CMS Response to Public Comments Received for CMS-10949

The Centers for Medicare and Medicaid Services (CMS) received 11 unique in-scope comments from a variety of commenters, including state agencies, a tribal organization, regulatory organization, hospital advocacy group, individuals, and other stakeholders related to the Rural Health Transformation (RHT) Program reporting requirements (CMS-10949). Comments received indicated a general desire for more reporting guidance, an interest in capturing subrecipient information, and a consideration for more resources to help conduct reporting. To address this, reporting resources will be provided, such as guidance documents, reporting instructions, and webinars to help States conduct reporting. CMS acknowledges the time and resources needed to carry out reporting activities; States are allowed to use RHT Program funds to cover the resources needed for reporting. Below is the reconciliation of the comments.

Comment: CMS received a comment suggesting that the State reporting template be updated to include a multi-select option for the Use of Funds categories rather than a single-select dropdown because activities can fall into multiple categories. If the Use of Funds category remains as a single-select dropdown, the commenter expressed that they would like more detailed definitions of what falls into each category so that there is no overlap and it is clear how an activity or expense should be categorized.

CMS Response: CMS thanks the commenter for their suggestion. CMS is crafting instructions for States on how to complete the reporting requirements and how to divide expenses that span multiple Use of Funds categories into separate rows. States are encouraged to communicate with their Project Officers (POs) for additional guidance on Use of Funds reporting.

Comment: CMS received a comment acknowledging CMS's efforts to reduce the burden on State agencies when reporting program data. The commenter suggested that States would benefit from a consistent and easy-to-use data submission format, streamlined reporting instructions, and an understanding of how CMS will use the data collected to measure progress and recalculate scores for annual funding. The commenter suggested States could also benefit from an in-depth review of the CMS scoring rubric in one-on-one meetings and additional

support from CMS to answer States' frequently asked questions and provide timely reviews of State-submitted information. Furthermore, the commenter indicated that State engagement in reporting may be higher if the reported metrics are tied to State-specific activities. They suggested that these enhancements may help CMS compare data across States to understand lessons learned and the extent to which States meet program objectives, as well as reduce burden on States so that they can minimize time spent on reporting and focus on program operations.

CMS Response: CMS thanks the commenter for their feedback and acknowledgement of CMS's effort to reduce the reporting burden on States. To help reduce burden, reporting templates will be tailored for each State, and some initiative information will be pre-populated in the Annual Report for Budget Period 1 (e.g., initiative number, name, and metrics). For subsequent reports, data will be pre-populated based on the prior quarter's data. In addition, to support data submission, CMS is currently developing a web-based reporting tool that States will use starting in Budget Period 2. CMS hosted a Reporting and Rescoring webinar for States in February to clarify how States will be rescored for continued funding. For more information on reporting, responses to Frequently Asked Questions (FAQs) are posted on the CMS website and have been communicated to State awardees. States will receive instructions for how to complete the reporting requirements. Additionally, States are encouraged to communicate with their POs during their regular check-ins to receive support in reviewing State-submitted information and technical assistance.

Comment: CMS received a comment expressing that clinician and administrative engagement in standards development organizations (e.g., creation of new value sets, reference sets, etc.) should count as improvement activities in RHT Program reporting.

CMS Response: CMS thanks the commenter for their feedback. RHT Program funding can be used for any of the approved Use of Funds categories as specified in the Notice of Funding Opportunity (NOFO) and States can reach out to their POs with any questions on whether proposed initiative activities are consistent with RHT Program requirements.

Comment: CMS received a comment recommending that CMS require States to include Tribal-specific data elements in the RHT Program reporting to provide transparency and meaningful insight into how program funds are allocated to and benefit Tribes, Tribal organizations, Tribal consortia, and Urban Indian Organizations (UIOs). They suggest CMS require States to document Tribal engagement and consultation efforts and recommend that CMS use Quarterly Reports to identify and address reporting challenges that affect the Tribal participation. Finally, the commenter requests that CMS share aggregate Tribal-specific data derived from State reports annually to support their organization.

CMS Response: CMS thanks the commenter for offering additional nuance on Tribal-specific data elements in the State reporting template. The updated State reporting template will include subrecipient detail sheets for States to report the funding amounts ultimately distributed to certain subrecipient types across their initiatives. CMS added a subrecipient category to these sheets for States to report the amount of funding distributed to the following Tribal Entities: Tribal Governments, Tribal Healthcare Providers, and Other Tribal Organizations.

Comment: CMS received a comment recommending that CMS establish standardized reporting definitions and structured, dropdown response options for key data fields to improve transparency and allow for cross-State comparison. They also suggested that CMS create a public-facing portal to make non-sensitive RHT Program data accessible to the public. The commenter suggests expanding the "Use of Funds" reporting to include not only the primary recipient but also any downstream subrecipients that receive a significant portion of funds.

CMS Response: CMS appreciates the commenter's recommendations. The updated State reporting template will include subrecipient detail sheets for the States to report the funding amounts ultimately distributed to certain subrecipient types across their initiatives. CMS is committed to providing transparency and is considering additional appropriate methods and channels for doing so.

Comment: A commenter recommended that the final reporting framework for the RHT Program be narrowly tailored, minimally duplicative, technologically efficient, and flexible. The commenter indicated that CMS should prioritize outcome-based performance measures over procedural metrics, minimize duplicative reporting by

leveraging existing systems, and provide greater transparency regarding technical scoring and funding recalculations. The commenter suggested that the framework account for the administrative capacity constraints of rural providers and States, avoid expanding obligations through informal guidance, and preserve States' flexibility to ensure resources are devoted to improving healthcare access and outcomes (rather than administrative burdens).

