



CHART Model: Fact Sheet

The Community Healthcare Access and Rural Transformation (CHART) Model is a funding opportunity from the Centers for Medicare and Medicaid Services (CMS). The CHART Model is a voluntary opportunity for rural communities to test health care transformation supported by payment reform.

The purpose of the CHART Model purpose is to bring improved financial stability to participating rural hospitals through capitated arrangements and provide strategies to address health challenges through telemedicine. Through the CHART Model, health care providers, as well as public and private payers, can collectively invest in increasing access to care, promoting quality and improving the health outcomes of residents within their Community.

In 2021, CMS selected HHSC as one of four Lead Organizations for the CHART Model. As the Lead Organization for Texas, HHSC is responsible for driving health care delivery system redesign by leading the development and implementation of Transformation Plans and convening and engaging the Advisory Council. The estimated project period is October 1, 2021 - December 31, 2028.

As the Lead Organization, HHSC will receive up to \$5 million in cooperative agreement funding to support the implementation of the CHART Model in Texas. HHSC's goal is to use much of this funding to provide technical assistance to hospitals, and allow hospitals to purchase telemedicine equipment, training, software and hire additional staff if needed to implement transformation goals.

While this document provides a high-level overview of the benefits for rural hospitals, please review the resources on the [CHART Model Community Transformation Track in Texas](#) website for more in-depth information. If you are interested in receiving additional information about the CHART Model in Texas, please [sign up for the email updates](#) on our website. Please send questions regarding the CHART Model to: HHSC_CHART@hhsc.state.tx.us.

Benefits to Rural Hospitals

The CHART Community Transformation Track provides three ways for rural hospitals to transform their local health care system:

1. Participant Hospitals will receive regular, lump-sum payments also called a “capitated payment amount (CPA)” in place of their Medicare FFS claims reimbursement for Eligible Hospital Services¹ for the duration of the CHART Model funding opportunity. The benefit to hospitals is the CPA payment stability and predictability, as well as the freedom to invest in new service lines and utilize regulatory flexibilities offered by the CHART Model initiative. For example, hospitals may have had to focus on providing higher-reimbursing specialty services over essential primary care and behavioral health capacity or maintaining inpatient beds to meet Medicare conditions of participation, even when it may not be what is needed in the community. The CHART Model CPA payment will be calculated by CMS, not HHSC.
2. Lead Organizations will receive cooperative agreement funding to implement its health care delivery system redesign strategy that is tailored to its Community’s needs. The funding may be used to establish partnerships with community stakeholders and procure technical support. Lead Organizations may also pass a portion of the funding directly to Participant Hospitals for investing in and successfully implementing care delivery redesign efforts at the hospital-level.
3. Lead Organizations, in collaboration with Participant Hospitals, will be able to leverage certain operational flexibilities available under the CHART Model to expand their ability to implement their health care delivery system redesign strategy. Operational flexibilities may include waivers of the Skilled Nursing Facility 3-day rule, telehealth [after the end of the current public health emergency (PHE) flexibilities], and care management home visits. Engagement of Medicare beneficiaries through transportation reimbursement, cost-sharing waivers and gift card rewards will be permitted. Lead Organizations are responsible for requesting operational flexibilities in their Transformation Plans in consultation with Participant Hospitals.

¹ Eligible Hospital Services include the following health care services: (a) Inpatient hospital or inpatient Critical Access Hospital (CAH) services, including but not limited to physical therapy and certain drugs and biologicals. (b) Outpatient hospital or outpatient CAH services, including but not limited to clinic, emergency department (ED) and observation services, X-rays and other radiology services billed by the Participant Hospital, and certain drugs and biologicals. (c) Swing bed services rendered by CAHs. (A.4.5.1. Capitated Payment – CHART Model Community Transformation Track Notice of Funding Opportunity).