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Rural Emergency Hospital Basics

6/24/2025

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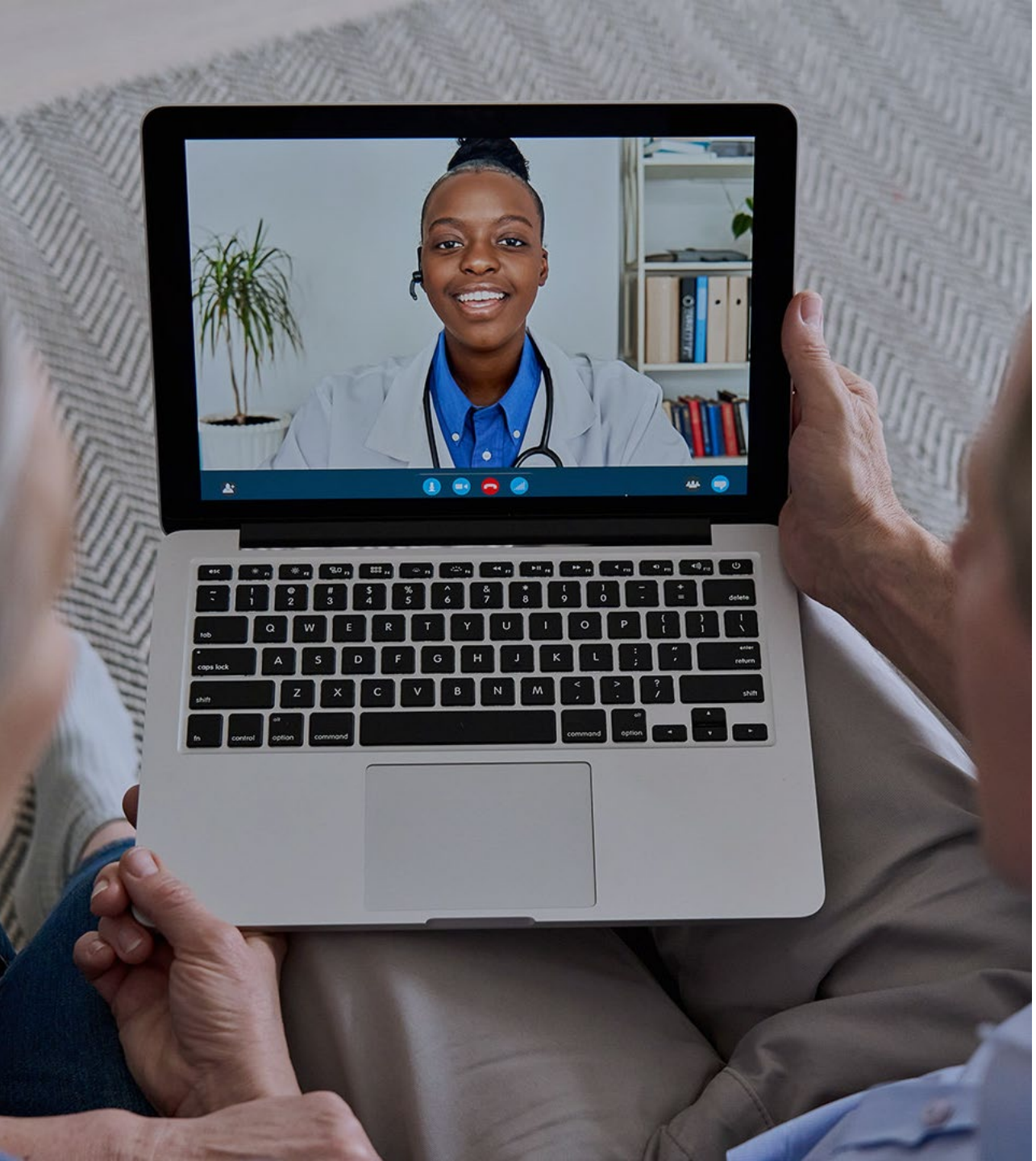

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Objective

Learn about

- What is a REH?
- REH requirements and regulations
- REH enrollment
- Billing and reimbursement

