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Rural Emergency Hospital Basics

5/14/2024

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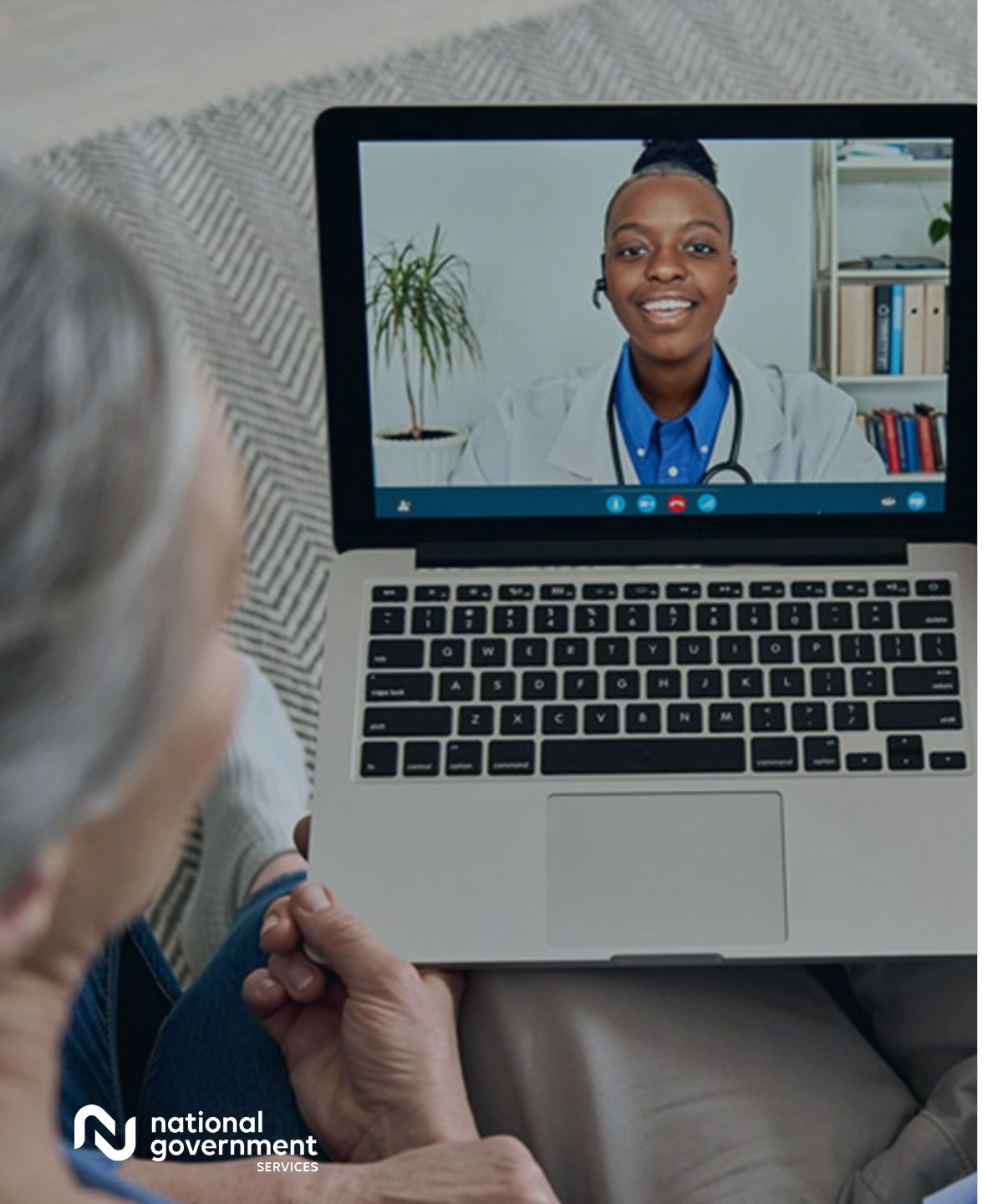

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Objective

Learn about

- What is a rural emergency hospital (REH)
- Requirements and regulations for a REH
- Enrollment as a REH provider type

Today's Presenter

Provider Outreach and Education Consultant

- Jean Roberts, RN, BSN, CPC

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Agenda

REH Introduction

Requirements and Enrollment

REH Services

Billing and Reimbursement

FYI 2024: IHS and Tribal

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REH Introduction

Rural Emergency Hospital

- New provider type beginning 1/1/2023 to address growing concern over closures of rural hospitals
- REH designation provides opportunity for CAH and certain rural hospitals
  - Avert potential closure and continue providing essential services for communities they serve
  - Promotes equity in health care for those living in rural communities by facilitating access to needed services
  - Required to enroll as REH and submit CMS-1450 or electronic claims to Medicare

