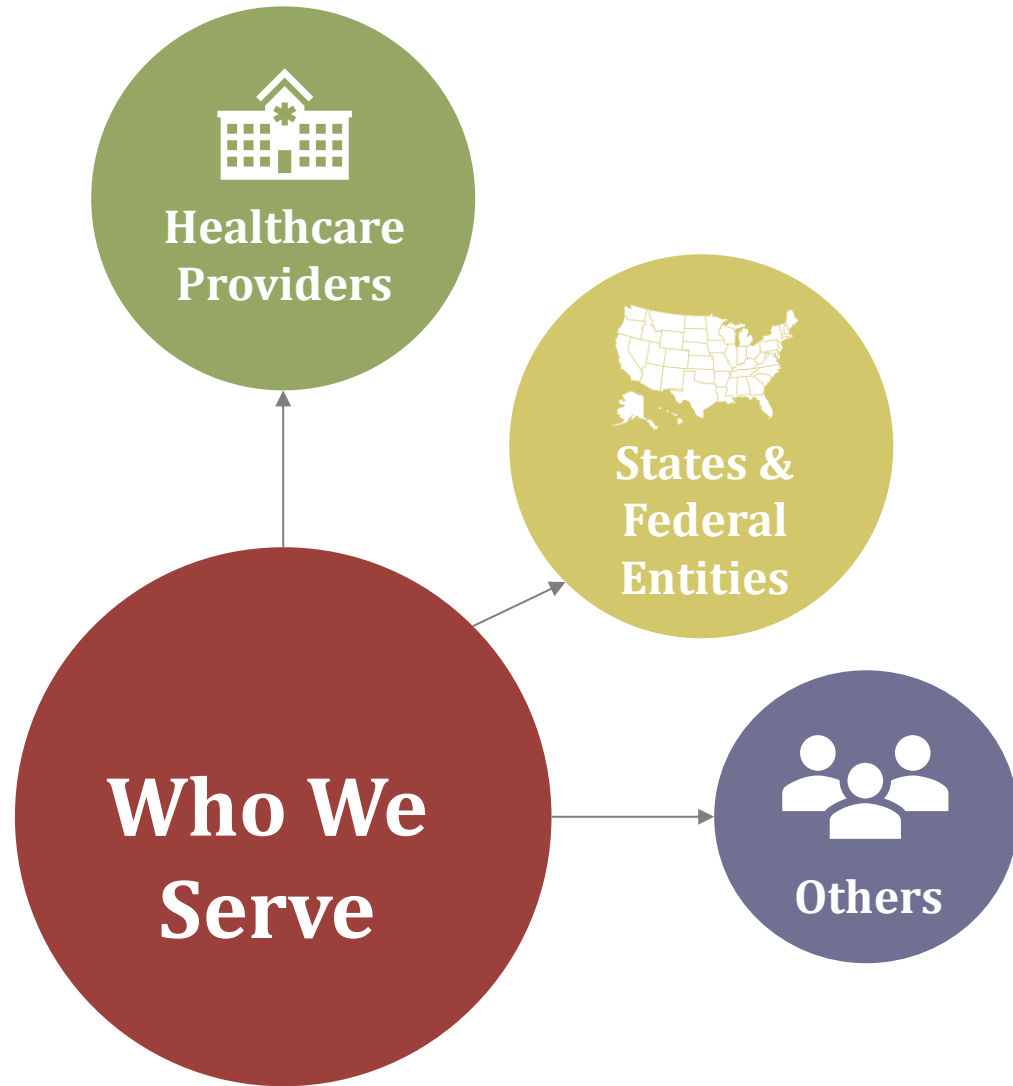


Transforming Healthcare: Rural Payment Redesign under RHTP

WSHA & AWPHD Rural Hospital Leadership Conference

Jeff Bowman, Director of Programs, Rural Health Redesign Center

RHRC is a 501c3 non-profit



MISSION

To protect and promote access to high quality health care in rural Pennsylvania and the nation.

VISION

Through partnership, improve the health and wellness of rural communities.

