

## Rural Emergency Hospitals

### What's Changed?

- Added new information on Indian Health Service hospitals (page 2)
- Added CY 2025 payment amount (page 4)

Substantive content changes are in dark red.

Medicare pays 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 help eliminate health disparities in rural communities, territories, Tribal nations, and geographically isolated communities. Find resources and more from the [CMS Office of Minority Health](#):

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

### Becoming an REH Provider

REHs are a Medicare Part A provider type. Section 125 of the [Consolidated Appropriations Act \(CAA\), 2021, Division CC](#) defines REHs as facilities that meet these regulatory requirements:

- Must enroll in Medicare
- Have 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 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, 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)

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 Form [CMS-855A](#) change of information application, rather than an initial application.

For more information, see the [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

We pay a [tribal or 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.

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. You may submit your applications via [PECOS](#) or mail paper applications to:

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

Section 10.2.1.8.1.1 of the [Medicare Program Integrity Manual, Chapter 10](#) 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

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  
 $\$100 \text{ fee or rate} \times 0.05 = \$5 \text{ increase amount for REH services}$
2. Service fee or rate + increase amount for REH services = allowed amount  
 $\$100 + \$5 = \$105 \text{ allowed amount}$
3. Service fee or rate x 0.20 = coinsurance  
 $\$100 \times 0.20 = \$20 \text{ coinsurance}$

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 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

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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 2024 REH facility monthly payment amount was \$276,233.58 with the sequestration amount deducted.

The CY 2025 REH facility monthly payment amount is \$285,625.90 with the sequestration amount deducted. See [Change Request \(CR\) 13872](#) 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. There's no adjustment to this monthly facility payment because of the size of your REH or amount of revenue you generate.

Section 10.6.4 of the [Medicare Claims Processing Manual, Chapter 4](#) has information on how we determine the payment amount.

## Reporting Quality Data

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

## Technical Assistance Center

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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

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- [2023 OPPS and Ambulatory Surgical Center \(ASC\) final rule](#)
- [2024 OPPS and ASC final rule](#)
- [CR 12867](#) for REH provider enrollment information
- [CR 13312](#) for IHS REH provider enrollment information
- [Information for Critical Access Hospitals](#)
- [REH Requirements: CMS Emergency Preparedness Final Rule](#)

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