Background

- Consolidated Appropriations Act (CAA) of 2021 - Section 125 established Medicare Payment for emergency hospital services, observation services, and other services as defined by the Secretary furnished by a REH on or after 1/1/2023
- Amended Sections 1861 and 1834 of the SSA
  - 1861: New subsection (kkk) "Rural Emergency Hospital Services"
  - 1834: New subsection (x) “Payment for Rural Emergency Hospital Services”

Background

- 42 CFR Section 419.91 defines REH
  - An entity as defined in § 485.502
  - All covered OPD services
    - ✓ Defined in Section 1833(t)(1)(B) of SSA, excluding services described in SSA 1833(t)(1)(B)(ii), furnished by a REH that would be paid under OPPS when provided in a hospital paid under the OPPS for outpatient services, provided that such services are furnished consistent with the CoP at Sections 485.510 through 485.544

REH

- Must provide emergency services and observation care
  - Must maintain staffed emergency department 24 hours a day, 7 days a week, with staffing requirements similar to those for CAHs
- REH can elect to furnish other medical and health services on an outpatient basis, as specified by the Secretary
- Must not provide any acute care inpatient hospital services
  - Other than post-hospital extended care services furnished in a distinct part unit licensed as a Skilled Nursing Facility (SNF)

Annual Per-Patient Average Length of Stay (ALOS)

- ALOS must not exceed 24 hours per patient
  - Begins with registration, check-in or triage
    - ✓ Whichever occurs first
  - Ends with discharge
    - ✓ Signed discharge order or outpatient service completed and documented

REH Requirements and Enrollment

Eligible Facilities

- Facilities eligible to convert to REH must have been enrolled and certified to participate in Medicare as of 12/27/2020 as either
  - CAH or small rural hospital with no more than 50 beds as of 12/27/2020 (date of CAA enactment)
  - Facility enrolled as CAH or rural hospital with no more than 50 beds that closed after 12/27/2020 is eligible to seek REH designation
    - ✓ Must re-enroll in Medicare and meet all REH CoP and requirements
  - Subsection (d) hospital (rural hospital) with no more than 50 beds located in a county (or equivalent unit of local government) in a rural area or treated as being in a rural area
    - ✓ Subsection d hospital and rural hospital are defined in SSA sections 1886(d)(1)(B), 1886(d)(2)(D) and SSA section 1886(d)(8)(E)

REH Requirements

- Meet Medicare enrollment and CoPs applicable to CAHs regarding emergency services and hospital emergency departments
- Meets certain licensure requirements
  - Located in state that provides for licensing of such hospitals under state or local low and is licensed under that law
  - Approved by state or local agency as meeting standards for license
  - Staff training and certification requirements established by the Secretary
  - CoPs applicable to CAHs regarding emergency services and as determined applicable by the Secretary to hospital emergency departments

REH Requirements

- Must have a transfer agreement in effect with a Level I or Level II trauma center
- Must not provide any acute care inpatient hospital services, other than post-hospital extended care services provided in a DPU licensed as a SNF
- Has infection prevention and control and antibiotic stewardship program that adheres to nationally recognized guideline
- Must comply with Emergency Medical Treatment and Labor Act (EMTALA) at section 1867 of the SSA
- Annual per-patient ALOS **cannot exceed 24 hours** of services

REH Requirements

- Meets staffing requirements
  - REH emergency department must be staffed 24 hours per day, seven days per week
    - ✓ Requirements similar to CAH
  - Staff must be competent in skills needed to address emergency medical care, able to receive patients and activate appropriate medical resources to meet the care needed
  - Must have a physician, nurse practitioner (NP), clinical nurse specialist (CNS) or physician assistant (PA) with training or experience in emergency care on-call at all times and immediately available by phone or radio contact
    - ✓ Available on-site within 30 - 60 minutes depending on if facility is in frontier area
    - ✓ SSA Section 1861 (r)(1) defines physician & Section 1861 (aa)(5) defines NP, CNS, PA

New 2024: REH Quality Reporting (REHQR) Program

- CY 2024 OPPS/ASC final rule
  - Finalizing adoption and codification of several standard quality program reporting policies and four initial measures
- Initial quality measures
  - Abdomen computed tomography - Use of contrast material
  - Median time from ED arrival to ED departure for discharged ED patients
  - Facility seven-day risk-standardized hospital visit rate after outpatient colonoscopy
  - Risk- standardized hospital visits within seven days after hospital outpatient surgery

Enrollment

- Eligible existing Medicare-enrolled facilities converting to REH
  - Submit a change of information online via PECOS or a paper CMS-855A application to NGS to convert to an REH
  - **Do Not submit an initial application**: Convert by submitting 855A change of information (COI) to MAC or via PECOS
  - Use provider type "Other" option and specify "Rural Emergency Hospital" until the forms/PECOS is updated with the new REH provider type 24
  - Note: No application fee and not required to submit voluntary termination application to terminate existing CAH or rural hospital enrollment
  - Enrollment Regulation

