FCHIP – a history and an update

Montana Health Research and Education Foundation

Montana Hospital Association

Helena, Montana

Original authorization for a frontier demonstration

Section 123 of the Medicare Improvements to Patients and Providers Act (MIPPA) [2008] authorized the Secretary of Health and Human Services to establish a demonstration project to develop and test new models for the delivery of health care services to Medicare beneficiaries in certain frontier counties. In accordance with MIPPA, the purpose of any new frontier health care service delivery model shall be to improve access and better integrate the delivery of frontier acute care, extended care and other essential health care services for beneficiaries.

Vision submitted to HRSA ORHP 11/2012

- *The overall vision of the Frontier Community Health Integration Project (F-CHIP) is to establish a new health care entity—**a Frontier Health System—**that aligns all frontier health care service delivery by means of a single set of frontier health care service delivery regulations and an integrated (not fragmented) payment and reimbursement system.*

- *For the Medicare beneficiary, the new **Frontier Health System** would serve as a single point of contact and patient-centered medical home for the coordination and delivery of preventive and primary care, extended care (including Visiting Nurse Services (VNS) with therapies), long term care and specialty care. Beneficiaries would benefit from the new model through reduced unnecessary admissions and readmissions to inpatient, ER and long term care settings. Homebound frontier Medicare beneficiaries who are unable to travel to obtain medical service would receive access to expanded VNS home care, including monitoring and treatment of chronic conditions.*

- *In essence, the local **Frontier Health System** would aggregate all health care service volume within its service area under one integrated organizational, regulatory and cost-based payment umbrella, spreading fixed cost and producing lower-cost care. In addition, budget-neutral, pay-for-quality incentives would be implemented by the local **Frontier Health System** to demonstrate high quality care provided to frontier patients at lower cost, with savings shared with the Medicare Program.*

- *A new **Frontier Health System** provider type and Conditions of Participation (COP) would be created. Health care services aggregated into the new **Frontier Health System** include: hospital ER, inpatient and outpatient; ambulance; swing bed; and an expanded rural health clinic which includes a VNS component that may provide physical, occupational or speech therapy in the frontier patient's home as well as preventive and hospice services.*

- *Each frontier-eligible state—Montana (MT), North Dakota (ND), Wyoming (WY) and Alaska (AK)—would propose forming one or more networks of up to 10 **Frontier Health Systems** to provide statewide care coordination for frontier patients, assistance in the implementation and measurement of Pay for Performance (P4P) incentives as well as distribution of shared savings from CMS to network members.*

Waiver system offered in spring, 2014

Four "prongs":

- Cost-based reimbursement to the originating site for telehealth services (original reimbursement waiver offer ALSO included asynchronous "store-and-forward" services per the model already conducted in Alaska and Hawaii, but this was withdrawn)
- Waiver of the 35-mile rule for cost-based reimbursement of ambulance services
- Permitted an increase of 10 swing-beds in a CAH
- Offered enhanced payment for mileage for home health services

Terms of application

- Hospitals could apply for one or any combination of these four waiver opportunities
- In the event, 13 hospitals from 3 states applied. The three hospitals selecting the home-health waiver were denied, leaving 10 participants in three states.

Facilities and populations, FCHIP project

CAH and State/community	T	A	BE	City Pop.	County Pop.	County sq. mi.
North Dakota						
Southwest Health Services, Bowman Bowman County		X		1,706	3,214	1,162
Jacobson Memorial Hospital Care Center and Clinic, Elgin Grant County			X	642	2,388	1,666
McKenzie County Healthcare System, Watford City McKenzie County	X			6,708	12,826	2,861
Montana						
Roosevelt Medical Center, Culbertson 779 pop. Roosevelt County	X	X	X	794	11,476	2,369
McCone County Health Center, Circle McCone County	X		X	609	1,683	2,683
Dahl Memorial Health Care, Ekalaka Carter County	X			343	1,160	3,348
Nevada						
Pershing General Hospital, Lovelock Pershing County	X			1,900	6,698	6,067
Battle Mountain General Hospital, Battle Mountain (unincorporated, but is County Seat) Lander County	X			3,635	5,575	5,519
Grover C. Dils Medical Center, Caliente 1,169 pop. Lincoln County	X			1,141	5,184	10,637
Mount Grant General Hospital, Hawthorne (unincorporated but is County Seat) Mineral County	X			3,269	4,478	3,813
Totals	8	2	3	20,747	54,682	40,125

Waiver usage numbers by state; 8/16 – 5/17

Utilization by Prong: August 1, 2016-May 31, 2017			
	Telehealth	Ambulance	Swing Bed
Montana (3)	52	167	13
North Dakota (3)	49	115	19
Nevada (4)	30	n/a	n/a
Total Utilization	131	282	32

Implementation challenges

- Telehealth: distant/specialty site challenges; billing and coding complexities; unfamiliarity on both ends of the process; provider resistance.
- Swing bed: information/marketing
- Ambulance: regulatory/legal impediments to creative use

Technical assistance and contracting

. . . Or, “could this project be easily replicated without assistance and support?”

Random observations

- Bob Olsen's "yah, but –" theory of healthcare models

- Rural models seem unlikely to make a meaningful difference until they are more than tweaks applied to urban prototypes

Questions . . . ?

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