Today's Presenters

- Provider Outreach and Education Consultants
  - Jean Roberts, RN, BSN, CPC
  - Michael Dorris

Agenda

- REH Introduction
- Requirements & Enrollment
- REH Services
- Billing & Reimbursement
- Indian Health Service (IHS) and Tribal Facilities
- Resources
- Questions

REH Introduction

Rural Emergency Hospital (REH)

- New provider type effective 1/1/2023 to address growing concern over rural hospital closures
  - Required to enroll as REH and submit CMS-1450 or electronic claims to Medicare
- REH designation provides opportunity for CAHs and certain rural hospitals
  - Averts potential closure while continuing to provide essential services for communities they serve
  - Promotes access in health care for those living in rural communities by facilitating access to needed services

Background

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

Background (continued)

- 42 CFR Section 419.91 defines REH
  - An entity as defined in Section 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 REH that would be paid under OPPS when provided by OPPS hospital for outpatient services
      - Provided that such services are furnished consistent with CoP at Sections 485.510 through 485.544

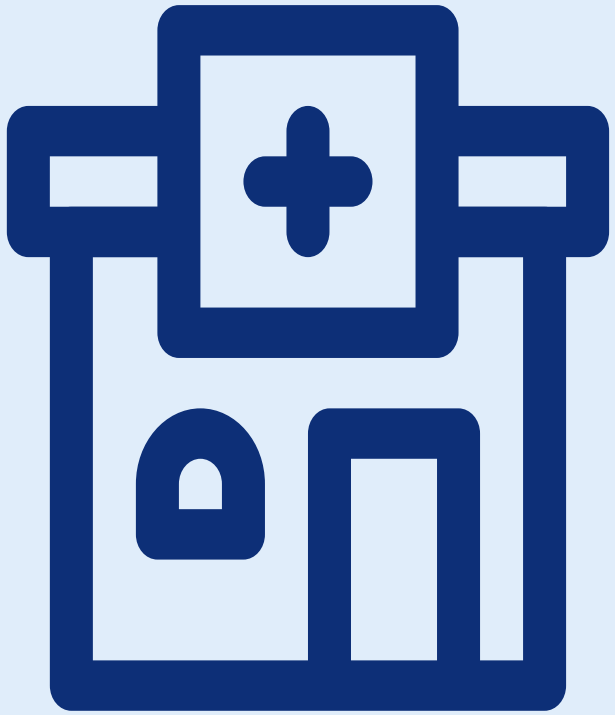
REH

- Must provide emergency services and observation care
  - Must maintain staffed ED 24 hours per day, seven days a week
    - Staffing requirements similar to CAHs
- REH can elect to furnish other outpatient medical and health services
  - Specified by Secretary
- Must not provide any acute care inpatient hospital services
  - Other than post-hospital extended care services furnished in DPU licensed as SNF

Annual Per-Patient 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

Requirements & Enrollment



Eligible facilities 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

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

* Defined in SSA sections 1886(d)(1)(B), 1886(d)(2)(D) and 1886(d)(8)(E)

