

CHI Pitches Wearables, Telehealth, Health Tech For \$50 Billion Rural Health Fund

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-- Christian Robles(crobles@iwpnews.com) Inside Washington Publishers

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A Connected Health Initiative-led letter asks CMS to allocate some of the \$50 billion Rural Health Transformation Program (RHTP) to wearables, telehealth, artificial intelligence tools and health information technology, even though top Democratic senators, Bloomberg's Editorial Board and a Biden HHS appointee all raise concerns the fund will be spent on technology initiatives unrelated to rural health.

CHI's call for RHTP funds to go toward health technology comes as states are asking rural providers for help in crafting RHTP applications. CMS plans to open RHTP applications to states in September, with them being due by the end of the year. Those applications will help CMS Administrator Mehmet Oz -- who, like CHI, supports using RHTP funds on health technology and telehealth -- determine how to allocate half of all RHTP funds to states.

"The asynchronous monitoring of [patient-generated health data] by wearables in remote monitoring systems, and the use of AI tools to take timely action based on patient and population trends, must play a central role in realizing any state RHTP grant's success," wrote CHI to Oz on Thursday (August 21).

CHI wants CMS to ensure that telehealth services supported by RHTP dollars are not subject to pre-pandemic Medicare telehealth restrictions that will kick in after Sept. 30 unless Congress acts.

CHI's technology requests

CHI wants CMS to issue guidance encouraging rural providers to adopt cloud services, which the coalition says will protect rural providers from cyberattacks and enable health data sharing.

CHI also wants CMS to require RHTP grantees to adhere to federal information blocking regulations and invest in interoperability.

CHI joins the College of Health Information Management Executives (CHIME) in calling for states to use RHTP funds on cybersecurity infrastructure, expanded telehealth access and health IT.

Kyle Zebley, senior vice president of public policy at the American Telemedicine Association, similarly told *KFF* last month his trade group will urge states to spend RHTP dollars on telehealth and virtual care.

But some stakeholders are wary

Sens. Charles Schumer (D-NY) and Ron Wyden (D-OR) are worried CMS and states will steer too much RHTP money toward health technology, to the detriment of the program's goal of supporting rural providers.

The fund was drafted in such a "vague and open-ended manner" that the money is not guaranteed to support rural health providers, the senators wrote to CMS. States can use RHTP dollars to "pay any health care providers, support technology-driven efforts like wearable devices, or fund unproven models of care that have nothing to do with rural health," they continued.

Carole Johnson, the administrator of HHS' Health Resources and Services Administration under the Biden administration, has also raised concerns the RHTP funds will be used to bolster HHS' broad wearables campaign.

"Is the \$50 billion 'rural hospital fund' in the One Big Beautiful Bill the way [HHS Secretary Robert F. Kennedy Jr.] is going to pay for 'wearables for all,'" she wrote on LinkedIn.

Johnson says bill language stipulating RHTP funds should promote "consumer-facing, technology-driven solutions for the prevention and management of chronic diseases" could be a nod toward wearables.

While RFK Jr. has backed away from his vision of having every American wear a wearable in four years amid privacy concerns from "Make America Healthy Again" adherents and far-right activist Laura Loomer, he has made wearables a part of his new digital health interoperability initiative and his MAHA recommendations to President Donald Trump. His top advisor Calley Means, and U.S. Surgeon General pick Casey Means, also staunchly support wearables.

On Tuesday (Aug. 19), Bloomberg's Editorial Board published an op-ed reiterating senators' and Johnson's concerns about CMS broadly allocating RHTP toward wellness platforms and health apps at the expense of other rural health needs.

"Although grants are required to support 'health-related activities,' everything from 'technology-driven solutions for the prevention and management of chronic disease' to 'remote monitoring robotics' and 'technical assistance' can qualify. (Wellness platforms and software developers, it's fair to say, hardly deserve Medicaid handouts.) The law includes no provision for the Centers for Medicare and Medicaid Services to publish their rationale for distributing grants," the Editorial Board wrote.

Rural health fund metrics

Besides funding health technology, CHI recommends CMS work with states and federal agencies on metrics to evaluate RHTP grant applications. At the same time, CHI wants CMS to minimize RHTP compliance burdens while also ensuring spending plans are transparent.