Enrollment

- REH applicant must also submit action plan outlining facility's conversion plan
  - Submit additional information for conversion to an REH, including an action plan for starting REH services, along with other information, outlined in QSO-23-07-REH Memorandum Summary - 1 26 2023
- QSO-24-01-REH: Oversight of Rural Emergency Hospitals

Enrollment: PECOS Submission Steps

- Termination of existing enrollment takes effect when REH enrollment approved
  - Log into PECOS and locate your CAH enrollment under “Existing Enrollments”
  - Select “More Options”
  - Select “Perform a Change of Information to Current Enrollment Information”
  - Select “Yes” that the application is to convert a CAH facility to a REH facility
  - Continue through the screens entering all applicable enrollment data for your REH
  - Upload all required state licenses and/or certifications for operation as an REH (if available to you at the time)
  - Electronically sign and submit your application

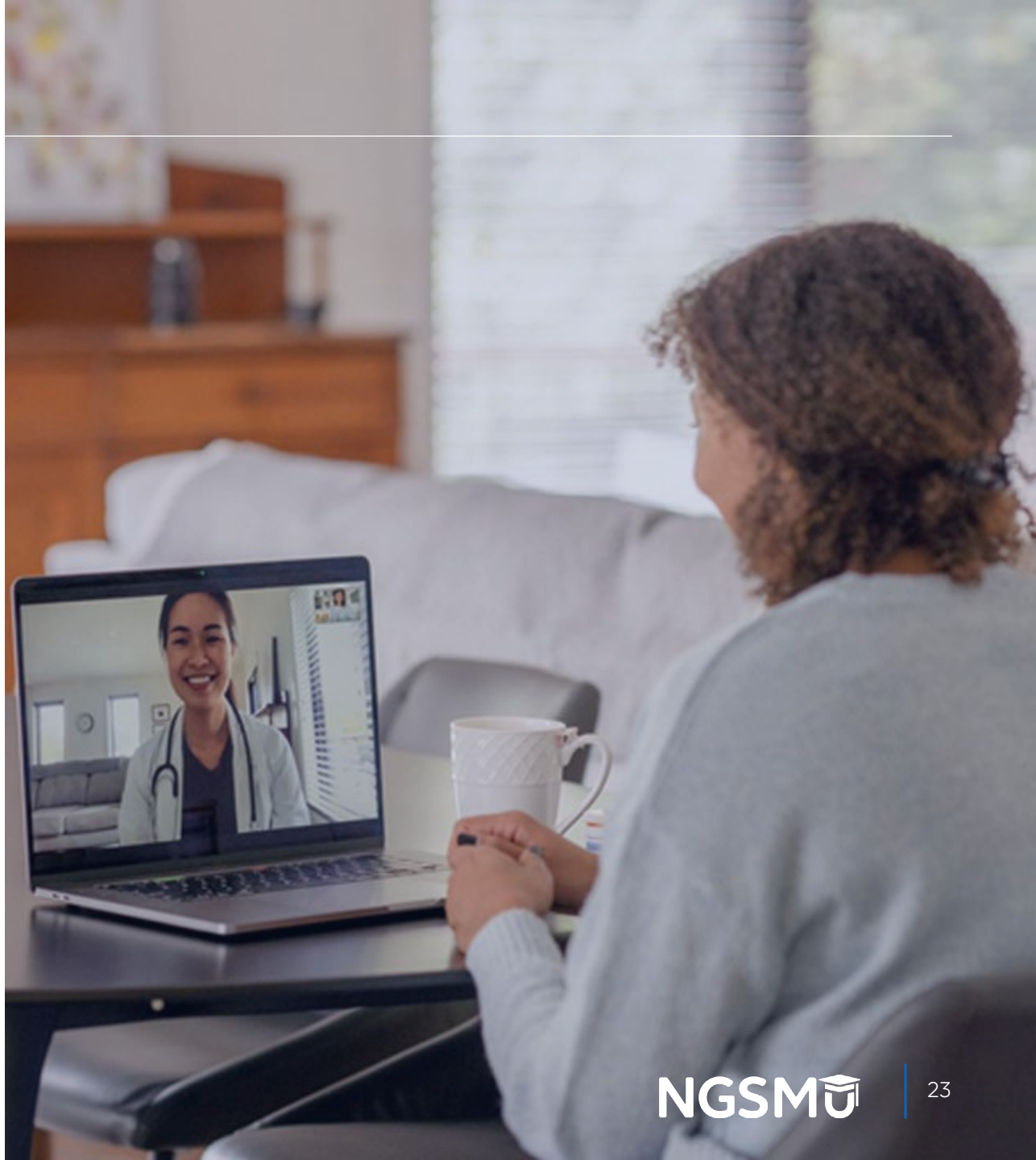
Enrollment: Paper Submission

- Note: No application fee and not required to submit voluntary termination application to terminate existing CAH or rural hospital enrollment
- Termination of existing enrollment takes effect when REH enrollment approved
  1. Check Section 1(A) box: "You are changing your Medicare information"
  2. Check "Other" box in Section 2(A)(2) and write "Rural emergency hospital" or "REH" in the space provided.
  3. Complete Sections 2(B) (with REH information), 3, and 15 and/or 16 (as applicable)
  4. Report any additions, deletions, or changes to current enrollment information (your current/most recent CAH or rural hospital enrollment) that will stem from your conversion to an REH (e.g., new billing agency, adding/deleting managing employees, deleting five % or greater owners)
  5. Submit all required state licenses and/or certifications for operation as an REH (if available to you at the time)

REH Services

REH

- Beginning 1/1/2023, a Medicare enrolled REH is hospital operating for sole purpose of providing:
- Emergency Department services
- Observation
- REH choice to provide other outpatient medical and health services specified by the Secretary
- REH annual per-patient average length of stay should not exceed 24 hours



REH Services

- All covered outpatient department (OPD) services, including rural emergency services defined in section 1833(t)(1)(B) of the SSA
  - Furnished consistent with the conditions of participation at 42 C.F.R. §§ 485.510 - 485.544
- REH emergency department compliance with EMTALA
  - Requires REH to offer, among other things, medical screening exam to anyone in the REH ED requesting this exam
  - REH is prohibited from refusing to examine or offer stabilizing treatment to anyone with an emergency medical condition (EMC)

Non-REH Services

