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FACT SHEET
KNOWLEDGE • RESOURCES • TRAINING

Rural Emergency Hospitals

What's Changed?

We added the CY 2026 payment amount (page 5).

Substantive content changes are in dark red.

CMS CENTERS FOR MEDICARE & MEDICAID SERVICES
Medicare Learning Network®

Medicare pays for Medicare-enrolled rural emergency hospitals (REHs) to deliver emergency hospital, observation, and other services to Medicare patients on an outpatient basis.

Becoming an REH Provider

REHs are a Medicare Part A provider type. The Consolidated Appropriations Act, 2021, section 125 defines REHs as facilities that meet these regulatory requirements:

- Enrolled in Medicare
- Have a transfer agreement in effect with a Level I or Level II trauma center
- Meet staffing, 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, nurse practitioner, clinical nurse specialist, or physician assistant available to provide rural emergency hospital services in the facility 24 hours a day
- Meet certain licensure requirements, including:
  - Located in a state that licenses 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 the specified REH conditions of participation
- Don't exceed an annual per-patient average length of stay of 24 hours
- Don'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)
- Were CAHs or small rural hospitals with no more than 50 beds on December 27, 2020
- Subsection (d) hospitals, as defined in section 1886(d)(1)(B) of the Social Security 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 Social Security Act and referred to as a rural hospital)

This list contains basic criteria and isn't all inclusive.

Note: CAHs and small rural hospitals that convert to REHs may provide REH services. A CAH or small rural hospital converting to an REH can submit a change of information application online via PECOS or a paper form CMS-855A rather than an initial application.

For more information, see the REH Medicare provider instructions and find out how to become an REH.

Indian Health Service REH

We pay a Tribal or Indian Health Service (IHS)-operated hospital 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)

Consistent with other REHs, we allow IHS-REHs to have:

- Flexible staffing requirements
- Access to technical assistance
- Additional monthly REH facility payment that isn't tied to specific services

More information on the additional REH monthly facility payment and technical assistance is below.

IHS-REH Enrollment

There's no difference between an IHS-REH and REH regarding completing, submitting, and processing the application Form CMS-855A. Novitas Solutions handles IHS-REH enrollment applications, and you may submit applications via PECOS or mail paper applications to:

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

The Medicare Program Integrity Manual, Chapter 10, section 10.2.1.8.1.1 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 or Medicare Billing: CMS-1450 & 837I.
- 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 Medicare Part B benefit.

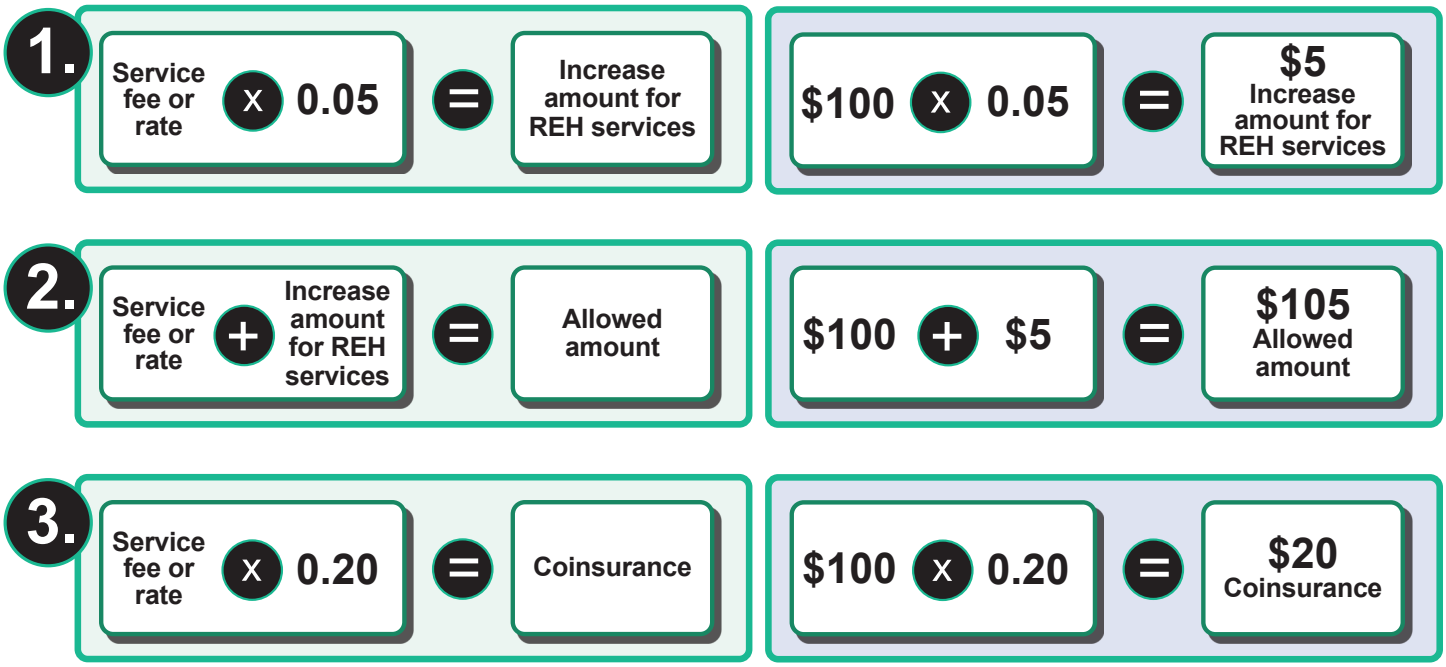
For more information, find your MAC's website.

Medicare Payments for REH Services

We pay 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 Hospital OPPS rate for the service, excluding the 5% payment increase.

Example:



We pay for 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

We don't consider these services REH services, and they 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 Part B 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 Prospective Payment System.

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.

For CY 2024 and each year after, the additional payment increases by the hospital market basket percentage increase. The CY 2025 REH facility monthly payment amount is $285,625.90 with the sequestration amount deducted.

The CY 2026 REH facility monthly payment amount is $295,051.54 with the sequestration amount deducted. See Change Request (CR) 14334 for more information.

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 paid after sequestration on Worksheet E-1, line 1, column 4

The additional monthly facility payment for every REH is the same. We don't adjust this monthly facility payment because of the size of the REH or amount of revenue it generates.

The Medicare Claims Processing Manual, Chapter 4, section 10.6.4 has information on how we determine the payment amount.

REH Quality Reporting

We 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, but you'll have to update it with any new REH Medicare identifiers.

We update the required quality reporting measures annually. See the CY 2026 OPPS and Ambulatory Surgical Center (ASC) final rule for the latest changes.

Technical Assistance Center

The Health Resources and Services Administration's 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

- 2023 OPPS and ASC final rule
- 2024 OPPS and ASC final rule
- CR 12867 for REH provider enrollment information
- CR 13312 for IHS REH provider enrollment information
- REH requirements: CMS emergency preparedness final rule