

**04/10/2025**

## **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).

### **Key Details:**

This notice provides MCOs information about the implementation of the REH designation in Texas.

### **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.

### **Action:**

MCOs must implement appropriate system and operational changes to operationalize the requirements for REHs in Texas by Sept. 1, 2025, including:

- Recognizing the REH provider type on the master provider file;
- Paying REHs in accordance with Texas Medicaid policies, as defined by the TMPPM; and,
- Updating provider education materials, websites, policy manuals and other relevant documentation to include REH policies and information.

**By Sept. 1, 2025**, MCOs must submit an attestation that relevant updates for REHs are complete.

### **Additional Information:**

HHSC will be addressing the REH provider type at the next MCO scan call taking place on April 16, 2025.

### **Resources:**

Texas Medicaid Provider Procedure Manual – REH Requirements (DRAFT) (attached)

CMS Rural Emergency Hospitals Fact Sheet (attached)

### **Contact:**

Limited Services Rural Hospital (LSRH) License Questions: [HCR\\_PRU@hhs.texas.gov](mailto:HCR_PRU@hhs.texas.gov)

REH Rates Questions – HHSC Provider Finance Department: [pfd\\_hospitals@hhsc.state.tx.us](mailto:pfd_hospitals@hhsc.state.tx.us)

Provider Enrollment Questions – HHSC Oversight: [oversight@hhsc.state.tx.us](mailto:oversight@hhsc.state.tx.us)

### **Attachment:**

TMPPM - REH Draft (PDF).pdf REH CMS Fact Sheet.pdf

**Type:** Action Required

**To:** CHIP; STAR; STAR+PLUS; STARHEALTH; STAR\_KIDS

**From:** Other