OUR TEAM

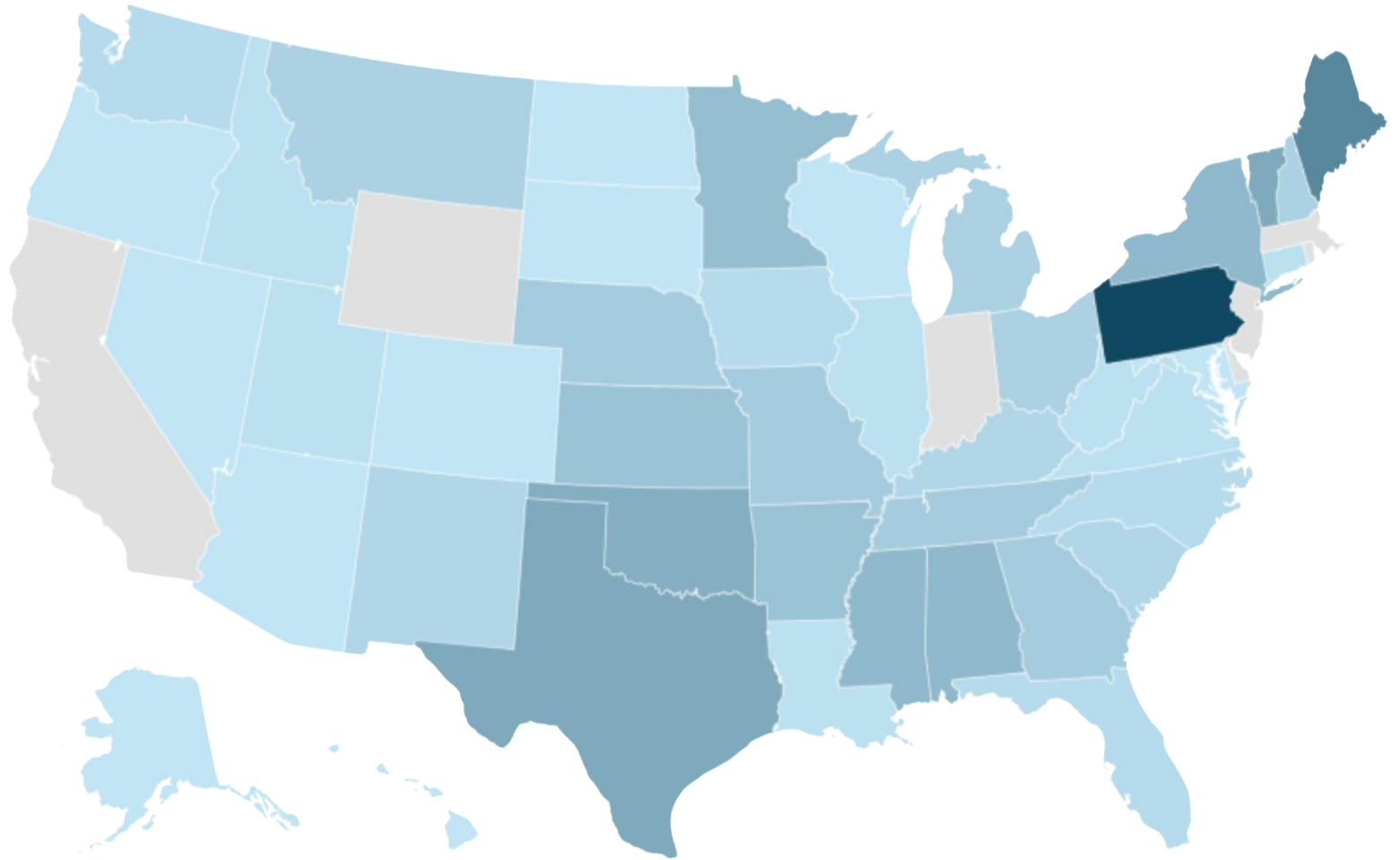
Our 40+ person team is composed of former rural residents and healthcare leaders, with over 500 years of combined rural-relevant expertise.

To Date, Our Work Has:

IMPACTED
250+
COMMUNITIES

ACROSS
44
STATES

REACHING
7M
LIVES



What We Do

- Offer operational and strategic support to rural healthcare organizations.
- Implement scalable, innovative solutions to address rural issues across the country.
- Develop innovative payment models to transform healthcare delivery and shift from fee-for-service to value-based care.