- Inpatient services cannot be provided
  - Exception: Services furnished in distinct part unit (DPU) licensed as SNF facility to furnish post-hospital extended care services
- REH services that do not meet the definition of an REH service are paid the same rate as service at OPPS hospital
  - Paid under applicable fee schedule but do not receive the additional five %
  - FYI: Non-REH outpatient services are described in section 1833(t)(1)(B)(ii) of the SSA
- Non-REH services examples
  - Services paid under the Clinical Lab Fee Schedule
  - Ambulance services furnished by an entity owned and operated by REH are paid under the ambulance fee schedule

REH ALOS

- REH annual per patient ALOS should not exceed 24 hours
- Time calculation for determining LOS
  - **Start time** begins with the registration, check-in or triage of the patient (whichever occurs first)
  - **Discharge time** determined by time physician, or other appropriate clinician, signs discharge order, or at time outpatient services are completed and documented in the medical record

Billing & Reimbursement

REH Billing

- Must be enrolled with Medicare as REH to submit outpatient claims to Part A MAC using institutional claim format (CMS-1450 or electronic equivalent)
  - PTAN range = XX0001 through XX0879 (XX = state number)
- Outpatient REH services are covered under Part B (of A)
  - Require patient to have active Medicare Part B coverage
- Bill for REH outpatient services rendered using TOB 013X or 014X
  - HCPCS and CPT codes
  - Modifiers, when applicable
  - Line-item date of service (LIDOS)

LIDOS Requirement

- LIDOS required on every revenue code line
  - Identify DOS for each CPT/HCPCS code
    - ✓ Report in FL 45 “Service Date” (or electronic equivalent) Format: MMDDYY
    - ✓ Repeat each service (revenue code) on a separate line item with date service was provided for every occurrence
  - Example

Revenue Code	CPT/HCPCS Code	DOS	Units
0510	G0463	010324	1
0450	99282	010524	1
0305	85025	010524	1
0762	G0378	010524	10

REH Reimbursement: REH Services

- OPPS services: HCPCS/CPT code rates and status indicators (quarterly based on DOS)
  - Addendum A and Addendum B Updates
    - ✓Use Addendum B for codes, rates, Status Indicators
  - CY2024 OPPS Status Indicators

    Refer to CMS-1786-FC > 2024 NFRM OPPS Addenda > open downloadable files > open excel file “2024 NFRM Addendum D2.110123”

REH Reimbursement: REH Services

- REH services are reimbursed at OPPS rate plus five % increase over OPPS payment rate
  - Example: OPPS rate = $100.00
  - Service fee/rate + increase amount for REH services (5%) = allowed amount

    $100.00 X 0.05 = $5.00 REH increase

    $100.00 + $5.00 = $105.00 allowed amount
- Copayment calculated based on the standard OPPS rate (20%) for the service excluding the 5% payment increase
  - Using example above

