An Important Message from

The Texas Health and Human Services Commission (HHSC)

Rural Emergency Hospital (REH) Provider Type

Background

On Jan. 1, 2023, Medicare established initial policies for Rural Emergency Hospitals (REHs) as a new Medicare provider type enacted in the Consolidated Appropriations Act (CAA) of 2021. Medicare-enrolled rural emergency hospitals (REHs) are being paid to deliver emergency hospital, observation, and other services to Medicare patients on an outpatient basis.

REHs are a relatively new Medicare Part A provider type. Section 125 of the CAA of 2021, Division CC defines REHs as facilities that meet the following regulatory requirements (this list includes basic criteria; it is not all-inclusive):

- Must enroll in Medicare.
- Must 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.
- Must 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.
- Must meet Conditions of Participation (CoPs) applicable to CAHs regarding emergency services and hospital emergency departments.
- Does not exceed an annual per patient average of 24 hours of services.
- Does not 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, 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).

Licensing

HHSC Regulatory Services is responsible for the licensing and regulation of Limited Services Rural Hospitals (LSRHs). Texas Health and Safety Code Chapter 241, Subchapter K establishes the state licensing requirements for LSRHs. Additional licensing and regulatory information is available at Limited Services Rural Hospitals | Texas Health and Human Services

Medicaid Provider Enrollment Information
HHSC will allow providers to enroll in Texas Medicaid as REHs effective Sept. 1, 2025. To enroll as an REH, a facility must obtain a LSRH license from HHSC Regulatory Services and enroll in Medicare as an REH. The new REH provider type will be available in the Provider Enrollment and Management System (PEMS) to allow providers to complete new enrollment, revalidation, reenrollments, and existing enrollments for designated REH providers. When a provider enrolls as a REH, MCOs will see "RE" on the combined master provider file (MPF) under the "Provider Type" and "Provider Specialty" field.

HHSC and TMHP have drafted updates to the Texas Medicaid Provider Procedure Manual (TMPPM) to include requirements for REHs (attached). HHSC plans for these updates to be effective Sept. 1, 2025.

Resources
Texas Medicaid Provider Procedure Manual – REH Requirements (DRAFT) (attached)
CMS Rural Emergency Hospitals Fact Sheet (attached)

Questions?
Limited Services Rural Hospital (LSRH) License Questions: HCR_PRU@hhs.texas.gov

REH Rates Questions – HHSC Provider Finance Department:
pfd_hospitals@hhsc.state.tx.us

Provider Enrollment Questions – HHSC Oversight: oversight@hhsc.state.tx.us

Additional questions, please contact UnitedHealthcare Customer Service at 888-887-9003, 8 a.m.–6 p.m. CT, Monday–Friday.

X Rural Emergency Hospital

This section contains benefit, limitation, and claims filing information for rural emergency hospitals (REHs).

REHs must be in an area that is considered rural and have no more than 50 beds.

REH providers are encouraged to review the other handbooks for applicable information and for specific requirements for special programs.

X.1 Enrollment

To be eligible to participate in Texas Medicaid, an REH must be certified by Medicare, have a valid limited services rural hospital (LSRH) license with the Health and Human Services Commission (HHSC), and have completed the Texas Medicaid & Healthcare Partnership (TMHP) enrollment process.

All providers of laboratory services must comply with the rules and regulations of CLIA. Providers who do not comply with CLIA are not reimbursed for laboratory services.

X.2 Services, Benefits, and Limitations

REH services include the following:

- Emergency department services
- Observation care
- Additional outpatient medical and health services if elected by the REH, that do not exceed an annual per patient average length of stay of 24 hours

Refer to: "Section 4: Outpatient Hospital (Medical and Surgical Acute Care Outpatient Facility)" in this handbook for information about specific services.

Note: Inpatient services are not a benefit, except for services provided in a distinct unit licensed as a skilled nursing facility for extended care services.

X.3 Documentation Requirements

All services require documentation to support the medical necessity of the service rendered, including REH services. REH services are subject to retrospective review and recoupment if documentation does not support the service that was submitted for reimbursement.

X.4 Claims Filing and Reimbursement

Claims for that are performed in an REH must be submitted using the REH NPI and taxonomy code and appropriate revenue code and HCPCS code (if required) with type of bill (TOB) 131.

Claims for REH services must be submitted to TMHP in an approved electronic format or on the UB-04 CMS-1450 paper claim form.

Charges on claims must be itemized on the face of the UB-04 CMS-1450 paper claim form instead of submitting attachments or charge details. TMHP uses information attached to the claim for clarification purposes only.

