TITLE 13—DEPARTMENT OF SOCIAL SERVICES
Division 70—MO HealthNet Division
Chapter 94—Rural Health Clinic Program

PROPOSED RULE

13 CSR 70-94.030 Transformation of Rural Community Health (ToRCH)

PURPOSE: This rule establishes the Transformation of Rural Community Health (ToRCH) program. The purpose of ToRCH is to direct new resources to rural communities that commit to addressing social conditions that lead to poor health.

(1) This rule implements the Transformation of Rural Community Health (ToRCH) program. ToRCH is a hub-based model that is designed to allow rural communities to have the flexibility to address health-related social needs (HRSN) among their MO HealthNet populations in a manner that focuses on improving health outcomes. ToRCH will integrate social care supports into clinical care, so that clinical outcomes are less likely to be compromised by social challenges. ToRCH will also create a new role for rural health care providers, and a new path to sustainability for these providers.

(2) Definitions. For purposes of this rule, the following words and phrases are defined as follows:
(A) "Community" shall mean a county or group of counties considered by the ToRCH entity as its core service region, and for whose health outcomes the leadership board will be held accountable;
(B) "Community Based Organization (CBO)" shall mean a public or private not-for-profit entity that provides specific services or resources to the community or targeted population within the community;
(C) "Community Health Needs Assessment" shall mean a community-wide assessment that identifies key health needs and issues through systemic, comprehensive data collection and analysis;
(D) "Health-related social needs (HRSN)" shall mean an individual's unmet, adverse social conditions that contribute to poor health. These needs can include, but are not limited to:
1. Food insecurity;
2. Housing instability;
3. Unemployment or under-employment; or
4. A lack of reliable transportation;
(E) "Rural community health hub" shall mean a partnership among the ToRCH entity, primary care, behavioral health, and community-based organizations, to provide community-level care management services, including but not limited to strategic coordination of community-based services; and
(F) "ToRCH entity" shall mean the leader of a rural community health hub that will provide community-level care management services, i.e. strategic coordination of community-based services that primary care partners are then able to utilize in a systematic way to more fully achieve the goals of primary care case management on an individual patient level. A ToRCH entity shall be located in a county deemed eligible for rural-targeted funding by the Federal Office of Rural Health Policy.

(3) ToRCH entities shall provide primary care case management (PCCM) services as defined at 42 USC section 1396d(t) (2011), as well as utilize a waiver under The Social Security Act, section 1915(b) (1921) to address HRSN at a rural community level. This includes, but is not limited to:
(A) The strategic coordination of community-based services to allow primary care providers to utilize these services in a systematic way to more fully support positive health outcomes on the individual patient level;
(B) Engaging Community Base Organization (CBO) partners to participate in a Community Information Exchange (CIE) platform;
1. The purpose of the CIE platform is, in part, to allow ToRCH entities to locate HRSN services that case managers and other screening providers can use to better coordinate HRSN services across multiple CBOs, and to monitor enrolled participants in need of these services; and
(C) Paying for HRSN services that correlate with better health outcomes and reductions in health care spending.

(4) ToRCH entity selection criteria.
(A) A ToRCH entity shall be located in a county deemed eligible for rural-targeted funding by the Federal Office of Rural Health Policy.
(B) A ToRCH entity shall be a hospital, a federally qualified health center, a rural health clinic, or a local public health agency.
(C) A prospective ToRCH entity shall submit a Preparation, Approach, and Implementation Plan based on the following criteria:
1. Provide a well thought-out plan for the creation of a Leadership Board to oversee and administer all aspects of the ToRCH model at the rural community level;
A. This plan shall identify the organizations and the individuals who the provider intends to participate in the Leadership Board;
B. The Leadership Board shall include hospital leaders necessary to successfully administer the program, as approved by the division;
C. The Leadership Board shall consist of organizations across all domains (hospital, primary care, behavioral health, LPHA, and social care organizations);
D. The Leadership Board shall have a defined structure that includes voting policies for decisions related to ToRCH, defined meeting frequency, recording of minutes, and other procedures common to similar types of bodies; and
E. The purpose of the Leadership Board shall be to harness the members' knowledge of their community and their clinical expertise to strategically focus on HRSN services likely to have the greatest influence on hospital outcomes and population health;
2. Provide a list of existing and potential partners with strong letters of support from at least one (1) from each domain: primary care, behavioral health, CBOs, and local public health agencies;
3. Demonstrate CBOs' current readiness and anticipated needs for support, including technical assistance;
4. Use a Community Health Needs Assessment (or other similar report) to identify the challenges and unmet needs of the community, and indicate which population health goals the community wishes to prioritize through the ToRCH model;
5. Provide a written statement of commitment to data sharing among clinical partners, and indicate how data will be shared at the individual or aggregate level; and
6. Demonstrate a strong commitment by leadership through one (1) or more letters of support that:
A. Express a vision and enthusiasm for the model and a willingness to be held accountable;