Our Focus Areas

Access to Care

Population Health

Economic Development

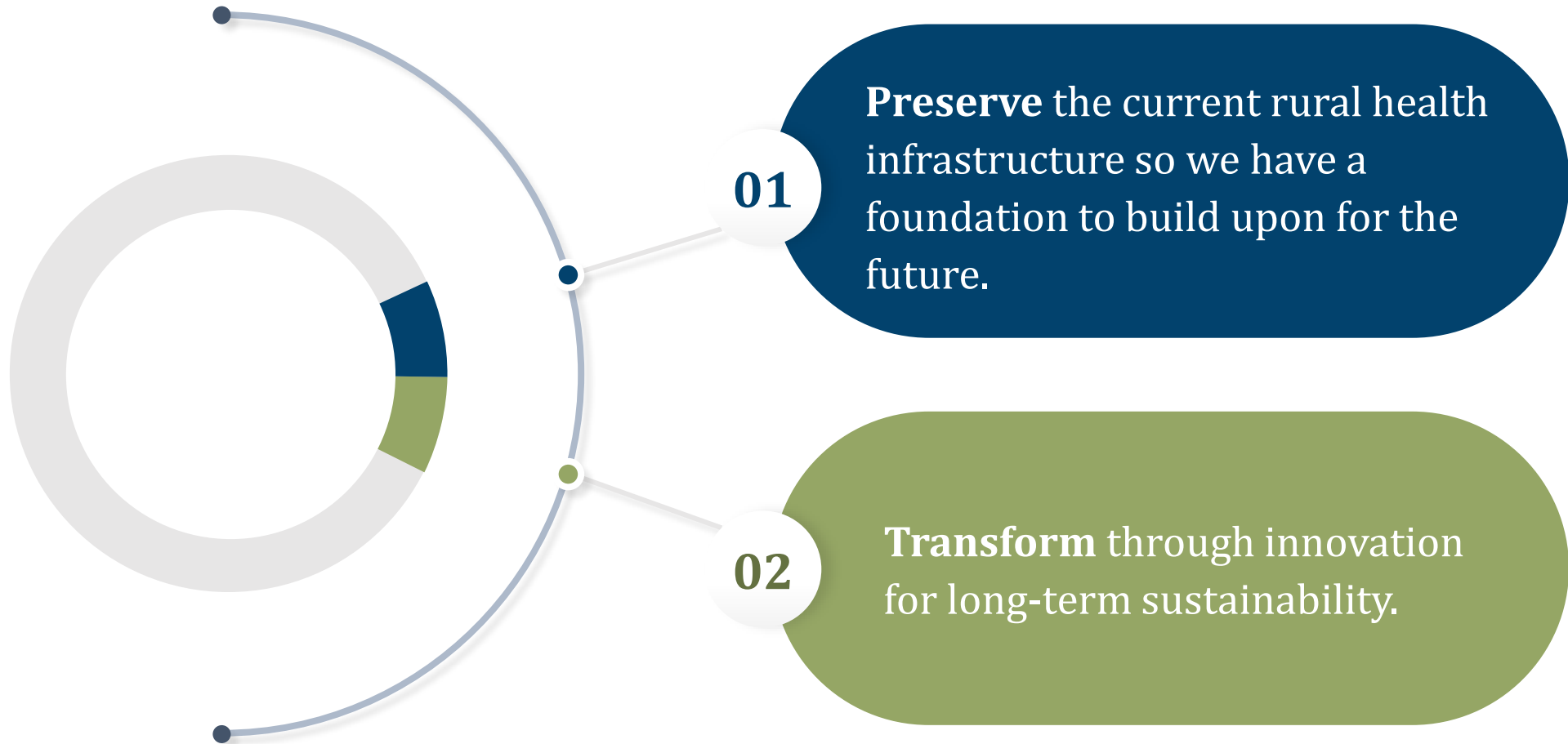
Alternative Payment Reform

Pursuing Long-Term Sustainability

- **Systematic change** to the healthcare ecosystem is needed to truly preserve and revive rural health.
- In leading programs such as the **Pennsylvania Rural Health Model (PARHM)** and the **Rural Emergency Hospital Technical Assistance Center**, our team has been on the frontlines of innovation since inception.
- We serve as a central convenor of hospitals, payors, state and federal officials, contractors, and other relevant partners to **drive partner engagement** that delivers **transformative solutions**.
- Our work continues to serve as a learning lab, generating insights that **influence national policy across industries**.



Our Approach is Twofold:



What We Mean By Transformation



Shift toward value-based care and population health.



Focus on collaboration with other rural providers and community organizations.



Opportunity to rethink service delivery and financial models.