If a claim contains more than 28 details, continue the claim on additional UB-04 CMS-1450 paper claim forms or electronic equivalent. Total each claim form as a stand-alone claim. If you do not total each page, your claim may be denied for being over the limitation, and must be resubmitted with 28 or less details

Providers may purchase UB-04 CMS-1450 paper claim forms from the vendor of their choice. TMHP does not supply the forms. When completing a UB-04 CMS-1450 paper claim form, all required information must be included on the claim, as TMHP does not key any information. Superbills, or itemized statements, are not accepted as claim supplements.

Refer to: “Section 3: TMHP Electronic Data Interchange (EDI)” (Vol. 1, General Information) for information on electronic claims submissions.

> “Section 6: Claims Filing” (Vol. 1, General Information) for general information about claims filing.
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> Subsection 6.6, “UB-04 CMS-1450 Paper Claim Filing Instructions” in “Section 6: Claims Filing” (Vol. 1, General Information). Blocks that are not referenced are not required for processing by TMHP and may be left blank.

Outpatient hospital services must be itemized by date of service. Procedures repeated over a period of time must be submitted for each separate date of service. Do not combine multiple dates of service on the same line detail.

X.4.1 Provider Cost and Reporting

Refer to: Subsection 3.7.5, “Provider Cost and Reporting” in this handbook.

X.4.2 NCCI and MUE Guidelines

The HCPCS and CPT codes included in the Texas Medicaid Provider Procedures Manual are subject to NCCI relationships, which supersede any exceptions to NCCI code relationships that may be noted in the manuals. Providers should refer to the CMS NCCI web page for correct coding guidelines and specific applicable code combinations.

In instances when Texas Medicaid limitations are more restrictive than NCCI MUE guidance, Texas Medicaid limitations prevail.

Rural Emergency Hospitals

Rural Emergency Hospitals (REHs) are a new provider type established by the Consolidated Appropriations Act, 2021, to address concerns over rural hospital closures and provide rural hospitals a potential alternative to closure. REHs provide emergency and certain outpatient medical and health services to patients that generally stay less than 24 hours.

As of January 1, 2023, Medicare pays REHs an additional 5% over the Hospital Outpatient Prospective Payment System (OPPS) rate to deliver REH services, including emergency hospital, observation, and other outpatient services to Medicare patients.

Medicare-covered REH services include all covered outpatient department services required or elected to be provided by the REH, including relevant radiology, laboratory, outpatient rehabilitation, surgical, maternal health, and behavioral health. Copayments for REH services are based on the standard OPPS rate (excluding the 5% increase).

Apply to be a REH

Eligible CAHs and small rural hospitals can apply to enroll as an REH to provide REH services. There's no application fee. Termination of the existing CAH or rural hospital enrollment will take effect after the request for REH enrollment is approved.

To convert to an REH, submit a change of information online via Medicare's Provider Enrollment, Chain, and Ownership System (PECOS) or a paper CMS-855A application to your Medicare Administrative Contractor (MAC) and follow instructions for providing the additional information. **Get REH Medicare Provider Instructions to become an REH.**

The Health Resources and Services Administration (HRSA's) **REH Technical Assistance Center** can help your facility decide whether an REH is the best care model for your community and provide support to help successfully convert to this new provider type.

Go to **the CMS webpage for Rural Emergency Hospitals for more information and links to other REH specific resources.**

CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES

What facilities qualify to be a REH?

Congress established the following requirements that a facility must meet to qualify as an REH:

- Enrolled in Medicare*; and
- Operating as a Critical Access Hospital (CAH) as of December 27, 2020; or
- Operating as a small rural acute care, tribally operated, or Indian Health hospitals with no more than 50 certified beds as of December 27, 2020, and either located in a rural county (or equivalent local unit), using the Metropolitan Statistical Areas defined by the Office of Management and Budget, or treated as being located in a rural area.

**Eligible facilities that were enrolled as of December 27, 2020, but that closed after such date, can still qualify if they re-enroll in Medicare and meet all applicable REH requirements*

Once enrolled as an REH, a facility must meet the following requirements:

- Must not exceed an annual per patient average length of stay of 24 hours of services
- Must meet the specified **REH Conditions of Participation** (CoPs)
- Must meet staff training and personnel requirements, which include:

    1. A staffed emergency department 24 hours a day, 7 days a week, with staffing requirements like those for critical access hospitals (CAHs)

    2. 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.

- Must have a transfer agreement in effect with a Medicare-certified Level I or Level II trauma center
- Must not provide, starting as of the date of enrollment as an REH, any inpatient services, except those delivered in a distinct part unit licensed as a skilled nursing facility (SNF)