



The Pennsylvania Rural Health Model

Brede Eschliman

Next Generation ACO Model Co-Lead

CMS/CMIMI

Overviewing CMMI partnerships with states to test novel all-payer models

The Innovation Center provides custom, state-specific Medicare flexibilities to test novel models in return for state accountability on both all-payer cost growth and population health measures.

All-payer model	Novel test	Medicare flexibility	State accountability
Maryland	<ul style="list-style-type: none"> Hospital global budgets to decouple hospital revenues from volume and incentivize prevention and wellness ACOs at scale statewide to incentivize value and quality under the same payment structure throughout the delivery system 	<ul style="list-style-type: none"> Allow global budgets to determine Medicare payment amounts to Maryland hospitals Provide a custom Medicare ACO model, based on CMMI's NextGen ACO model 	<ul style="list-style-type: none"> Scale targets to disseminate reforms across states' payers and providers All-payer financial targets to ensure state's healthcare costs across payers grow at a sustainable level Medicare financial targets to maintain fiduciary duty to Medicare beneficiaries and the Trust Fund Population health targets to tie success to actual improvements in the health and quality of care for residents
Vermont	<ul style="list-style-type: none"> Hospital global budgets for rural hospitals and a deliberate plan to improve quality and efficiency across services and service lines 	<ul style="list-style-type: none"> Allow global budgets to determine Medicare payments to participating Pennsylvania rural hospitals 	
Pennsylvania			

The PA Rural Health Model aims to improve financial viability and reduce health disparities

Payment model and scale

Rural hospitals will receive global budgets for all inpatient and outpatient services, to produce lower revenue but higher margin

- Global budgets will cover 90% of each hospital's revenue by year 2
- 30 hospitals will participate by year 3 (45% of all rural PA hospitals)
- Payers will include Medicare FFS, Medicaid managed care, and commercial payers (including Medicare Advantage)

Care delivery redesign

Hospitals will redesign their delivery system based on local health needs

- Hospitals will build partnerships with other providers through care coordination and referral patterns to promote population health
- Hospitals may also reduce excess beds, change service delivery lines, or transition to become an outpatient centers
- The state will review the hospital plans to ensure access and quality

Financial targets

- At least \$35M in Medicare rural hospital savings
- No more than 3.38% all-payer rural hospital cost per capita annualized growth rate

Pop. health targets

- Increase access to primary and specialty services
- Reduce deaths related to substance use disorder (SUD) and improve access to opioid treatment
- Improve chronic disease management and preventive screenings in target areas: cancer, cardiovascular disease, and obesity/diabetes

The Pennsylvania Rural Health Model is in its first year and will conclude in 2023.