REH Requirements

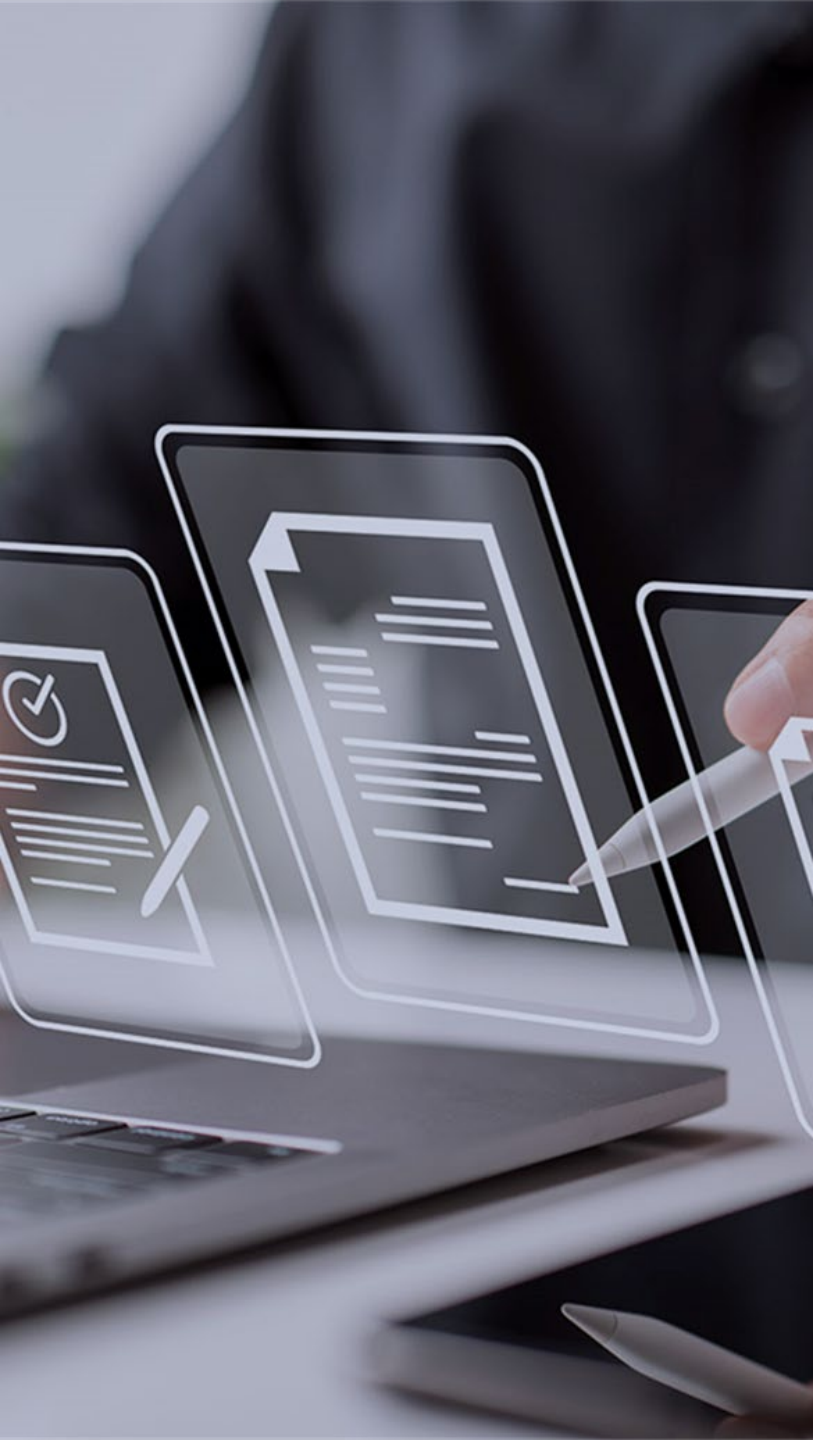
- REH required to meet
  - Medicare enrollment and CoPs applicable to CAHs regarding emergency services and hospital emergency departments
  - Certain licensure requirements
    - Located in state that provides for licensing of such hospitals under state or local law and is licensed under that law
 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

REH Requirements (continued)

- REH must have
  - Transfer agreement in effect with Level I or Level II trauma center
  - Infection prevention and control and antibiotic stewardship program in place and adhere to nationally recognized guidelines
- REH must
  - Comply with EMTALA per section 1867 of the SSA
- REH cannot provide any acute care inpatient hospital services
  - Exception: Post-hospital extended care services provided in DPU licensed as SNF
- REH annual per-patient ALOS **cannot exceed 24 hours** of services

REH Staffing Requirements

- REH ED must be staffed 24 hours per day, seven days per week with 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 physician, NP, CNS or 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 whether located in frontier area
    - SSA Section 1861 (r)(1) defines physician and Section 1861 (aa)(5) defines NP, CNS, PA