    $100.00 X 0.20 = $20.00 copayment

REH Reimbursement: Non-REH Services

- Non-REH services are those services that do not meet definition of an REH service
- Non-REH services are reimbursed at same rate as same service by an OPPS hospital
  - Based on the applicable fee schedule, such as the Clinical Laboratory Fee Schedule
- Non-REH services do not receive additional five % payment that REH services receive

REH Reimbursement: Non-REH Services

- REH that owns/operates entity providing ambulance services are paid via ambulance fee schedule
- Post-hospital extended care services provided in REH licensed SNF DPU are reimbursed under SNF PPS
- Reminder: REH not allowed to provide inpatient services, except those furnished in a unit that is a distinct part licensed as SNF to furnish post-hospital extended care services

REH Monthly Facility Payment

- Monthly REH additional facility payment
  - 12 monthly installments included on remit for last day of each month
  - Same dollar amount for each REH facility; No adjustments
  - Must keep detailed documentation on how this money was used
- CY2023 monthly REH additional facility payment is $272,866
  - $267,408.68 after two % sequestration
- CY2024 monthly REH additional facility payment is $281,871
  - $276,233.58 after two % sequestration

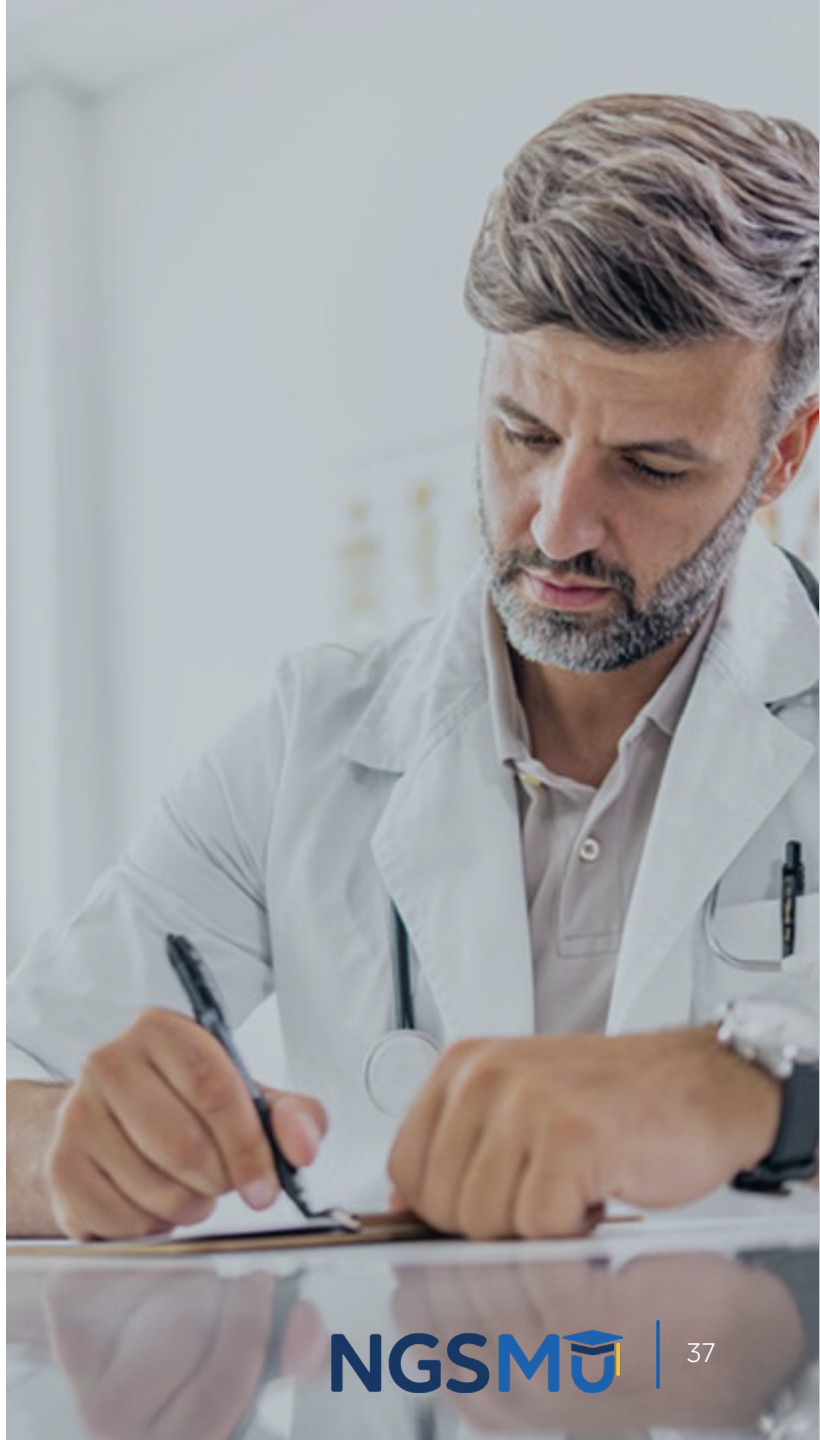
REH Monthly Facility Payment

- No adjustment to this monthly facility payment due to size of the REH or amount of revenue generated
- REH monthly facility payment for CY 2024 and each subsequent year is determined by
  - Hospital market basket percentage increase
- REH additional facility payment in subsequent REH required to maintain detailed information concerning how these additional payments were used

