

Rural Emergency Hospitals

Starting January 1, 2023, Medicare will pay 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](#)
- [Data Stratified by Geography \(Rural/Urban\)](#)
- [Health Equity Technical Assistance Program](#)

Becoming an REH Provider

REHs are a 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
- Don't exceed an annual per patient average of 24 hours of services
- 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))
- Was a CAH or small rural hospital with no more than 50 beds on December 27, 2020 (the date of enactment of the CAA)

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 a REH](#).

REH Billing for Medicare Services

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

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

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

We'll 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
 $\$100.00 \text{ Fee or Rate} \times 0.05 = \$5.00 \text{ increase amount for REH services}$
2. Service fee or rate + increase amount for REH services = allowed amount
 $\$100.00 + \$5.00 = \$105.00 \text{ allowed amount}$

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'll 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 a SNF, we'll pay you under the SNF PPS.

Additional Monthly REH Facility Payment

You'll 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 is \$272,866. For 2024 and each year after, this additional payment will increase by the hospital market basket percentage increase.

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.

[Change Request \(CR\) 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.

Resources

- [CMS-1772-FC final rule](#)
- [CR12867](#) for information on REH enrollment
- [Conditions of Participation for Rural Emergency Hospitals and Critical Access Hospital COP Updates \(CMS-3419-P\)](#)
- [Critical Access Hospital](#) booklet

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