B. Discuss the team (with relevant skills) who will be running the model;
C. Describe current efforts to screen/address Social Determinants of Health (SDoH) in the community; and
D. Describe insights gained from the interactive Community Information Exchange (CIE) demonstration or other data sources.
(D) A prospective ToRCH entity shall provide a narrative that demonstrates a full understanding of the ToRCH model as follows:
1. How the flexibility and customizability of the model will be used to address community needs that connect back to the overarching health goals;
2. The specific actions that the provider will take to achieve the health goals;
3. How data will be used to inform and guide efforts;
4. How course corrections will be made; and
5. How the strengths of the rural community will be leveraged.

(5) A ToRCH entity shall enter into a Participation Agreement with the MO HealthNet Division for the operation of a ToRCH program by the provider. The Participation Agreement (12/07/2023) is incorporated by reference in this rule as published by the Department of Social Services, MO HealthNet Division, 615 Howerton Court, Jefferson City, MO 65109, at its website at https://mydss.mo.gov/mhd/ToRCH, on May 1, 2024.
1. A Participation Agreement shall be valid only in geographic areas in which the division has approved the ToRCH entity under this rule.
2. A Participation Agreement may contain additional terms and conditions agreed to by the parties if the terms and conditions are consistent with the provisions of the Social Security Act, section 1915(b) (1981) waiver, this rule, and relevant state or federal law.

(6) Payment Methodology.
(A) Payments to a ToRCH entity in good standing will vary over time. Payments in year N are indicated as "ToRCH(N)" and are determined according to the following formula:

ToRCH(1) = CBF(1) + CSS + SB3(1)
ToRCH(2) = CBF(2) + CSS + SB3(2) + PH(2) + AV(2) + AH(2)
ToRCH(3) = CBF(3) + CSS + SB3(3) + PH(3) + AV(3) + AH(3) + SS(3)
ToRCH(4) = CBF(4) + CSS + SB3(4) + PH(4) + AV(4) + AH(4) + SS(4)
ToRCH(5+) = CSS + PH(5+) + SS(5+).

(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;

2.CSS – Community Strategy Services. This amount is the product of an actuarially fair per-member per-month (PMPM) rate to deliver community strategy services, including a base allocation that supports the management of the ToRCH model as well as 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. The initial budgeted amount is seventeen cents ($0.17) per month multiplied by the size of the ToRCH population. 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 Participation Agreement, the Supplemental HRSN services budget will be increased by two percent (2%) if the goal for the prior year is met and by three percent (3%) if the goal is exceeded. Thus the value of PH(2) equals up to fifteen percent (15%) of SB3(1). The value of PH(3) equals up to fifteen percent (15%) of SB3(2). The value of PH(4) equals up to fifteen percent (15%) of the sum of SB3(3) and SS(3). The value of PH(5) equals up to fifteen percent (15%) of the sum of SB3(4) and SS(4). The value of PH(6+) equals up to fifteen percent (15%) of 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. 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. First, these changes are expressed as percentage changes for each hospital, negative numbers representing better performance. 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 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. Finally, the prorated share of the reduction is added back onto the original "old" value to obtain the final allocation for each ToRCH hospital. (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 an algorithm based on Prevention Quality Indicators (PQIs), area-level Pediatric Quality Indicators (PDIs), and the beta Emergency Department Prevention Quality Indicators (ED PQIs), 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. First, these changes are expressed as percentage changes for each hospital, negative numbers representing better performance. 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 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. Finally, the prorated share of the reduction is added back onto the original "old" value to obtain the final allocation for each ToRCH hospital. (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-two(2) and N-one(1). When the PH incentive payments are added, the total shared savings rate may be up to seventy-five percent (75%).

AUTHORITY: sections 208.153, 208.201, and 660.017, RSMo. Original rule filed April 22, 2024.

PUBLIC COST: This proposed rule will cost state agencies or political subdivisions fifteen million dollars ($15,000,000) in the aggregate.

PRIVATE COST: This proposed rule will not cost private entities more than five hundred dollars ($500) in the aggregate initially, but will cost private entities approximately fifteen million dollars ($15,000,000) in the aggregate, by the fifth year of the implementation of the program.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rule with the Department of Social Services, Legal Services Division-Rulemaking, 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.