Title 13—Department of Social Services
Division 70—MO HealthNet Division
Chapter 94—Rural Health Clinic Program

PROPOSED AMENDMENT

13 CSR 70-94.030 Transformation of Rural Community Health (ToRCH). The division is amending section (6).

PURPOSE: This amendment replaces the payment methodology of Transformation of Rural Community Health (ToRCH).

(6) Payment Methodology.

(B) The components identified in subsection 6(A) are defined as follows:

1. CBF—Capacity Building Funds. The amount in model years one (1) and two (2) is one hundred sixty thousand dollars ($160,000) per year for a small rural county, two hundred forty thousand dollars ($240,000) for a medium rural county, and three hundred twenty thousand dollars ($320,000) for a large rural county. In year three (3), the amount is reduced by one third (1/3). In year four (4), the amount is reduced by two-thirds (2/3). In year five (5) and beyond, the amount is zero (0). These amounts are to be trended forward for inflation for additional cohorts after the first cohort and are to be awarded to local CBOs that agree to participate in the ToRCH model according to guidance established by the division. For purposes of this rule—

A. A small rural county shall mean a rural county with a population of less than fifteen thousand (15,000);

B. A medium rural county shall mean a rural county with a population from fifteen thousand (15,000) to twenty-nine thousand nine hundred ninety-nine (29,999); and

C. A large rural county shall mean a rural county with a population of at least thirty thousand (30,000);

2. CSS—Community Strategy Services. This amount is comprised of two (2) actuarily-determined components to deliver community strategy services. The first is a base allocation that supports two (2), three (3), or four (4) full-time personnel (for small, medium, or large counties, respectively) to administer and manage the ToRCH model; the second covers screening and referral activities for MO HealthNet participants, multiplied by the most recent quarter's enrollment data for the ToRCH county or counties, and payable quarterly;

3. SB3—Supplemental B3 services and activities. In model years one (1) and two (2), this is a budgeted amount to be used by the ToRCH entity to provide supplemental services in accordance with section 1915(b)(3) of the *Social Security Act*. In year three (3), as the funding source for these services and activities begins to transition to Shared Savings (SS), the amount is reduced by one third (1/3). In year four (4), the amount is reduced by two thirds (2/3). In year five (5) and beyond, the amount is reduced to zero (0);

4. PH—Population Health incentive payments. For each of the identified population health goals referenced in the ToRCH entity's Participant Agreement*, [the Supplemental HRSN services budget will be increased by]* **an incentive payment of** two percent (2%) **of the program's actual expenditures, excluding capacity building,** if the goal for the prior year is met and *[by]* **of** three percent (3%) if the goal is exceeded. Thus, the value of PH(2) equals up to fifteen percent (15%) of **the total amount spent for CSS and HRSN services (the latter being no greater than** SB3(1)**)**. The value of PH(3) equals

up to fifteen percent (15%) of **the total amount spent for CSS and HRSN services (the latter being no greater than** SB3(2)**)**. The value of PH(4) equals up to fifteen percent (15%) of **the total amount spent for CSS and HRSN services (the latter being no greater than** the sum of SB3(3) and SS(3)**)**. The value of PH(5) equals up to fifteen percent (15%) of **the total amount spent for CSS and HRSN services (the latter being no greater than** the sum of SB3(4) and SS(4)**)**. The value of PH(6+) equals up to fifteen percent (15%) of **the total amount spent on CSS and HRSN services (the latter being no greater than** SS(5+)**)**;

