

Rural Emergency Hospitals

What's Changed?

- Added Subsection (d) and Indian Health Service (IHS) hospitals information (page 2)
- Added CY 2023 and CY 2024 payment amounts and cost reporting information (page 4)
- Added Technical Assistance Center information (page 5)

Substantive content changes are in dark red.

On January 1, 2023, Medicare started paying for Medicare-enrolled [rural emergency hospitals](#) (REHs) to deliver emergency hospital, observation, and other services to Medicare patients on an outpatient basis.

Together, we can advance health equity and eliminate health disparities in rural populations. Find resources from the [CMS Office of Minority Health](#):

- [Rural Health](#)
- [CMS Framework for Advancing Health Care in Rural, Tribal, and Geographically Isolated Communities](#)
- [Data Stratified by Geography \(Rural/Urban\)](#)
- [Health Equity Technical Assistance Program](#)

Becoming an REH Provider

REHs are a relatively new Medicare Part A provider type. Section 125 of the [Consolidated Appropriations Act of 2021 \(CAA\), Division CC](#) defines REHs as facilities that meet these regulatory requirements (This list includes basic criteria. It isn't all-inclusive.):

- Must enroll in Medicare
- Has a transfer agreement in effect with a Level I or Level II trauma center

- Must meet staff training and certification requirements, including:
 - A staffed emergency department 24 hours a day, 7 days a week, with staffing requirements like those for critical access hospitals (CAHs)
 - A physician, as defined in Section 1861(r)(1) of the [Social Security Act \(the Act\)](#), nurse practitioner, clinical nurse specialist, or physician assistant, as those terms are defined in Section 1861(aa)(5) of the Act, available to provide rural emergency hospital services in the facility 24 hours a day
- Meet certain licensure requirements, including:
 - Located in a state that provides for licensing of such hospitals under state or local law
 - Licensed under such law
 - Approved by the state or local agency as meeting the standards for such license
- Meet Conditions of Participation (CoPs) applicable to CAHs regarding emergency services and hospital emergency departments
- Doesn't exceed an annual per patient average of 24 hours of services
- Doesn't provide any acute care inpatient hospital services, other than post-hospital extended care services provided in a distinct part unit licensed as a skilled nursing facility (SNF)
- Was a CAH or small rural hospital with no more than 50 beds on December 27, 2020, which is the date of enactment of the CAA
- **Subsection (d) hospitals, as defined in Section 1886(d)(1)(B) of [the Act](#), with no more than 50 beds located in a county, or equivalent unit of local government, in a rural area (as defined in Section 1886(d)(2)(D) of the Act and referred to as a rural hospital)**

Note: CAHs and small rural hospitals that convert to REHs may provide REH services starting in 2023. A CAH or small rural hospital converting to an REH can submit a Form [CMS-855A](#) change of information (COI) application, rather than an initial application.

For more information, see [REH Medicare Provider Instructions](#) and find out how to [become an REH](#).

In this fact sheet, **you** refers to REH providers and **we** refers to CMS.

Indian Health Service (IHS) REH Provider Enrollment

Starting January 1, 2024, we'll pay a tribal or IHS operated hospital (per [42 CFR 413.65\(m\)](#)) that meets these requirements:

- Converts to an REH (IHS-REH) for hospital outpatient services they provide to a Medicare patient
- Uses the outpatient hospital all-inclusive rate, established and published annually by the IHS, instead of the rates for REH services in [42 CFR 419.92\(a\)\(1\)](#)

There's no difference between an IHS-REH and REH regarding Form CMS-855A application completion, submission, and processing. Novitas Solutions will handle IHS-REH enrollment applications. However, you may submit your applications via [PECOS](#), the mailing address for IHS-REH paper applications is:

Novitas Solutions, Inc.
P.O. Box 3115
Mechanicsburg, PA 17055-1858

[Change Request \(CR\) 13312](#) has more information on IHS-REH processes.