FYI 2024: Indian Health Service (IHS) Facilities and Tribal Facilities

FYI: Payment for IHS and Tribal Facilities

- Important: IHS-REH enrollment applications are handled by Novitas Solutions
- Effective 1/1/2024: IHS and Tribal facilities converting to REHs are paid for hospital outpatient services under the same all-inclusive rate (AIR) that would otherwise apply if services were performed by an IHS or Tribal hospital that is not an REH
  - Existing beneficiary coinsurance policies applicable to such services under AIR remain the same
  - Receive REH monthly facility payment consistent with how payment is applied to REHs that are not tribally or IHS operated



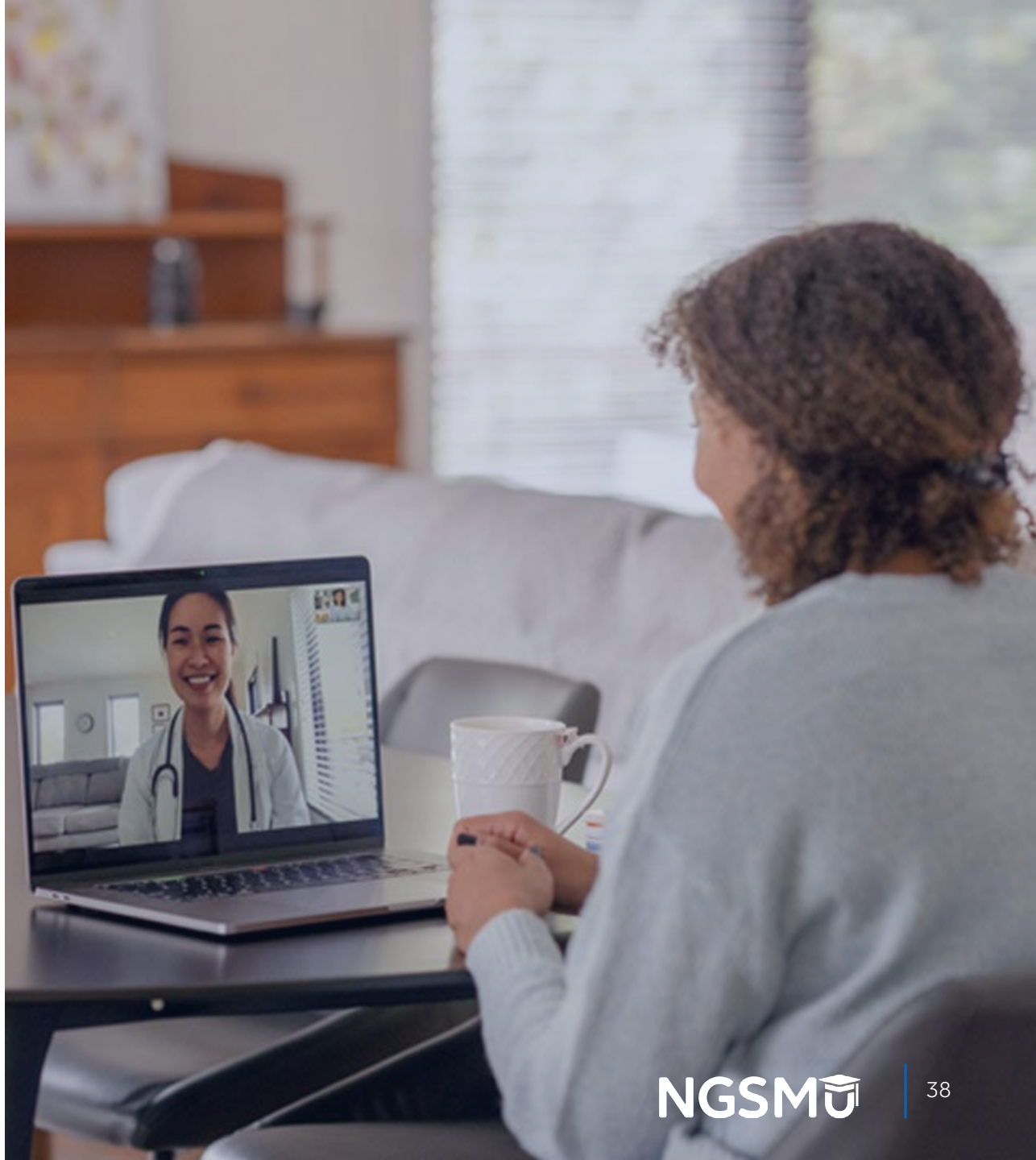
FYI: IHS-REH Enrollment

- Novitas Solutions handles all IHS enrollment applications, including IHS-REH enrollment applications
  - IHS-REHs may submit their applications via PECOS
  - IHS-REH paper application can be sent to:

    Novitas Solutions, Inc.