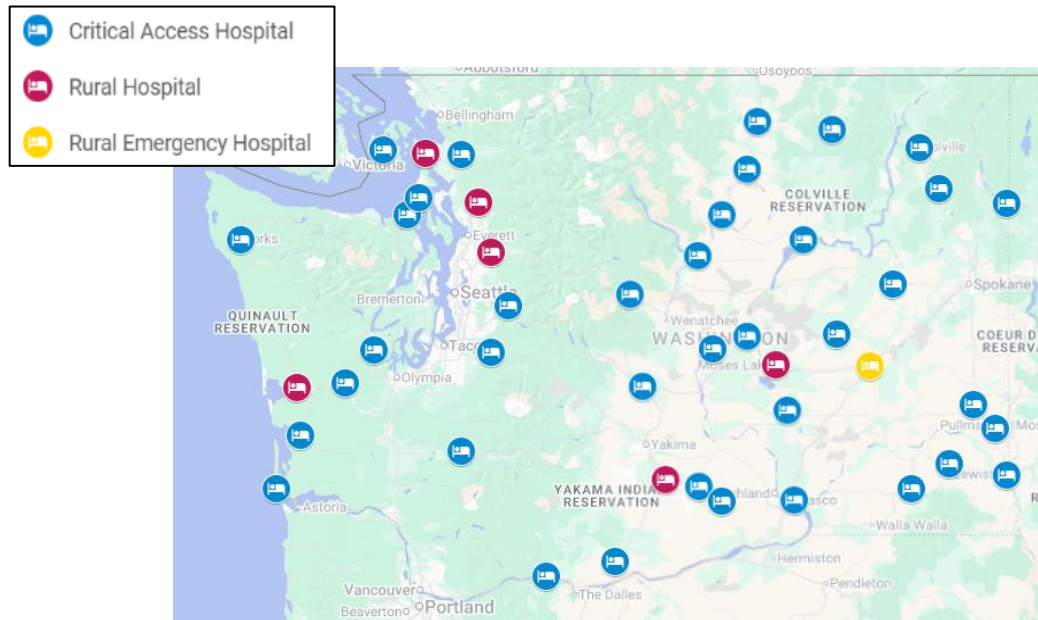


What We Know

Background Information on Washington

Rural health facilities eligible with RHTP:

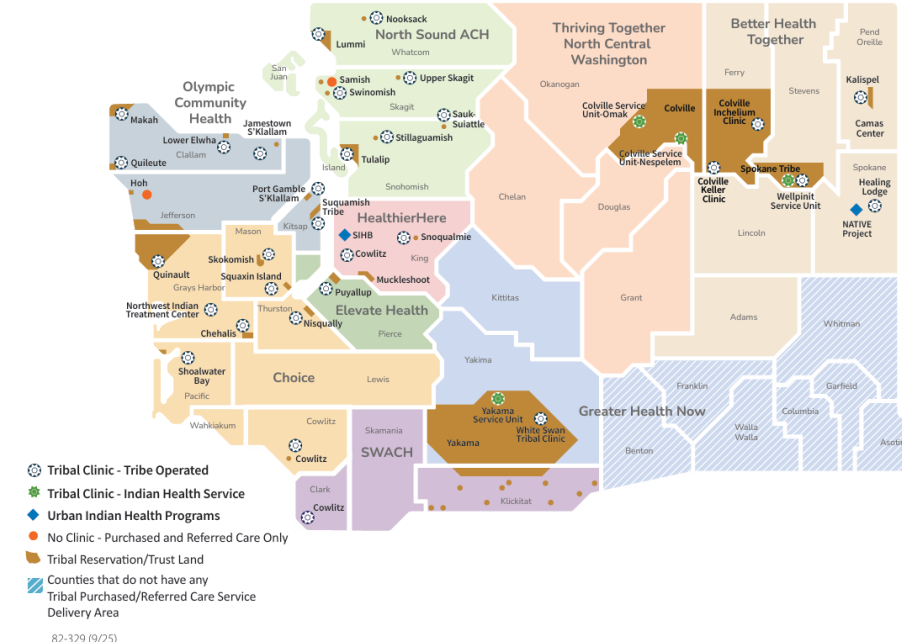
- **38** Critical Access Hospitals (CAH)
- **1** Rural Emergency Hospital (REH)
- **6** Rural Health Hospitals
- **41** Tribal Health Clinics



June 1st Beckers Hospital Review

18 hospitals at risk of closing (41%)
6 at immediate risk of closing (14%)

