

# Community Health Access and Rural Transformation (CHART) Model

## STATE MEDICAID PARTICIPATION FACTSHEET

### CHART Model Overview

#### Goals



Improve access to care in rural areas



Improve quality of care and health outcomes for rural communities



Increase adoption of alternative payment models (APMs) among rural providers



Improve rural provider financial sustainability



**The Community Transformation Track** is one of two track options under the CHART Model where communities receive upfront funding, and participating hospitals (Participant Hospitals) receive financial flexibility through a predictable Capitated Payment Amount (CPA), and operational flexibilities through benefit enhancements and beneficiary engagement incentives.

### What does this mean for a State Medicaid Agency (SMA)?

SMA will enter into capitated payment arrangements with Participant Hospitals to implement this APM, either as the CHART Model award recipient (Lead Organization) or in conjunction with the Lead Organization. Lead Organizations and SMAs must collaborate to ensure that a certain percentage of each Participant Hospital's Medicaid revenue is under a capitated payment arrangement each performance period. The SMA may implement their capitated payment arrangement with Participant Hospitals differently based on their plan benefits and member populations. These modifications from the CPA financial methodology will be subject to CMS approval in order to satisfy the financial alignment characteristic.

**SMA participation is required under the Community Transformation Track.**

#### ROLE

The SMA must participate in the **Advisory Council** and serve as an **Aligned Payer** with Medicare and other participating commercial payers. The SMA may also serve as the Lead Organization. If the Lead Organization is not the SMA, it must partner with the SMA to implement the CHART Model.

#### APPLICATION

As a component of the Community Transformation Track application, the potential Lead Organization must submit a **Memorandum of Understanding (MOU)** from their SMA.

#### FUNDING FLOW

The SMA **must be a subrecipient** of the cooperative agreement funding. That is, the Lead Organization will provide the SMA funds to carry out the model's program requirements. [See the list of required SMA activities.](#)

To learn more details regarding SMA participation in the CHART Model, please reference the following sections in the [Notice of Funding Opportunity \(NOFO\)](#): **A.4.4.3. State Medicaid Agency, A.4.5.3. Multi-payer Alignment, Appendix IX. Medicaid Needs Assessment**

For more information on the CHART Model, [visit the CHART website.](#)  
For more information on the Community Transformation Track, [view the NOFO.](#)

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### Types of State Medicaid Agency Roles

SMA will participate in the Community Transformation Track via the below required and optional roles.



#### Required

- **Aligned Payer** – The SMA implements their capitated payment arrangement with Participant Hospitals and possesses the three aligning characteristics outlined in **Table 4. Payer Alignment Characteristics** of the [NOFO](#).
- **Advisory Council Member** – The SMA plays an advisory role to the Lead Organization as it carries out its funded activities, such as providing critical feedback in the development and implementation of Transformation Plans and assistance with collaboration efforts with Participant Hospitals and other key Community stakeholders.



#### Optional

- **Lead Organization** – As a CHART Model award recipient under the Community Transformation Track, the SMA would be responsible for forming the Advisory Council, recruiting Participant Hospitals, developing and implementing the Transformation Plan, and overseeing the implementation of the Community Transformation Track APM. There can only be one Lead Organization per Community. **See section A.4.3 Lead Organization and the Community** of the [NOFO](#).

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### Model Application: State Medicaid Agency Involvement

#### Memorandum of Understanding (MOU) Requirements

A CHART Model applicant must submit an MOU from their SMA that includes the following information:

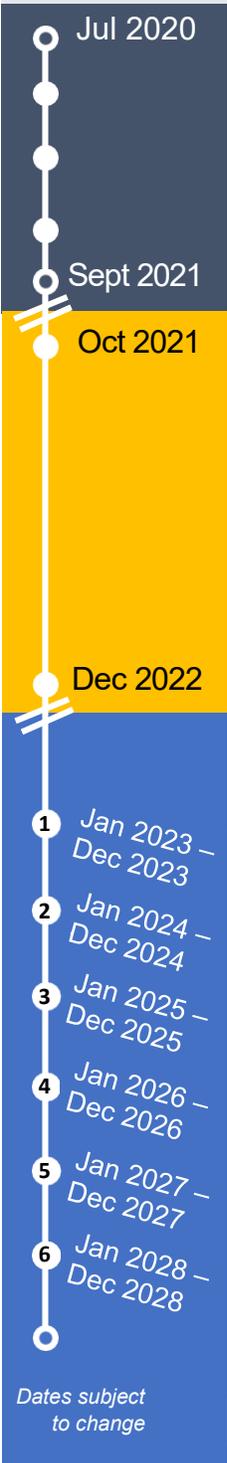
- a Attestation that the SMA understands and is willing to perform the activities required of it, as described in sections **A.4.4.3. State Medicaid Agency** and **A.4.5.3. Multi-payer Alignment** of the [NOFO](#).
- b Attestation that the SMA will, no later than 45 days after the start of the Pre-Implementation Period, meet with representatives of the Center for Medicaid and CHIP Services (CMCS) to begin designing and implementing any changes to its Medicaid program (such as SPAs, 1115 demonstrations, etc) required to execute CHART financial alignment.
- c A populated Medicaid Needs Assessment Questionnaire, provided in **Appendix IX. Medicaid Needs Assessment** of the [NOFO](#).

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### Timeline of Required SMA Activities

As an Aligned Payer and Advisory Council member, SMAs have the responsibilities below.\*



September 15, 2020: CMS releases Notice of Funding Opportunity (NOFO)

May 11, 2021: Application deadline

September 2021: CMS selects award recipients

Oct 2021 – Dec 2022: Pre-Implementation Period

- Execute and submit to the Lead Organization legally enforceable agreements as needed, including business associate agreements (BAAs)
- Participate in the Advisory Council
- No later than 45 days after the Pre-Implementation Period starts, meet with representatives of CMCS to begin designing and implementing any needed changes to its Medicaid program
- Collaborate with the Lead Organization to submit progress updates on executing APM financial alignment

Jan 2023 – Dec 2028: Performance Periods

- Continued participation in the Advisory Council
- Comply with all data and reporting requirements of the CHART Model
- Align Medicaid program with the Community Transformation Track APM, and collaborate with the Lead Organization to submit progress updates on executing CHART financial alignment
- Meet Medicaid Alignment Targets outlined below starting in Performance Period 2 (Jan 1, 2024)

Medicaid Alignment Target	
(% of each Participant Hospital's Medicaid revenue under a Capitated Payment Arrangement)	
<b>Performance Period 1</b>	0%
<b>Performance Period 2</b>	50%
<b>Performance Period 3</b>	60%
<b>Performance Period 4</b>	75%
<b>Performance Period 5</b>	75%
<b>Performance Period 6</b>	75%

Medicaid alignment may be achieved through alignment of **Medicaid fee-for-service (FFS), Medicaid managed care plans, or both**. Lead Organizations, in collaboration with their SMA, will be required to meet the Medicaid alignment targets in the table here. Guidance on how different Medicaid payment models can be leveraged to meet CHART's financial alignment requirement are provided in **Appendix IX** of the [NOFO](#)

\*Lead Organization responsibilities are outlined in **Table 2. Funded Activities for Lead Organizations** of the [NOFO](#). The Pre-Implementation Period is when the Lead Organization partners with Participant Hospitals and Community stakeholders to develop a health care delivery system redesign strategy. Afterwards, there are six Performance Periods to implement the strategy and participate in the APM.