DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop C2-21-16
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Center for Clinical Standards and Quality/Quality, Safety & Oversight Group

Ref: QSO-24-01-REH

DATE: November 3rd, 2023

TO: State Survey Agency Directors
Accrediting Organizations

FROM: Directors, Quality, Safety & Oversight Group (QSOG) and Survey & Operations Group (SOG)

SUBJECT: Oversight of Rural Emergency Hospitals (REHs)

Memorandum Summary

- On November 23, 2022, CMS published a final rule (87 FR 72293) that established REHs as a new Medicare provider type, effective January 1, 2023, and codified the Conditions of Participation (CoPs) that REHs must meet to participate in the Medicare and Medicaid programs. The rule also established REH payment and enrollment requirements.
- All REH surveys will be conducted by State Survey Agencies (SAs) for at least the first three years from the date on which the first REH has been certified.
- A deeming option for the REH program will be considered by CMS after we have had adequate time and opportunity to effectively monitor and evaluate the program but will be no earlier than three years from the date on which the first REH has been certified.

Background:

In response to rural hospital closures and to address barriers in access to health care for rural communities, the Consolidated Appropriations Act 2021 (CAA) was signed into law on December 27, 2020, and established Rural Emergency Hospitals (REHs) as a new Medicare provider type. Section 125 of the CAA added section 1861(kkk) to the Social Security Act (the Act) and set forth the statutory authority for REHs. On November 23, 2022, CMS published a final rule (87 FR 71748) establishing REHs as a new Medicare provider effective January 1, 2023. The rule finalized the Conditions of Participation (CoPs), which REHs must meet to participate in the Medicare and Medicaid programs, along with REH payment and enrollment requirements.

Discussion:

An REH is required to meet the CoPs for Rural Emergency Hospitals set forth at new Subpart E of 42 CFR Part 485 (§ 485.500 - § 485.546), along with the submission of additional information required by statute and codified at 42 CFR Part 488. In most instances, an REH may self-attest

to meeting the REH CoPs and will not require an automatic on-site initial survey because eligible facilities are expected to be in full compliance with the existing CAH or hospital requirements at the time of the request for conversion. Facilities that were eligible as of December 27, 2020, but which subsequently closed and re-enrolled in Medicare, would require an initial on-site survey by the SA to determine if the facility is operational and in compliance with the REH requirements. Please refer to QSO-Memo 23-07 for information regarding the REH submission of additional information requirements, the conversion process, and the CoPs.

All REH surveys will be conducted by the SA and will continue to be conducted for at least the first three years from February 10, 2023, which is the date that the first REH was certified by the SA. The purpose of this action is to allow CMS to directly monitor and evaluate the compliance of REHs and ensure the transparency of their survey findings. Currently, there are no AOs with a CMS-approved REH program. A deeming option for the REH program will be considered by CMS after we have had adequate time and opportunity to effectively monitor and evaluate the introduction of REHs into the Medicare program as well as each REH's ability to comply with the health and safety requirements of the CoPs.

Contact:
For questions or concerns relating to this memorandum, please contact QSOG_REH@cms.hhs.gov.

Effective Date:
Immediately. Please communicate to all appropriate staff within 30 days.

/s/

Karen L. Tritz
Director, Survey & Operations Group

David R. Wright
Director, Quality, Safety & Oversight Group

Resources to Improve Quality of Care:
Check out CMS's new Quality in Focus interactive video series. The series of 10–15 minute videos are tailored to provider types and aim to reduce the deficiencies most commonly cited during the CMS survey process, like infection control and accident prevention. Reducing these common deficiencies increases the quality of care for people with Medicare and Medicaid. Learn to:

- *Understand surveyor evaluation criteria*
- *Recognize deficiencies*
- *Incorporate solutions into your facility's standards of care*

See the Quality, Safety, & Education Portal Training Catalog, and select Quality in Focus