Tribes and Tribal Health Clinics in Washington State



Background Information on Washington

Excerpt from WA's RHTP Application

“The state has significant experience striving towards value-based care. For nearly a decade, HCA has incentivized VBP adoption for both Medicaid managed care organizations (MCOs) and commercial carriers that cover state employees. Roughly 80% of the state’s health care spending for these clients is tied to some kind of quality performance expectation. The state participated in the Center for Medicare and Medicaid Innovation’s Community Health Access and Rural Transformation (CHART) Model and the Making Care Primary Model. Washington’s payers and providers know that alternative payment models have the potential to financially sustain services and improve clinical provider satisfaction by aligning incentives towards maximizing health instead of service volume.”



Questions For Consideration

1. If you didn't have to be focused on keeping your doors open (moving the chairs on the deck), what would your strategic objectives be?
2. If you could make one policy change to advance your organization's mission, what would it be?
3. What are your "must have" elements for an Alternative Payment Model framework to be successful from your viewpoint as a rural hospital CEO?
4. Drawing on lessons learned from previous attempts at payment reform efforts, what elements should we build into this payment reform effort to set it up for success?





Why We're Here

Washington's RHTP Application

Washington proposes to use \$2–3 million per year in RHT Program funds to bring payers and providers together to co-design value-based payment (VBP) models that promote long-term sustainability of essential services, improvements to health outcomes, quality, and efficiency of care. Such payment models will require payers and providers to more intentionally share financial risk and accountability to ensure rural residents can access high quality care within a sustainable rural health infrastructure.

Washington proposes engaging the Rural Health Redesign Center (RHRC) to support the payment model design. RHRC supported the design and implementation of the Pennsylvania Rural Health Model (PARHM), a two-sided risk model. RHRC will facilitate payers and providers to define essential services, shared goals, and alternative payment frameworks to ensure sustainability.

RHRC will support hospitals to evaluate their financial performance under an alternative payment model to assess the best options for their sustainability, as well as define community-driven transformation approaches. Washington aims to have the co-designed payment model fully developed and adopted for Medicaid clients before the end of the RHT Program. Additionally, the state would explore incentives for commercial payers to adopt the model within the RHT period.

HCA vision for RHTP

We view this particular initiative in the RHTP application as **Sustainability Planning**. We see this as one of our key pillars for all the initiatives under the Rural Health grant. Thinking about how we sustain some of the other RHTP activities long term and improve the viability of our rural hospitals going forward. This is the primary goal behind this payment model initiative. We want to build something that works, this is *voluntary* for the hospitals, as we don't know if everyone will get there by year five.

Outcome is a program drafted with a sustainability plan by year five of which alternative payment is a key.

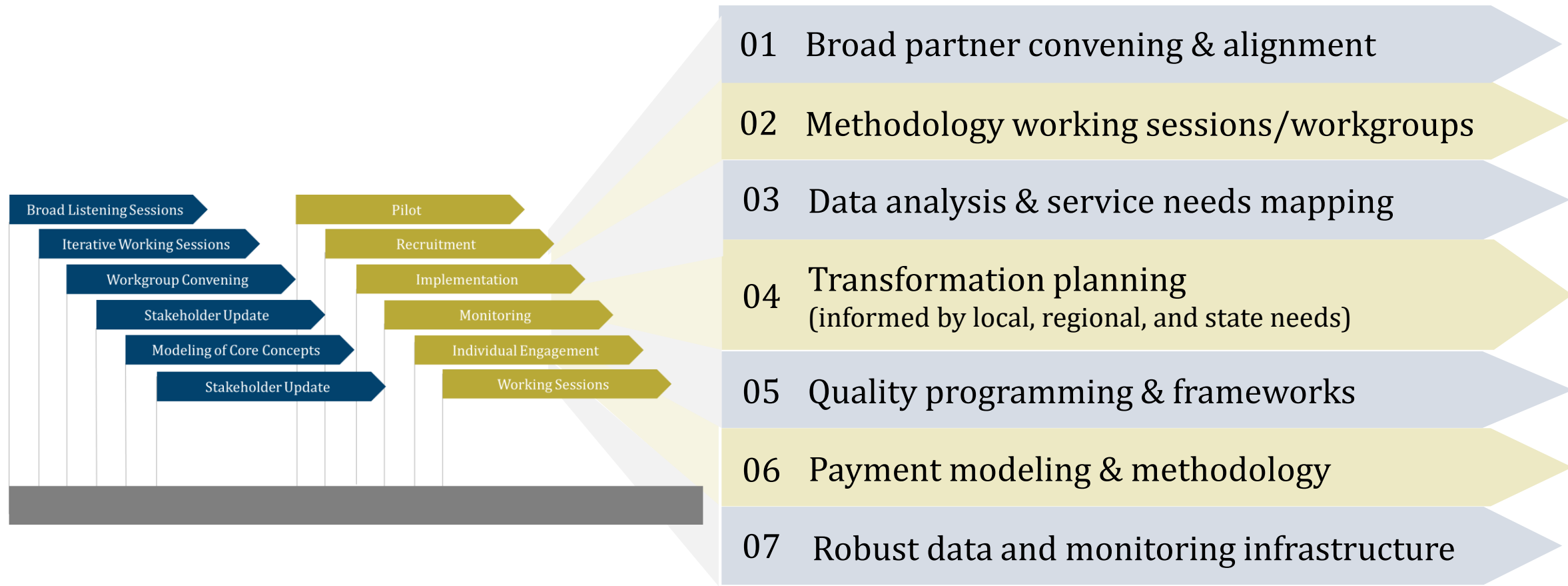
*Note: Implementation is **not** part of the plan.*