REH Quality Reporting (REHQR) Program

- CY 2024 OPPS/ASC final rule
  - Finalized 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 change of information (COI) online via PECOS
    - Or paper CMS-855A application to NGS to convert to a REH
  - **Do not submit an initial application**: Convert by submitting 855A 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 (continued)

- 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
- 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” - Application is to convert CAH facility to 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 REH (if available to you at the time)
  - Electronically sign and submit your application

Enrollment: Paper Submission

- Termination of existing enrollment takes effect when REH enrollment approved
  - Check Section 1(A) box: “You are changing your Medicare information”
  - Check “Other” box in Section 2(A)(2) and write “rural emergency hospital” or “REH” in the space provided
  - Complete Sections 2(B) (with REH information), 3, 15 and/or 16 (as applicable)
  - 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)
  - Submit all required state licenses and/or certifications for operation as an REH (if available to you at the time)

REH Services

REH

- Effective 1/1/2023: Medicare enrolled REH is a hospital operating for sole purpose of providing
  - ED 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 OPD services, including rural emergency services defined in section 1833(t)(1)(B) of SSA
  - Furnished consistent with CoP at 42 C.F.R. Section 485.510–485.544
- REH emergency department compliance with EMTALA
  - Requires REH to offer, among other things, medical screening exam to anyone in 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 provided in DPU licensed as SNF facility to furnish post-hospital extended care services
- Non-REH services examples
  - Services paid under Clinical Lab Fee Schedule
  - Ambulance services furnished by an entity owned and operated by REH are paid under ambulance fee schedule
- REH services that do not meet definition of a REH service are paid same rate as service at OPPS hospital
  - Paid under applicable fee schedule but do not receive additional five %
  - FYI: Non-REH outpatient services are described in SSA section 1833(t)(1)(B)(ii)

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 and 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
  - 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 (updated quarterly based on DOS)
  - Addendum A and Addendum B Updates
    - Use Addendum B for codes, rates, status indicators
  - CY20XX (where 20XX = year) OPPS status indicators annual list
    - Refer to Hospital Outpatient Regulations and Notices > select and open "Hospital Outpatient Prospective Payment- Notice of Final Rulemaking (NFRM)" applicable to year services provided > scroll to Related Links > select and download file "20XX NFRM OPPS Addenda" > open excel file "20XX NFRM Addendum D1 …"

REH Reimbursement: REH Services (continued)

- 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 (five %) = allowed amount
  - $100.00 X 0.05 = $5.00 REH increase amount
  - $100.00 + $5.00 = $105.00 allowed amount
- Copayment calculated based on the standard OPPS rate (20%) for the service excluding the five % 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 (continued)

- 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

- REH monthly facility payment for each CY year determined by
  - Hospital market basket percentage increase
- 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
  - No adjustment to monthly facility payment due to size of the REH or amount of revenue generated

REH Monthly Facility Payment (continued)

- REH additional facility payment in subsequent years required to maintain detailed information concerning how these additional payments were 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
  - CY2025 monthly REH additional facility payment is $291,455
    - $285,625.90 after two % sequestration

Indian Health Service (IHS) and Tribal Facilities

FYI: Payment for IHS and Tribal Facilities

- Important: Novita's Solutions handles all IHS, including IHS-REH, enrollment applications
- Effective 1/1/2024: IHS and Tribal facilities converting to REHs are paid for hospital outpatient services under same all-inclusive rate (AIR) that would otherwise apply if services were performed by 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

