NC Department of Health and Human Services

Office of Rural Health

Hospital Program Updates

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August 2020

NC ORH Hospital Program Grant Cycles

- **NC-STEP (SFY July 1, 2020)**

- **HRSA SHIP June 1, 2020**
- **HRSA FLEX September 1, 2020**

FLEX Year 1 program updates

- **2019-2020 Flex Program structure**
  - **Finance/Operations (Stroudwater), Quality (NCHA)**
  - **(2) statewide meetings**
  - **(3) Regional CAH meetings**
  - **(4) Individual CAH engagements**
  - **Population Health development (ORH/Stroudwater/NCHA)**

  COVID-19 pivot (March 2020)
  - **ORH involved in COVID-19 Healthcare Coalition**
  - **Cancelled April regional meeting**
  - **Continue FLEX program virtually**
  - **Support CAHs during COVID-19 pandemic**

FLEX Year 2 program plans

- **2020-2021 Program structure**
  - **Finance/Operations (Stroudwater), Quality (NCHA)**
  - **(2) statewide meetings**
  - **(3) Regional CAH meetings**
  - **(4) Individual CAH engagements**
  - **Population Health development (ORH/Stroudwater/NCHA)**

  Other Focus areas
  - **MBQIP measures**
  - **Swing Bed Program support (locally/systems)**
  - **Obstetrical Services/Maternal Health (UNC Sheps)**
  - **Rural Health Clinic network**
  - **NC Primary Care network**

FLEX program updates

2024 Flex Program Long Term Goals

- MBQIP 100% compliant (HRSA defines)
- CAH statewide meetings 20/20
- Improve operating margins
- Increase outpatient/RHC programs

- Community engagement
- Regional/system collaboration
- Global budgeting models (Medicaid/CMS)
  - NC Medicaid
  - CMS/CHART Model Fall 2020 RFA

HRSA Funding Opportunities

- **Small Rural Hospital Transitions (SRHT)**
  - **Sept letter of intent due date**
  - **Nov/Dec project period**

- **Vulnerable Rural Hospital Assistance Program (VRHAP)**
  - **October application due (LifeBrite/WRMC)**

ORH Community Health Grants (up to $150K for 3 years)
  - **November RFA opens/January 2020 RFA due**
  - **Primary care**
  - **Non-profit**

Community Health Access and Rural Transformation (CHART)

CMS aims to continue addressing these disparities by providing a way for rural communities to transform their health care delivery systems by leveraging innovative financial arrangements as well as operational and regulatory flexibilities

Community Transformation Track

Communities receive **upfront funding**, **financial flexibilities** through a predictable capitated payment amount (CPA), and **operational flexibilities** through benefit enhancements and beneficiary engagement incentives.

This track builds on lessons learned from:

- *Maryland Total Cost of Care Model*
- *Pennsylvania Rural Health Model*

ACO Transformation Track

Rural ACOs receive **advance shared savings payments** to participate in one-sided or two-sided risk arrangements in the Medicare Shared Savings Program (Shared Savings Program).
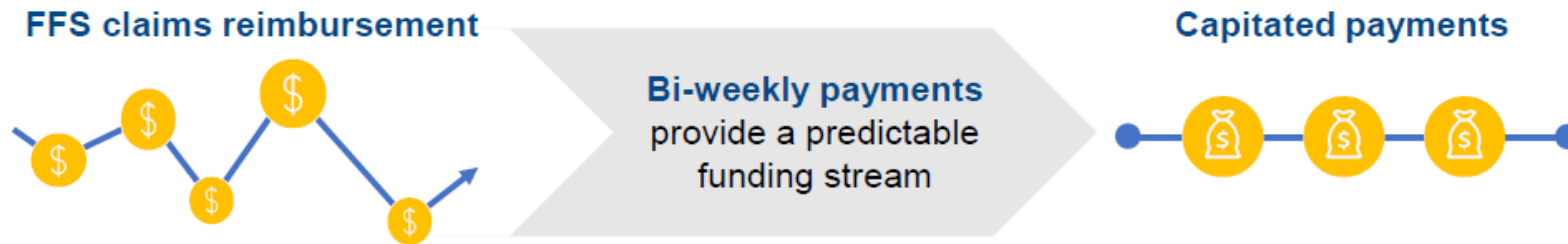
This track builds on lessons learned from:

- *ACO Investment Model (AIM)*

Capitated Payment Amount (CPA)

Community Transformation Track

CMS will replace Participant Hospitals' FFS claim reimbursement with bi-weekly payments that equal the annual CPA over the course of the Performance Period.

FFS claims reimbursement

Bi-weekly payments provide a predictable funding stream

Capitated payments

CMS will administer each Participant Hospital's CPA through **5 steps:**

1	2	3	4	5
Determine baseline revenue using historical expenditures	Apply prospective adjustments	Apply a discount	Apply mid-year adjustments	Apply end-of-year adjustments

Participant Hospital Eligibility

Community Transformation Track

To participate in the Community Transformation Track, a Participant Hospital must be an acute care hospital (defined as a "subsection (d) hospital") or Critical Access Hospital that meets **at least one of the below requirements**:

1

Located within the Community and **receives at least 20%** of its eligible Medicare FFS revenue from services provided to residents of the Community
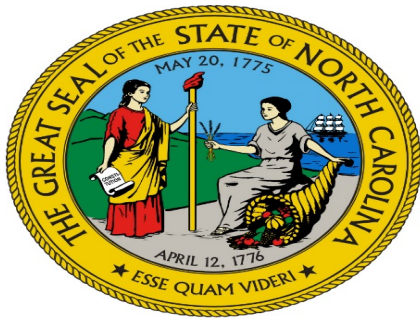
- or -

2

Regardless of facility location, provides services to residents of the Community that in **aggregate account for at least 20%** of the eligible Medicare FFS expenditures of the Community.

Director of Office of Rural Health Updates

- DHHS/ORH Community Health Worker Program
- DHHS Historically Marginalized Populations workgroups
- Other updates

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