5. AV—Avoided Visits incentive payments. Based on calculations of avoidable Emergency Department visits, a pool is created across the ToRCH cohort, i.e., across all ToRCH entities that are in the same model year. Using Emergency Department Prevention Quality Indicators (ED PQIs), hospital services are probabilistically identified as potentially avoidable, and the dollar amount associated with these services is calculated at baseline and after each model year for services that occurred in the ToRCH hospital. The combined reductions achieved by all hospitals achieving reductions will comprise the Avoided Visits Pool. First, these changes are expressed as percentage changes for each hospital, negative numbers representing better performance. The percentage change for any hospital with worse performance is set to zero. Second, these percentage changes are summed to determine the total percent change across the cohort. Third, each hospital's share of the total percent change is calculated as the ratio of the above two (2) steps. Fourth, this share is multiplied by the total value of the reduction achieved across the cohort to determine a prorated share of the reduction, assuming any reductions occurred, and the Pool value is therefore positive. AV for each hospital equals its prorated share of the reduction, or zero if the Pool value is zero. Original values for the first cohort will refer to calendar year 2023 measurements. (Note: if a ToRCH entity is not a hospital, then it will not participate in the Avoided Visits Pool.);

6. AH—Avoided Hospitalization incentive payments. Based on calculations of avoidable hospitalizations, a pool is created across the ToRCH cohort, i.e., across all ToRCH entities that are in the same model year. Using Prevention Quality Indicators (PQIs) and area-level Pediatric Quality Indicators (PDIs), hospital services are identified as potentially avoidable, and the dollar amount associated with these services is calculated at baseline and after each model year for services that occurred in the ToRCH hospital. The combined reductions achieved by all hospitals achieving reductions will comprise the Avoided Hospitalizations Pool. First, these changes are expressed as percentage changes for each hospital, negative numbers representing better performance. The percentage change for any hospital with worse performance is set to zero. Second, these percentage changes are summed to determine the total percent change across the cohort. Third, each hospital's share of the total percent change is calculated as the ratio of the above two (2) steps. Fourth, this share is multiplied by the total value of the reduction achieved across the cohort to determine a prorated share of the reduction, assuming any reductions occurred, and the Pool value is therefore positive. AH for each hospital equals its prorated share of the reduction, or zero if the Pool value is zero. Original values for the first cohort will refer to calendar year 2023 measurements. (Note: if a ToRCH entity is not a hospital, then it will not participate in the Avoided Hospitalization Pool.);

7. SS—Shared Savings payments—Beginning in year three (3), ToRCH entities will be eligible for shared savings payments based upon the estimated savings that MHD calculates as occurring through reductions in all-cause hospitalization (inpatient and outpatient) among the MO HealthNet residents of the ToRCH community. The estimate will be calculated relative to the utilization of MO HealthNet residents of rural, non-ToRCH counties and will be adjusted for the demographic composition of the county, including differences in enrollment by Category of Aid. To phase in the Shared Savings component

of the ToRCH model, SS(3) will be, at minimum, equal to twenty percent (20%) of the calculated amount saved between years one (1) and two (2). SS(4) will be, at minimum, forty percent (40%) of the calculated amount saved between years two (2) and three (3). SS(5) will be, at minimum, sixty percent (60%) of the calculated amount saved between years three (3) and four (4). For N>5, SS(N) will be, at minimum, sixty percent (60%) of the calculated amount saved between years N minus two (2) and N minus one (1). When the PH incentive payments are added, the total shared savings rate may be up to seventy-five percent (75%);

AUTHORITY: sections 208.201 and 660.017, RSMo 2016, and section 208.153, RSMo Supp. 2024. Emergency rule filed April 22, 2024, effective May 6, 2024, expired Nov. 1, 2024. Original rule filed April 22, 2024, effective Dec. 30, 2024. Amended: filed Feb. 26, 2026.*

**Original authority: 208.153, RSMo 1967, amended 1967, 1973, 1989, 1990, 1991, 2007, 2012, 2024; 208.201, RSMo 1987, amended 2007; and 660.017, RSMo 1993, amended 1995.*

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars ($500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars ($500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Department of Social Services, Legal Services Division-Rule Making, PO Box 1527, Jefferson City, MO 65102-1527, or by email to Rules.Comment@dss.mo.gov. *To be considered, comments must be received within thirty (30) days after publication of this notice in the* ***Missouri Register****. No public hearing is scheduled.*