REH Billing for Medicare Services

All enrolled REHs billing Medicare should:

- Submit claims to the Part A Medicare Administrative Contractor (MAC) using the 837 Institutional (837I) or the paper claim Form [CMS-1450](#). You can get instructions on where and how to find the paper Form CMS-1450 from your MAC.
- Use types of bill 013x (Hospital Outpatient) and 014x (Hospital Other Part B).
- Remember not to bill for inpatient hospital services.

Most REH services are a Part B benefit.

For more information, [find your MAC's website](#).

Medicare Payments for REH Services

As of January 1, 2023, we pay you an additional 5% over the payment rate of the Hospital Outpatient Prospective Payment System (OPPS) for REH services.

We calculate any copayments for these services based on the standard OPPS rate for the service, excluding the 5% payment increase.

EXAMPLE:

1. Service fee or rate x 0.05 = increase amount for REH services
\$100.00 Fee or Rate x 0.05 = \$5.00 increase amount for REH services
2. Service fee or rate + increase amount for REH services = allowed amount
\$100.00 + \$5.00 = \$105.00 allowed amount
3. Service fee or rate x 0.20 = coinsurance
\$100.00 x 0.20 = \$20.00 coinsurance

We pay REH services that don't meet the definition of an REH service, like certain outpatient services provided on an outpatient basis by OPPS hospitals but aren't paid under the OPPS:

- At the same rate as the service at an OPPS hospital
- Based on the applicable fee schedule, such as the Clinical Laboratory Fee Schedule, outside of the OPPS

Such services aren't considered REH services and don't get the additional 5% payment that REH services get.

Payments for Ambulance Services

If you own and operate the entity providing ambulance services, we pay you under the ambulance fee schedule.

Payments for Post-Hospital Extended Care Services

If you provide post-hospital extended care services with a unit that's a distinct part licensed as an SNF, we pay you under the SNF PPS.

Additional Monthly REH Facility Payment

You get additional facility payments in 12 monthly installments. You must maintain detailed information on how you used these payments.

The CY 2023 additional monthly REH facility payment made **before October 1** is \$272,866. **This amount included both of these:**

- The monthly REH facility payment of \$267,408.68
- The sequestered payment amount of \$5,457.32, which wasn't deducted

Starting October 1, 2023, the corrected CY 2023 REH facility monthly payment amount is \$267,408.68 with the 2% sequestration amount deducted from the payment.

For CY 2024 and each year after, the additional payment increases by the hospital market basket percentage increase. **The CY 2024 REH facility monthly payment amount is:**

- \$276,233.58 with the sequestration amount deducted

REHs should report the facility payment in the REH facility payment amount field of the Medicare cost report [Form CMS-2552-10](#). Report the:

- Full payment amount on Worksheet E part B, line 28.50
- Actual payment amount on Worksheet E-1, line 1, column 4
 - Report the actual payment amount paid after sequestration

The additional monthly facility payment for every REH is the same. There's no adjustment to this monthly facility payment because of the size of your REH or amount of revenue you generate.

[CR 12820](#) has information on how we determine the payment amount.

Reporting Quality Data

We're required to set up quality data reporting requirements for REHs. The initial set up requires a data submission account and a Security Official to oversee that account. If you already have an account, you may use it. You'll have to update it with any new REH Medicare identifier. We'll set up additional quality measure specifications and quality reporting requirements in the near future through rulemaking.

Technical Assistance Center

The Health Resources and Services Administration's (HRSA) [REH Technical Assistance Center](#) offers technical assistance to REHs to:

- Make sure rural hospitals and the communities have the information and resources they need to make informed decisions about whether an REH is the best care model for their communities
- Successfully implement REH requirements for facilities converting to this new provider type

Resources

- [CMS-1772-FC final rule](#)
- [Conditions of Participation for Rural Emergency Hospitals and Critical Access Hospital COP Updates \(CMS-3419-P\)](#)
- [CR 12867](#) for REH enrollment information
- [CR 13457](#) for CY 2024 monthly payment amount information
- [Critical Access Hospital](#) booklet
- [REH Requirements: CMS Emergency Preparedness Final Rule](#)

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