CMS Response: CMS thanks the commenter for their suggestions. As part of their applications, States defined their own metrics to allow those metrics to be customized to unique State initiatives and rural contexts. To help reduce burden, reporting templates will be tailored for each State, and some initiative information will be pre-populated in the Annual Report for Budget Period 1 (e.g., initiative number, name, and metrics). For subsequent reports, data will be pre-populated based on the prior quarter's data. States will also receive instructions for how to complete the reporting requirements as well as optional templates that States can leverage to clarify reporting requirements and ease the data collection burden on subrecipients. CMS hosted a Reporting and Rescoring webinar for States in February to clarify how States will be rescored for continued funding. States are also permitted to use RHT Program funds to cover resources needed for reporting.

Comment: A commenter indicated that the proposed reporting template for the RHT Program is duplicative, creates unnecessary burden, and is only marginally useful for understanding outcomes. They commented that the required information is already captured in existing federal forms like the SF-425 Federal Financial Report. The commenter expressed concern that the template's demand for disaggregated, line-item reporting for investments will obscure the program's goals and divert resources from implementation to administration. The commenter recommends that CMS adopt a streamlined framework using existing financial reports (SF-424 and SF-425) as the primary source for financial data, supplemented by narrative-based reports on progress and outcomes. Additionally, they recommend reserving detailed follow-up requests/requests for additional documentation for specific areas of concern.

CMS Response: CMS appreciates the commenter's feedback. Data collection via the Annual and Quarterly Reports will inform oversight activities, program analysis,

rescoring for continued funding, and future technical assistance. The Use of Funds form within the State reporting template captures program-specific information at the expenditure level that is not captured in the SF-424 and SF-425 forms. To support report submission, CMS is creating reporting instructions that will be shared with States. States are permitted to use RHT Program funds to cover resources needed for reporting.

Comment: Several commenters recommend that CMS revise the RHT Program's reporting requirements to reduce administrative burden. They point out that the "Use of Funds" reporting duplicates information already submitted in the Federal Financial Report (FFR). The commenters request the following modifications to the Use of Funds form to reduce burden: a more aggregated (“rolled up”) approach that reduces burden while still capturing necessary information, removing the Use of Funds reporting requirement, or offering opportunities to report use of funds by initiative instead of by subrecipient. Lastly, the commenters wrote that CMS's estimate of the time required to complete the reports is a significant underestimation and propose a more realistic estimate of 120 hours for the Annual report.

CMS Response: CMS thanks the commenters for their recommendations. CMS acknowledges the concern about reporting burden and has updated the burden estimate. Data collection via the Annual and Quarterly Reports will inform oversight activities, program analysis, rescoring for continued funding, and future technical assistance. The State reporting template captures program-specific information at the expenditure level that is not present in the FFR. States are permitted to use RHT Program funds to cover resources needed for reporting. CMS is also creating reporting instructions that will be shared with States.

Comment: A commenter expressed that they believe the RHT Program reporting burden exceeds 150 staff hours and that CMS should adopt more realistic estimates and make some fields optional for the first year. They indicated that the annual reporting deadline must be staggered to avoid coinciding with the next budget application. They also noted that the "Checkpoint Model" scoring may unfairly penalize innovative, complex, or highly funded initiatives that take longer to develop, and should instead consider the specific implementation plan and relative funding. The commenter expressed that clear guidance is needed on

whether to report at the broad umbrella (initiative) level or the sub-activity level. The commenter further commented that several "Use of Funds" data definitions (e.g., "ID", "Spent funds", "Recipient category") are unclear and do not map cleanly to existing tracking systems. Finally, they indicated that the template must include a way to report on critical early-stage administrative activities, such as hiring key personnel and establishing governance, during the first budget period.

CMS Response: CMS appreciates the commenter's suggestions. CMS acknowledges the concern about reporting burden and has updated the burden estimate to be commensurate with expected reporting activities. Data collection via the Annual and Quarterly Reports will inform oversight activities, program analysis, rescoring for continued funding, and future technical assistance. CMS did not include quarterly reporting requirements in the first year to provide States time to begin implementing their activities. For the checkpoint model, States set their own milestones, and ambitious initiatives were rewarded with higher scores during the initial scoring and funding allocation period. To provide more clarity around reporting, CMS hosted a Reporting and Rescoring webinar for States in February to clarify how States will be scored for continued funding. Additionally, States will receive instructions for how to complete the reporting requirements, including data field descriptions.

Comment: A commenter expressed that to facilitate data compilation, CMS should consider allowing States the flexibility to use their own data reporting file for the Use of Funds form, as long as it clearly shows the total funding by Use of Funds category.

CMS Response: CMS thanks the commenter for their suggestion. The State reporting template will be used to promote consistency and comparability of Use of Funds reporting throughout the program. Some initiative information will also be pre-populated in the Annual Report for Budget Period 1 (e.g., initiative number, name, and metrics). For subsequent reports, data will be pre-populated based on the prior quarter's data.

Comment: A commenter recommends removing "Recipient Name" and "Recipient Category" from the Use of Funds chart to ease reporting burden, suggesting

States instead roll up funding by Initiative and Use of Funds category (providing recipient details only upon CMS request).

CMS Response: CMS appreciates the commenter's feedback. The State reporting template captures program-specific information at the expenditure level to provide transparency to both CMS and the public regarding which entities received these funds, as they represent a historic investment in rural health. CMS is creating detailed reporting instructions that will be shared with States. To help alleviate burden for States, some initiative information will also be pre-populated in the Annual Report for Budget Period 1 (e.g., initiative number, name, and metrics). For subsequent reports, data will be pre-populated based on the prior quarter's data.