



DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

[CMS-5511-N]

Medicare and Medicaid Programs; Solicitation for Proposals for the Frontier Community Health Integration Project Demonstration

AGENCY: Centers for Medicare & Medicaid Services (CMS), HHS.

ACTION: Notice.

SUMMARY: This notice provides eligible entities with the information necessary to apply for participation in the Frontier Community Health Integration Project (FCHIP) demonstration. The demonstration is designed to better integrate the delivery of acute care, extended care and other health care services, and improve access to care for Medicare and Medicaid beneficiaries residing in very sparsely populated areas. A competitive application process will be used to select eligible entities for participation in this demonstration. The demonstration is planned for up to 3 years.

DATES: Applications will be considered timely if we receive them on or before 5 p.m., eastern standard time (E.S.T.) on {**OFR INSERT 90 DAYS AFTER DATE OF PUBLICATION**}.

ADDRESSES: Mail one unbound original and two copies to:

Centers for Medicare & Medicaid Services

Attention: Steven Johnson

7500 Security Boulevard

Mail Stop: WB-06-05

Baltimore, Maryland 21244-1850.

In addition, an email copy in MS Word or PDF must be sent to: FCHIP@cms.hhs.gov.

FOR FURTHER INFORMATION CONTACT: Steven Johnson, (410) 786-3332 or FCHIP@cms.hhs.gov.

SUPPLEMENTARY INFORMATION: Please refer to file code CMS-5511-N on the application. Applicants are required to submit one unbound original and two copies to the address listed in the “**ADDRESS**” section of this notice. In addition, an email copy in MS Word or PDF must be sent to: FCHIP@cms.hhs.gov. Because of staffing and resource limitations, we cannot accept applications by facsimile (FAX) transmission. Applications postmarked after the closing date, or postmarked on or before the closing date but not received in time, will be considered late.

I. Background

A. Legislative Authority

Section 123 of the Medicare Improvements for Patients and Providers Act of 2008, (MIPPA) (Pub. L. 110-275) as amended by section 3126 of the Patient Protection and Affordable Care Act (Pub. L. 111-148), authorizes a demonstration project on community health integration models in certain rural counties to develop and test new models for the delivery of health care services to better integrate the delivery of acute care, extended care and other health care services, and improve access to care for Medicare and Medicaid beneficiaries residing in very sparsely populated areas.

The authorizing legislation defines distinct roles for this demonstration for the Centers for Medicare & Medicaid Services (CMS) and the Health Resources and Services Administration (HRSA) in developing and implementing this project. HRSA was charged with awarding grants to eligible entities for the purpose of technical assistance and informing the Secretary of the Department of Health and Human Services (Secretary) on the specific needs of frontier

communities, while CMS is to conduct a demonstration testing alternative reimbursement and administrative strategies.

This demonstration is commonly known as the Frontier Community Health Integration Project (FCHIP). CMS is hereby requesting applications for participation in this demonstration from eligible entities as defined in Section 123(d)(1)(B) of MIPPA. CMS interprets the eligible entity definition as meaning critical access hospitals (CAHs) that receive funding through the Rural Hospital Flexibility Program. The statute limits the Demonstration to no more than 4 States; it also restricts eligibility to CAHs within States with at least 65 percent of counties with 6 or less persons per square mile. With respect to these requirements, CMS is limiting applications to CAHs in Alaska, Montana, Nevada, North Dakota, and Wyoming.

The authorizing legislation mandates that the project last for 3 years. The law authorizes waiver of such provisions of the Medicare and Medicaid programs as are necessary to conduct the demonstration project. The authorizing legislation also requires the demonstration to be budget neutral, that is, to be structured such that Medicare expenditures under the demonstration do not to exceed the amount which the Secretary estimates would have been paid if the demonstration project were not implemented. This notice references CMS's request for proposals for the FCHIP demonstration, which sets forth project guidelines, conditions of participation, payment methodology, and application instructions.