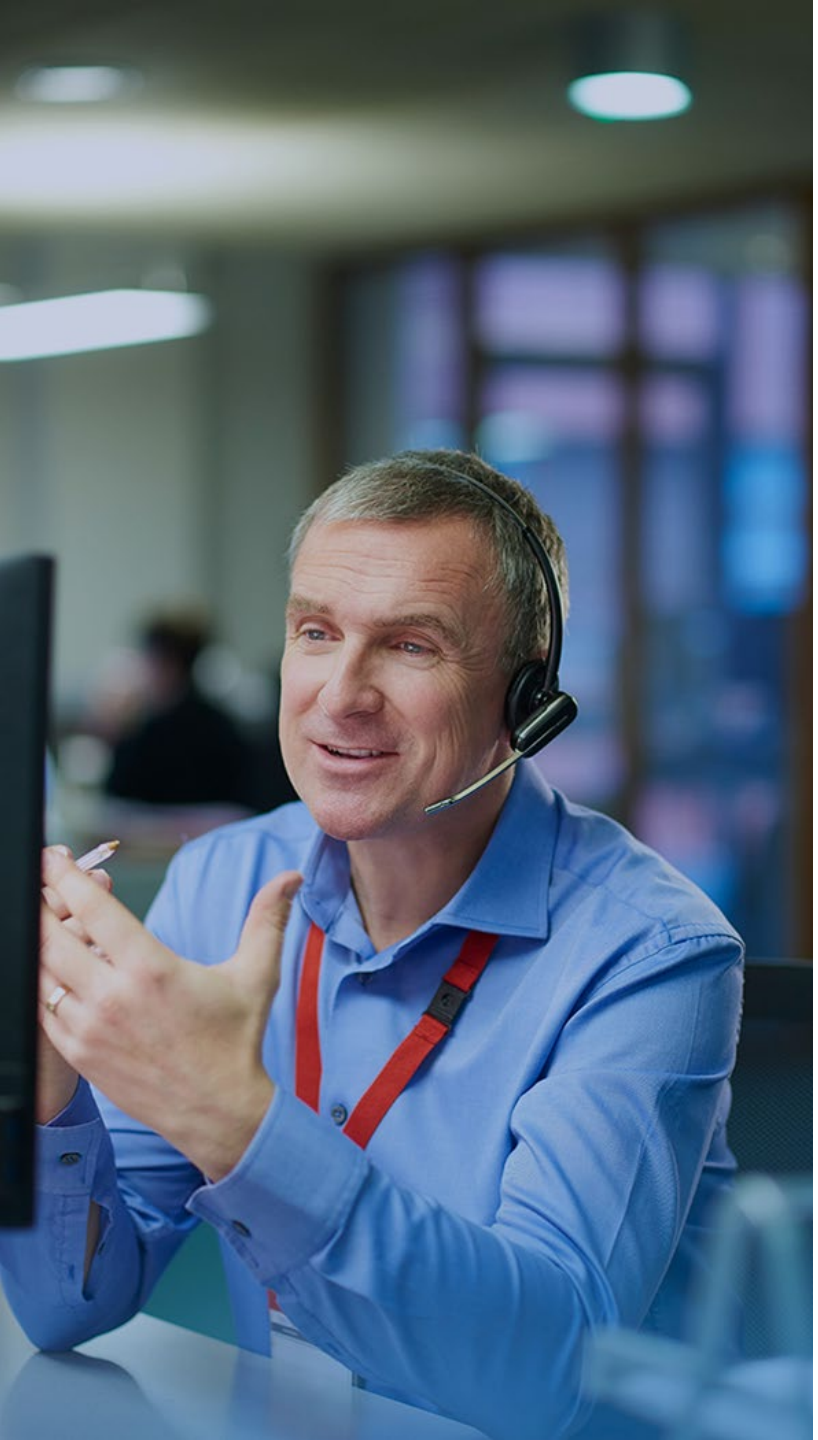
FYI: IHS-REH Enrollment

- IHS-REHs may submit their applications via PECOS
- IHS-REH paper application is 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
- Purpose of technical assistance center:
  - Ensure rural hospitals and communities they serve have information and resources necessary 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

NGS Resources

- NGS RuralServ
  - Provides resources to assist rural health providers reduce provider burden in Medicare
- *FISS DDE Provider Online Guide*
- *NGSConnex User Guide*
- *EDI Enrollment Process User Guide*
  - Enroll to submit electronic claims
  - Enroll to use FISS DDE
- Acronym Search
- Contact Us

Centers for Medicare & Medicaid Services (CMS) Resources: Change Requests (CRs)