What We are NOT Doing

Bringing you the Pennsylvania
Rural Health Model
(Global Budget Program)

Proposing an already baked
solution

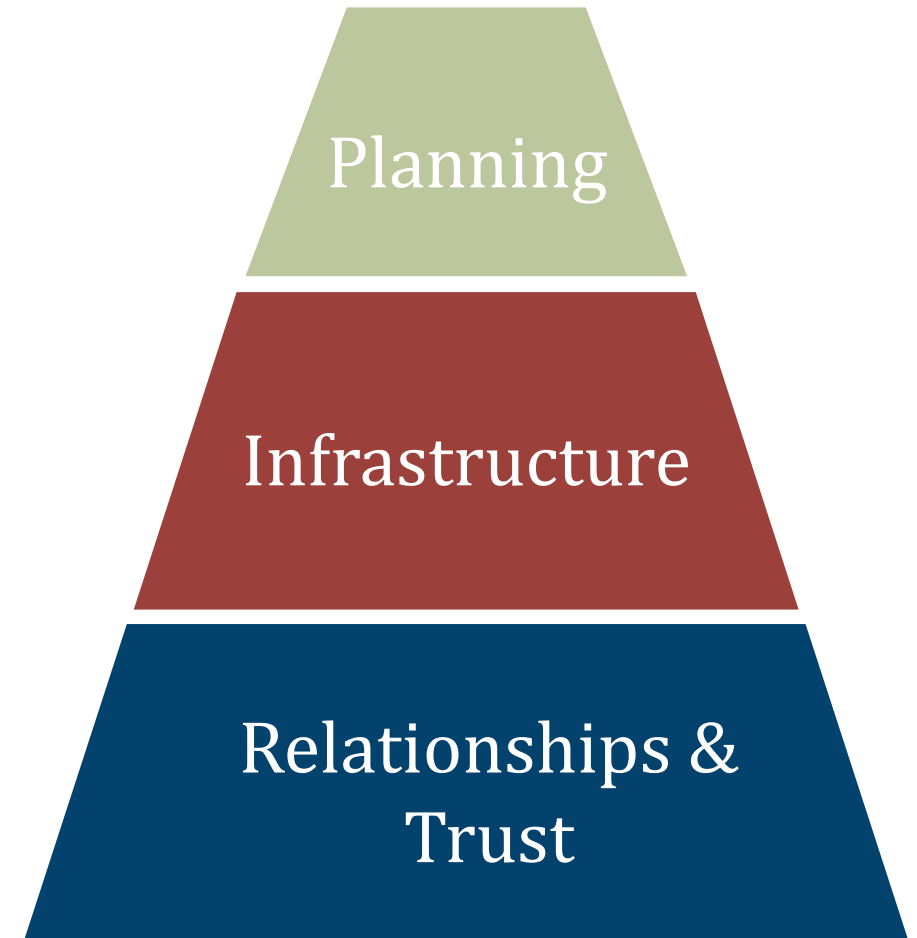
RHRC Brings a Framework To Help States Design and Customize Alternative Payment Models



The Foundation of Everything We Do is Partnership

Authentic partner engagement fosters trust and aligns value for all parties.

