

## Model Overview

The Frontier Community Health Integration Program (FCHIP) is a Congressionally mandated demonstration. The FCHIP Demonstration began on August 1, 2016, and concluded on July 31, 2019. It was intended to improve access to health care for Medicare and Medicaid beneficiaries in the most rural regions of the United States. It offered critical access hospitals (CAHs) located in counties with populations of less than 6 persons per square mile the opportunity to elect using one or more Medicare payment waivers.

CAHs are small hospitals (no more than 25 acute care inpatient beds) located in rural areas and must be more than a 35-mile drive from another hospital or be more than a 15-mile drive from another hospital in an area with mountainous terrain or only secondary roads.

The demonstration was jointly implemented by the Centers for Medicare & Medicaid Services (CMS) and the Health Resources and Services Administration (HRSA). CMS administered the day to day operations, while HRSA provided technical assistance to help the CAHs make operational changes and to market hospital services to the surrounding community.

## FCHIP Intervention



Reimbursed at 101 percent of reasonable costs of furnishing Part B ambulance services, instead of being paid at the Medicare ambulance fee schedule rate.



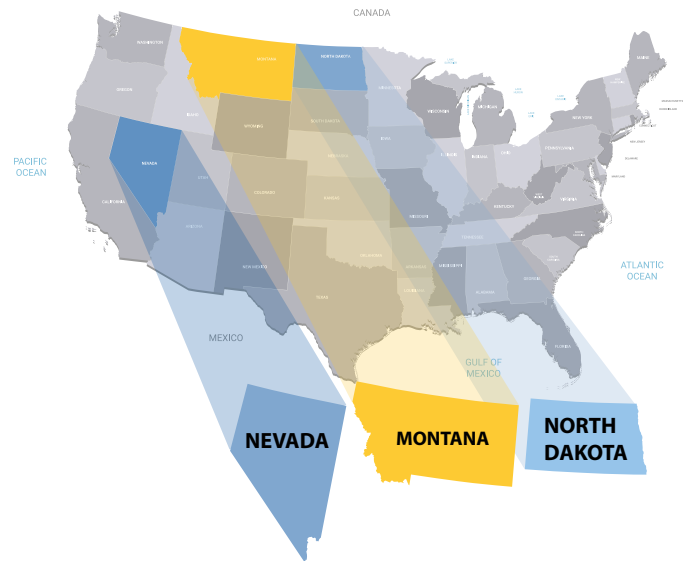
Allowed to increase inpatient bed capacity from 25 up to 35 beds, and the extra beds could only be used to provide skilled nursing or nursing facility care.



Reimbursed at 101 percent of reasonable costs for providing telehealth services when serving as the originating site.

## Participants

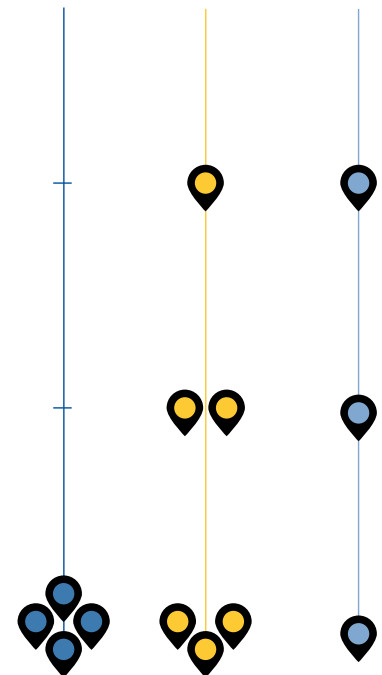
Ten CAHs in Montana, Nevada, and North Dakota were selected to participate in one or more of the three FCHIP interventions.



  
Ambulance  
Intervention

  
SNF/NF  
Intervention

  
Telehealth  
Intervention



### Findings



#### Ambulance – 2 Participating CAHs

- With higher cost-based payments, CAHs reportedly used the additional funds to bolster stipends for volunteer emergency medical technicians (EMTs), hold additional EMT training classes, and purchase equipment.
- Ambulance transports declined by 25% over the 3 year demonstration, but this was attributed by ambulance staff to normal variations in demand.
- One of the hypothesized savings, substituting lower cost land ambulance transports for more expensive air transports, could not be tested due to very low number of transports.

*“It’s helped us beef up our staffing and we’ve been able to get equipment we wouldn’t otherwise have been able to spend money on if we didn’t have money to cover the staff.”*

*–CAH Administrator*



#### Skilled Nursing Facility (SNF/NF) Bed Expansion – 3 Participating CAHs

- Only one CAH (in North Dakota) used the additional beds, while the other two CAHs (in Montana) experienced declining SNF admissions due to reduced local demand.
- CAHs reported that the FCHIP SNF/NF bed intervention allowed the hospitals to showcase their commitment to the community by keeping patients in the community for medical care.



#### Telehealth – 8 Participating CAHs

- Prior to FCHIP, only 1 telehealth origination service had been provided among the 8 CAHs. Over the 3 year period, 5 CAHs provided 289 encounters, but utilization was concentrated at 3 CAHs.
- All CAHs reported high patient satisfaction with telehealth, since care could be received locally without extensive travel.
- CAHs strengthened relationships with distant providers, making it easier to establish referral processes and to offer the right mix of telehealth services.
- There was little evidence that the demonstration improved access to telehealth more than what would have occurred without the demonstration. Non-FCHIP CAHs located in the same three states also experienced rapid growth in providing Medicare telehealth services, despite receiving lower payments and receiving no technical implementation assistance.

*“Absolutely, we have to [continue telehealth]. Our patients have come to rely on it, and I know a great number of people who would simply not get services if we didn’t have telehealth.”*

*–Telehealth Coordinator*

### Key Takeaways



The demonstration increased payments for Part B ambulance transports and telehealth origination services.



Of the three CAHs that increased their beds, only one needed and used the additional capacity.



Patient satisfaction with telehealth was very high. While FCHIP telehealth encounters grew rapidly over the 3 year period, a similar growth pattern was also found for non-FCHIP CAHs in the same states, suggesting that telehealth would have proliferated without the demonstration.

The evaluation report gained insights through interviews with CAH staff and assessing changes in Medicare utilization. Small sample sizes made it difficult to generalize the results seen beyond the 10 CAH participants.

*This document summarizes the evaluation report prepared by an independent contractor. To learn more about the FCHIP model and to download the Final Evaluation Report, visit <https://innovation.cms.gov/innovation-models/frontier-community-health-integration-project-demonstration>.*