursue care transformation such as expanding telehealth to allow the beneficiary's place of residence to be an originating site and waiving certain Medicare hospital conditions of participation to allow a rural outpatient department and emergency room to be paid as if they were classified as a hospital. The model also allows participant hospitals to waive cost-sharing for certain Part B services, provide transportation support, and gift cards for chronic disease management.

In September, CMS will select up to 15 rural communities to participate in this track, with the winners being announced in early 2021 and the model starting in Summer 2021.

Accountable Care Organization (ACO) Transformation Track

This track offers upfront investment to assist rural healthcare providers in improving outcomes and quality for rural beneficiaries. This track builds on the success of the ACO Investment Model (AIM), which has saved \$382 million over three years. Providers participating in the ACO Transformation Track will enter into two-sided risk arrangements as part of the Medicare Shared Savings Program (MSSP) and may use all waivers available in the MSSP program. CMS anticipates releasing a Request for Applications in the Spring 2021 and selecting up to 20 rural ACOs to participate in this track starting in January 2022.

Today's announcement builds on CMS's previous actions to strengthen the rural healthcare delivery system and improve the health of rural Americans. Specifically, CMS has:

- As directed by President Trump's Executive Order on Improving Rural and Telehealth Access, CMS took steps in the CY 2021 Physician Fee Schedule Proposed Rule published on August 4, 2020 to extend the availability of certain telemedicine services after the COVID-19 public health emergency ends, giving Medicare beneficiaries more convenient ways to access healthcare particularly in rural areas.
- Increased the wage index for low wage index hospitals, including many rural hospitals. The wage index is an adjustment to Medicare payments for local labor costs. This should support low wage index hospitals' efforts to improve quality, attract more talent, and improve patient access.
- Reduced the minimum required level of supervision for hospital outpatient therapeutic services furnished by all Critical Access Hospitals (CAHs) from direct supervision to general supervision. General supervision means that the procedure is furnished under the physician's overall direction and control, but the physician's presence is not required during the performance of the procedure. This provides more flexibility to rural hospitals, particularly CAHs, in providing care for their patients.

For more information, please visit: <https://innovation.cms.gov/initiatives/chart-model/>