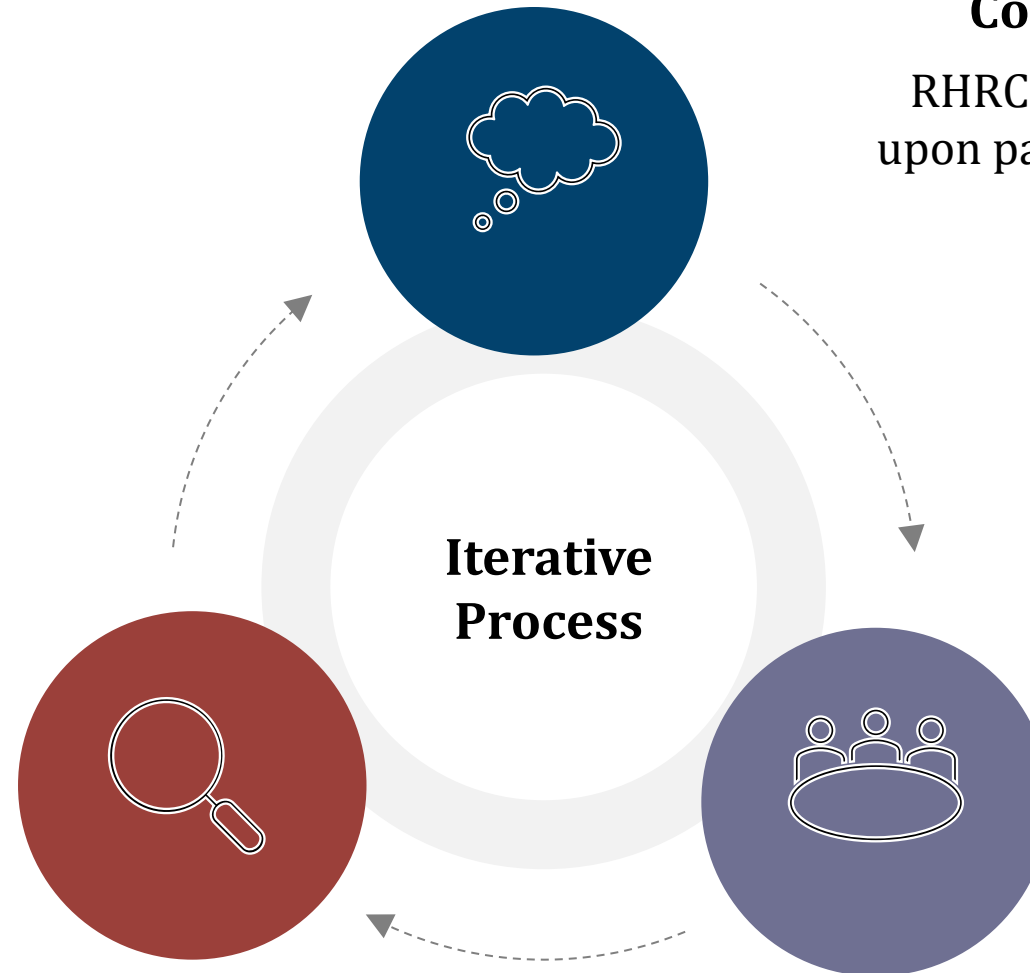
Without alignment, no amount of infrastructure and planning will be successful.



Planning Approach Deployed by the RHRC as the Facilitator

Needed Changes Identified

Concepts were enhanced,
redefined, or new
proposals offered



Concepts Presented

RHRC drafted concepts based
upon partner input and program
data

Partner Discussion

Concepts deliberated as
part of working sessions

Examples of Alignment RHRC Seeks to Achieve:

Next Generation Goal Statements

100% Endorsement by PA Partners

1. Work within a framework of **trust and relationship** as partners to protect and promote access to **high-quality health care** in rural communities by encouraging **innovation** in health care delivery.
2. Define the **vision** for the future of rural health infrastructure and then design the **payment mechanisms** by which to fund it taking into consideration the needs of **each individual community**.
3. Develop a **transformation strategy** that yields a more **sustainable rural health infrastructure** that can be implemented across Commonwealth in an equitable way and can be **endorsed by all partners**.
4. Commit to making the **regulatory and legislative changes** required to achieve the stated objectives.

