Center *for* Rural Health
University of North Dakota
School of Medicine & Health Sciences
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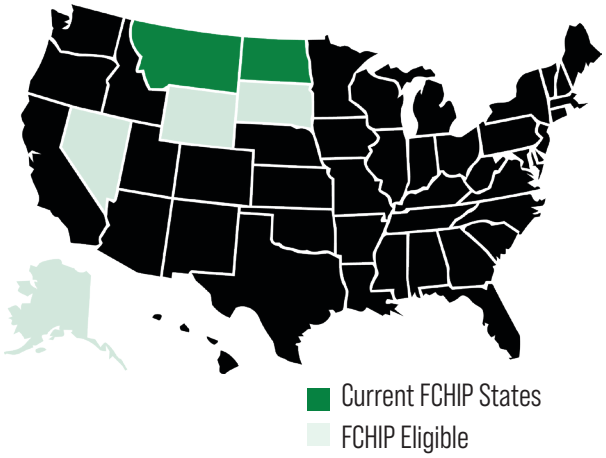
FCHIP's Impact on Rural America

Frontier Community Health Integration Project

The Federal Frontier Community Health Integration Project (FCHIP) was designed as a demonstration program to test models of integrated care in the nation's most sparsely populated regions, targeting states where at least 65% of counties have six or fewer residents per square mile.

In fiscal year 2010, Congress appropriated funds for the FCHIP program, allowing Critical Access Hospitals (CAHs) in five states to apply and implement innovations that could have a significant impact on frontier areas of the U.S.

FCHIP in the United States



Montana, Nevada, North Dakota, Alaska, and Wyoming were deemed eligible.

The **program is scheduled to sunset December 31, 2026**, when funding and FCHIP flexibilities will end.

How FCHIP Works

Skilled Nursing Facility (SNF) / Nursing Facility (NF) Beds
CAHs are capped at 25 inpatient beds (acute or swing). **FCHIP allows up to 35 inpatient beds** (the extra 10 must be SNF/NF level of care), paid via standard Medicare CAH rules.

Telehealth Services
Normally, originating sites get a fixed facility fee and distant practitioners bill the standard fee schedule. **FCHIP pays participating CAH originating sites 101% of cost**, and a CMS waiver extends this same 101%-of-cost rate to distant site services.

Ambulance Services
Typically, CAH-owned ambulances get 101% of reasonable costs only if no other supplier is within 35 miles. **FCHIP removes that mileage restriction**.

FCHIP Primary Objective

Test whether budget neutral payment structures for specific services can do the following:

- Facilitate better access to care for patients.
- Increase integration and coordination among community providers.
- Improve quality of care for Medicare beneficiaries while lowering costs.
- Reduce avoidable hospitalizations, admissions, and transfers.