- CRs
  - 13872: *January 2025 Annual Rural Emergency Hospital (REH) Monthly Facility Payment Amount*
  - 13457: *January 2024 Annual Rural Emergency Hospital (REH) Monthly Facility Payment Amount*
  - 13312: *Indian Health Service (IHS) Rural Emergency Hospital (REH) Provider Enrollment, effective 1/1/2024*
  - 12867: *Medicare Enrollment of Rural Emergency Hospitals (REHs), effective 10/28/2022*
  - 12820: *Implementation of Rural Emergency Hospital (REH) Provider Type, effective 1/1/2023*

CMS Resources: IOMs

- CMS IOM Publication
  - 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 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 (continued)

- 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 Enrollment Instructions
- CMS MLN® Educational Tool, MLN006846: *Skilled Nursing Facility Billing Reference*

CMS Resources (continued 2)

- 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

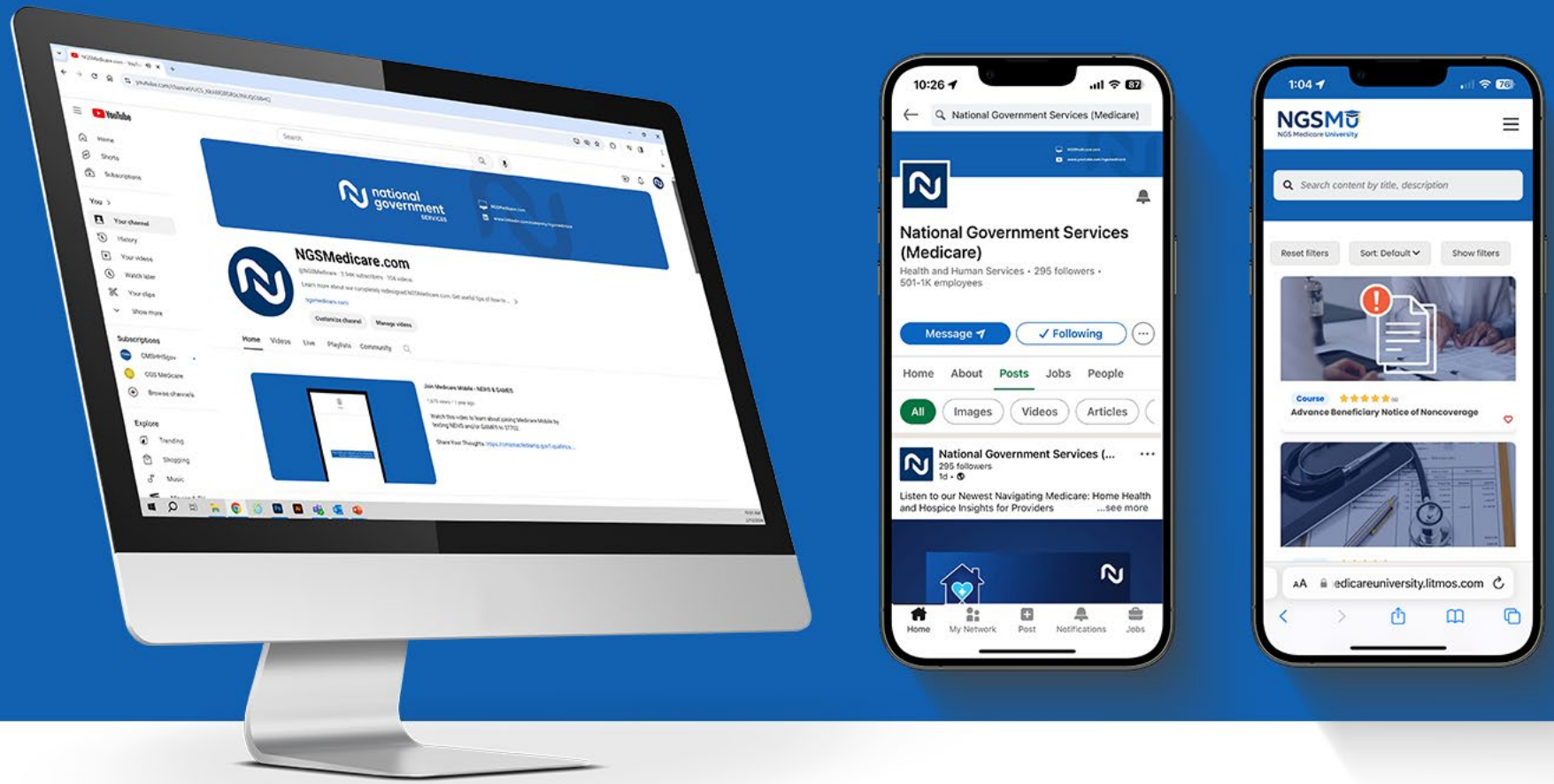
- 1/26/2023 (Ref: QSO-23-07-REH): Guidance for Rural Emergency Hospital Provisions, Conversion Process and Conditions of Participation
  - Includes enrollment information including additional details on action plan
- CMS REH Medicare Provider Instructions