The FCHIP demonstration is designed to improve access to certain services, the delivery of which is often not feasible at low volumes under current Medicare reimbursement but if integrated into the local delivery system, would lead to improved outcomes and greater efficiency in health care service delivery. Integration of services is intended as an intervention that is directed by the various providers serving the community so that the specific health care

needs of residents are addressed in appropriate settings – either inpatient, outpatient, or at home. The desired outcome is to increase access to health care services, with the objective of supporting certain services so as to allow them to be financially feasible given the low patient volumes of a remote and sparsely populated area. Another objective is to decrease the number of avoidable hospital admissions, readmissions, and avoidable transfers to tertiary facilities, such that there is no net increase in Medicare spending for the affected population. To address the goal of increasing access with no net cost increase, we have identified four types of services for which this demonstration will provide financial support, and promote community health integration – these are: nursing facility care within the CAH, telemedicine, ambulance, and home health. We have selected these services on the basis of research and literature review. Applicants should identify additional services of one or more of these types, beyond what is currently available. Applicants must address the need for these services, including how they enhance patient care options and the ability of beneficiaries to remain in their communities; and how quality of these services will be maintained, to assure care can safely be provided locally. We will also work in the development process of this project with State Medicaid agencies on their proposals for Medicaid-specific reimbursement mechanisms to support access to community-based health care services.

B. FCHIP Applications

In keeping with the authorizing legislation in section 123 of MIPPA, entities that meet the eligibility requirements will be able to apply for the demonstration. Specifically, an eligible entity must be located in either Alaska, Montana, Nevada, North Dakota, or Wyoming although CMS will select no more than 4 States to participate in the demonstration. Each entity in its application will be required to describe a proposal to enhance health-related services so as to

complement those currently provided within the community and reimbursed by Medicare, Medicaid, or other third-party payers. The applicant must describe an integrated system of services and explain how these will better serve the community's health-related needs.

An entity applying for the demonstration will be required to demonstrate linkages (either ownership or contractual) with the providers of the identified additional services, such as nursing home, telemedicine, home health agency, or ambulance service. Specifically, to be approved for payment of telemedicine services under the demonstration's payment methodology, the applicant must demonstrate effective arrangements with distant site specialists who will participate in telemedicine linkages with providers within the communities. In addition, to be approved for ambulance services, the applicants must show transfer arrangements with essential providers.

Each applicant will be asked to submit an analysis of how its proposed project will be budget neutral and/or achieve cost savings. This will include projections of the number of patients that will gain access to services within the community that are supported by the demonstration, the cost of these services, and the resulting cost savings from averting transfers to out-of-area hospitals and/or avoidable hospitalizations. The applicant will be evaluated on the plausibility of this analysis, the ability to support projections with clinical evidence and the sensitivity of cost outcomes to the stated assumptions of change in services and patient behavior.

Interested and eligible parties can obtain complete solicitation and supporting information on the CMS website at: <http://innovation.cms.gov/initiatives/index.html>. Paper copies can be obtained by writing to Steven Johnson at the address listed in the "ADDRESSES" section of this notice.

II. Collection of Information Requirements

The information collection requirements associated with this notice are subject to the Paperwork Reduction Act of 1995; however, the information collection requirements are currently approved under the information collection request associated with OMB control number 0938-0880 entitled “Medicare Waiver Demonstration Applicant.” Applicants must submit the Medicare Waiver Demonstration Application to be considered for this program.

(Catalog of Federal Domestic Assistance Program No. 93.773, Medicare--Hospital Insurance; and Program No. 93.774, Medicare--Supplementary Medical Insurance Program)

Dated: August 20, 2013

Marilyn Tavenner,

Administrator,

Centers for Medicare & Medicaid Services.

BILLING CODE 4120-01-P

[FR Doc. 2014-02062 Filed 01/31/2014 at 4:15 pm; Publication Date: 02/04/2014]