    P.O. Box 3115

    Mechanicsburg, PA 17055-1858
- Refer to CMS IOM Publication 100-08, *Medicare Program Integrity Manual*, Chapter 10, Section 10.2.1.9 for additional information



Resources

REH Technical Assistance

- Health Resources and Services Administration's (HRSA) Rural Emergency Hospital Technical Assistance Center offers technical assistance for REHs
- The purpose of the technical assistance center is to:
  - Make sure rural hospitals and the communities they serve have the information and resources they need to make informed decisions about whether an REH is the best care model for their communities
  - Facilitate successful implementation of REH requirements for facilities converting to this new provider type
- Rural Emergency Hospital Technical Assistance Center

CMS Resources

- CMS Change Request (CR) 12820: *Implementation of Rural Emergency Hospital (REH) Provider Type*, effective 1/1/2023
- CMS CR 12867: *Medicare Enrollment of Rural Emergency Hospitals (REHs)*, effective 10/28/2022
- CMS CR 13312: *Indian Health Service (IHS) Rural Emergency Hospital (REH) Provider Enrollment*, effective 1/1/2024
- CMS CR 13457: *January 2024 Annual Rural Emergency Hospital (REH) Monthly Facility Payment Amount*, effective 1/1/2024

CMS Resources

- CMS website: *Rural Emergency Hospitals*
- CMS MLN Fact Sheet MLN2259384: *Rural Emergency Hospitals*
- CMS MLN Booklet MLN006400: *Information for Critical Access Hospitals*
  - Includes REH information
- CMS Fact Sheet 11/1/2022: *CY 2023 Medicare Hospital Outpatient Prospective Payment System and Ambulatory Surgical Center Payment System Final Rule (CMS 1772-FC) Rural Emergency Hospitals — New Medicare Provider Type*
- CMS Fact Sheet 7/1/2022: *Rural Emergency Hospitals Proposed Rulemaking*

CMS Resources

- CMS-1772-FC: *REH Final Rule* 11 23 2023
- CY 2024 Medicare Hospital Outpatient Prospective Payment System and Ambulatory Surgical Center Payment System Final Rule (CMS 1786-FC)
- *Rural Emergency Hospitals Requirements in CMS Emergency Preparedness Final Rule* – March 2023
  - Administration for Strategic Preparedness and Response's *Technical Resources, Assistance Center, and Information Exchange (ASPR TRACIE)*
- CMS *REH Medicare Provider Instructions*

CMS Resources

- CMS IOM Publications
  - 100-04, *Medicare Claims Processing Manual*, Chapter 4 – Part B Hospital, Section 10.6.4 - Payment Adjustment for Rural Emergency Hospitals
  - 100-07, *State Operations Manual*, Appendix V, Interpretive Guidelines – Responsibilities of Medicare Participating Hospitals in Emergency Cases
    - ✓ Emergency Medical Treatment and Labor Act (EMTALA)
  - 100-08, *Medicare Program Integrity Manual*, Chapter 10 – Medicare Enrollment, Section 10.2.1.8.1 – Rural Emergency Hospitals (REHs)
- CMS MLN Educational Tool, MLN006846: *Skilled Nursing Facility Billing Reference*

CMS Resources

- *Consolidated Appropriations Act (CAA) of 2021*
- CMS Fact Sheet 6/30/2022: *Conditions of Participation for Rural Emergency Hospitals and Critical Access Hospital COP Updates (CMS-3419-P)*
- Conditions of Participation: *CFR Part 485, Subpart E—Conditions of Participation: Rural Emergency Hospitals (REHs)*
- *Guidance for Rural Emergency Hospital Provisions, Conversion Process and Conditions of Participation*, 1/26/2023
- Oversight of Rural Emergency Hospitals (REHs): *Center for Clinical Standards and Quality/Quality, Safety & Oversight Group*, 11/3/2023

Enrollment Resources

- CMS IOM Publication 100-08, *Medicare Program Integrity Manual*, Chapter 10 – Medicare Enrollment, Section 10.2.1.8.1 – Rural Emergency Hospitals (REHs)
- 1/26/2023 (Ref: QSO-23-07-REH): *Guidance for Rural Emergency Hospital Provisions, Conversion Process and Conditions of Participation*
  - Includes enrollment information including additional details on action plan
- *REH Medicare Provider Instructions*

Questions?