Additional Resources

- CMS fee schedules
  - Physician; Ambulance; Clinical Laboratory Fee Schedule
- *National Uniform Billing Committee (NUBC) UB-04 Data Specifications Manual*

Questions?

Thank you!



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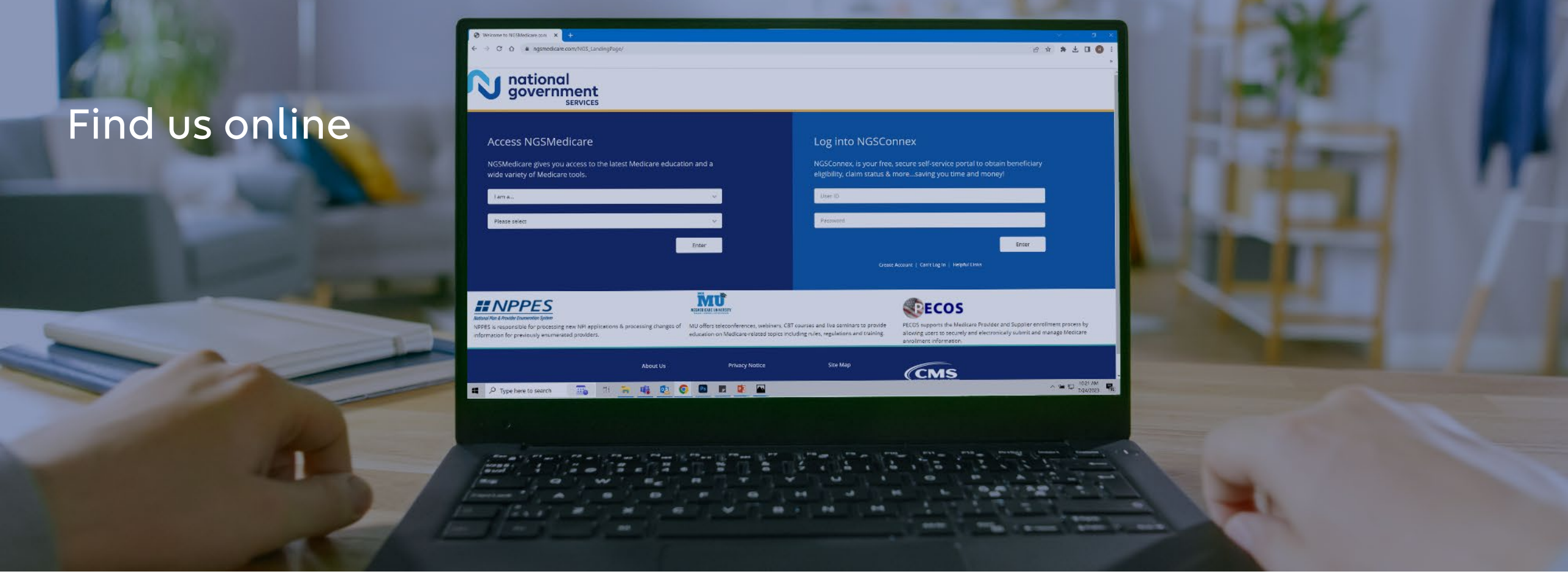

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