Core Pillars of Innovative Payment Models

As informed by RHRC's engagement with payers and providers in other states



The RHRC Team Leading this Work



Janice Walters
Chief Executive
Officer



Jeff Bowman
Director of
Programs



Cheryl Altice
State Program
Manager



Meghan Martin
Senior Project
Manager





Workplan Preview (What to Expect)

How Will This Work Impact You

1. Outreach from our team to get to know you and hear:
 - Your concerns and perspectives
 - Learn about your hospital, experience, and priorities
 - And what keeps you up at night as healthcare leaders
2. The opportunity for honest and transparent communication
3. Commitment from our team to be responsive to you and your unique needs





Deliverable	Program Objective	High-level Tasks
1. Design and finalize work plan	Establish relationship between HCA and RHRC, finalize key contracts, complete training, and identify all partners to engage throughout RHTP.	Create workplan that aligns scope, budget, and timelines with key partners to set expectations and success measures for the RHTP.
2. Create gap analysis and infrastructure assessment	Identify current state for all rural healthcare facilities in Washington, including risks, vulnerabilities, and inefficiencies .	Perform research to produce a Washington state gap analysis and Health Services and Community Health Needs Assessment of Washington rural hospitals to identify areas for improvement using available data.
3. Partner engagement survey	Engage all partners to establish foundational alignment and identify immediate stressors, concerns, or limitations with initial engagement survey.	Conduct partner engagement surveys to establish relationships with key partners. Review and summarize findings to better support hospitals and payers throughout the RHTP.
4. Washington associations engagement strategy	Partner with Washington associations through virtual meetings to build rapport and trust. Gather critical insights on how to improve Washington hospitals.	Draft an engagement strategy to develop meaningful, long-term relationships, including themes and areas for improvement specific to Washington associations.
5. Washington tribal health engagement strategy	Partner with Tribal Health leadership and tribal members in Washington. Use lessons learned from in-person and virtual meetings to build rapport and trust.	Draft an engagement strategy to develop meaningful, long-term relationships, including themes and areas for improvement specific to Tribal health in Washington.

Deliverable	Program Objective	High-level Tasks
6. Washington hospitals engagement strategy	Partner with rural hospital leadership. Use lessons learned from in-person and virtual meetings to build rapport and trust. Use gap analysis and infrastructure assessment to develop themes, areas for improvement, and technical assistance strategies.	Draft an engagement strategy to develop meaningful, long-term relationships, including themes and areas for improvement. Review gap analysis and infrastructure assessment findings for accuracy and update as needed.
7. Payers engagement strategy	Partner with payers to gather themes, identify regulatory challenges, and determine desired outcomes to create a path forward that adds value .	Draft an engagement strategy to develop meaningful, long-term relationships, including themes and areas for improvement specific to Washington payers.
8. Large group convenings	Gather associations, Tribal health organizations, hospitals, and payers for group think and candid discussions. Identify themes, success strategies, and critical challenges to overcome to create a statewide strategy .	Share information gathered from engagement strategies, including key themes, to identify a statewide sustainability strategy for the next 5 years of RHTP .
9. CMS SOW requirements	Report on engagement and data outcomes for annual CMS report.	Gather qualitative and quantitative data and provide it to HCA for review and approval. Support HCA in application process for the following year.
10. Strategy outline Yrs 2-5	Use Year 1 findings as the basis for statewide strategy .	Create a statewide sustainability strategy outline for Years 2-5 of the RHTP, based on Year 1 findings.
11. RHRC Consulting	Provide HCA with necessary guidance to support state of Washington throughout RHTP engagement.	Provide consulting services via meetings, phone calls, or non-proprietary example templates

Year 1 Goals

Create partnerships with all Washington associations, hospitals, tribal health organizations, and payers through boots on the ground in-depth understanding of day-to-day operations; develop strategy outline or roadmap for years 2-5 built on rapport and trust.

High-level Timeline					
Q2-2026	Q3-2026	Q4-2026	Q1-2027	Q2-2027	Q3-2027
1					
2					
	3				
4					
	5-7				
	8				
	9				
		10			
11					

Come Find Us

Visit our booth to learn more about RHRC and meet our team



Open Q&A



Thank You!



Reach out to RHRC, if you have questions or would like to learn more.

support@rhrco.org



Jeff Bowman
Director of Programs

J.Bowman@RHRCO.org

Cheryl Altice
State Program Manager

CA@RHRCO.org



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