Thank you! A follow-up email will be sent to attendees with the Medicare University Course Code.

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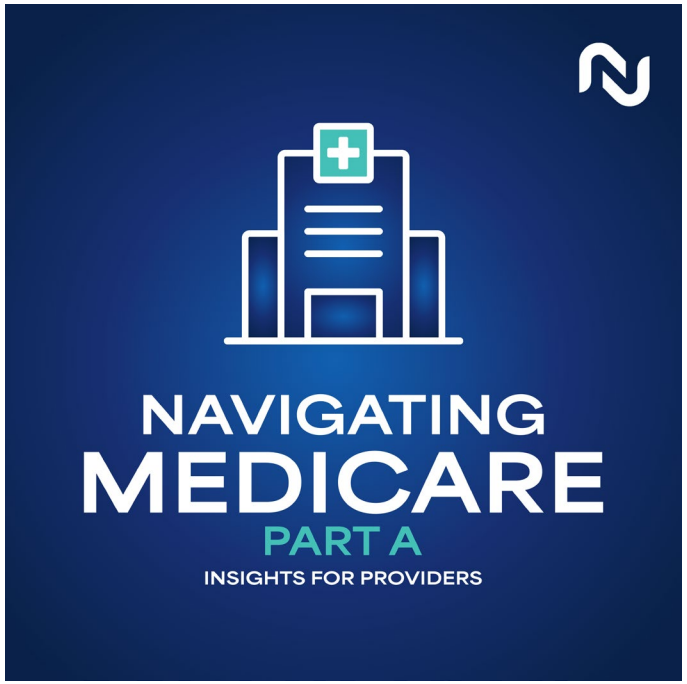

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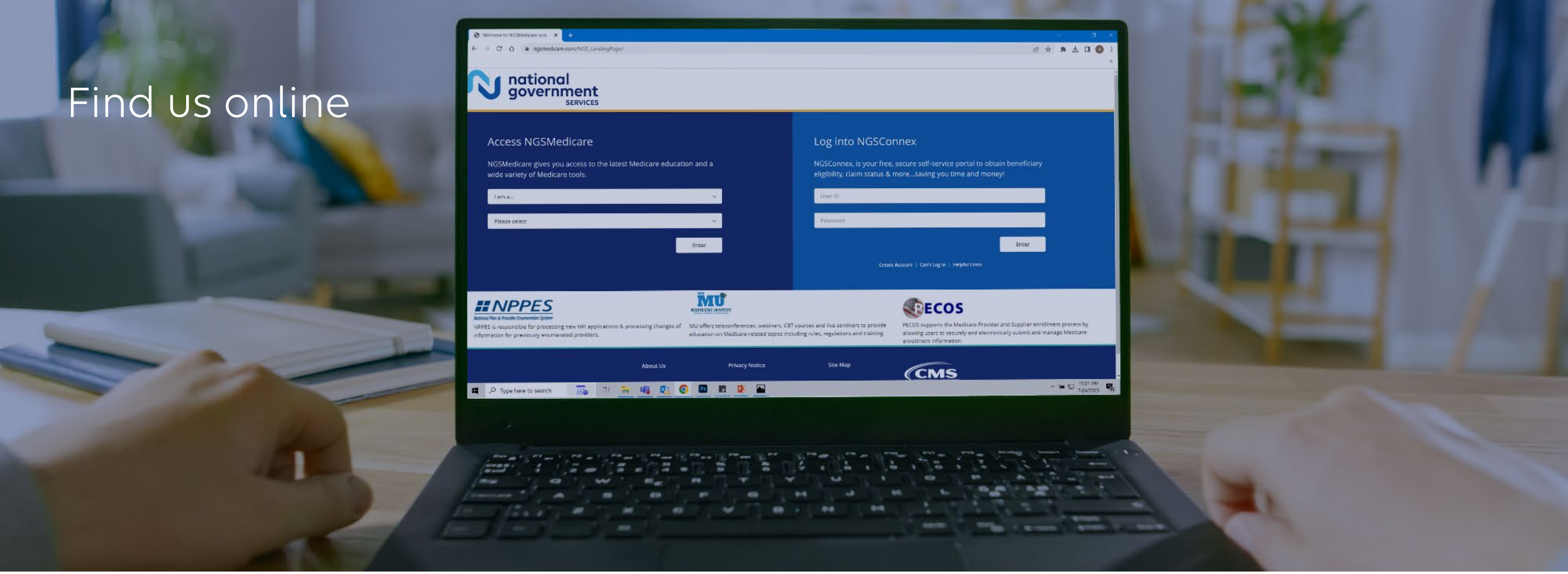

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