



CHASE

Colorado Healthcare Affordability and
Sustainability Enterprise

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Hospital Transformation Program: Proposed Rural Support Fund

What is the Rural Support Fund and how is it different from the Hospital Transformation Program?

The proposed Rural Support Fund is complementary funding to the [Hospital Transformation Program](#) (HTP) to prepare rural hospitals for future value-based payment environments.

Under the HTP, hospitals will be required to implement quality-based initiatives and projects to receive supplemental payments and demonstrate meaningful community engagement and improvements in health outcomes over time. For some rural hospital communities, layering quality-based initiatives on top of insufficient operational strategies or infrastructure may not allow the hospitals to prepare for the needs of the communities they serve or the payment methodologies of the future. Select rural hospitals will be eligible to receive additional support payments to prepare rural hospitals for alternative payment methodologies in the future through strategic planning and financial modeling, and then to operationalize those strategies.

Who is eligible? Who can apply? Who will be selected?

Non-resort rural and critical access hospitals may apply. Hospitals will be evaluated based on responses to an application and year over year financial statement analyses.

Resort hospitals are defined as those in counties where 30% of workers are in two tourism-related industries and/or the hospital is the closest in proximity to a ski resort. Tourism-related industries are arts, entertainment, recreation, accommodation and food services.

Funding will be directed to hospitals demonstrating the most financial distress based on financial/utilization measures.

Funding amount

Funding for rural support payments will be \$12,000,000 annually for each of the five years of the HTP waiver.

How can the funding be used?

Funding is expected to be available each of the five years through the HTP. The funding may be used for services to prepare the hospital for future value-based or alternative payment methodologies, including:

- Technical capacity
 - ✓ Health Information Exchange (HIE) connectivity, such as Colorado Regional Health Information Organization (CORHIO) fees.

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- ✓ Strategic planning and consulting.
 - ✓ Data analytics.
 - ✓ Actuarial services and financial modeling for alternative payment methodologies.
- Transformation capital to operationalize strategic plan
 - ✓ Establish or augment service lines, such as funding shared clinical resources for behavioral health or substance use disorder.
 - ✓ Physical plant changes, such as conversion of intensive beds to ambulatory health or creating behavioral health capacity.

What can funds *not* be used for?

Hospital's projects may not be for land or real estate investments for the sole purpose of future financial benefit, to finance or satisfy any existing debt, or to establish service lines that do not service the community's needs.

Next steps

The proposed Rural Support Fund will be developed with input from stakeholders and in consultation with the Colorado Healthcare Affordability and Sustainability Enterprise (CHASE) Board and will be included in the HTP submission and subject to Centers for Medicare & Medicaid Services review and approval. Questions or comments are welcome by email at COHTP@state.co.us.

