

# Ensuring Access in Vulnerable Communities The Rural Emergency Medical Center Act of 2018

## Background: Rural Emergency Medical Center Model

**Nearly 60 million Americans live in rural areas and depend on their hospital as an important – and often only source of care in their communities.** They rely on their hospital as a vital community hub during emergencies and natural disasters. Because rural hospitals care for patients who are often older and sicker, and more dependent on federal programs such as Medicare and Medicaid (which reimburse below the cost of care), they face financial constraints and instabilities which make them vulnerable to service cutbacks or even closure. Remote location, low-patient volumes, regulatory burden and workforce shortages also contribute to rural hospitals' financial instability.

During the 1990s, Congress created the critical access hospital (CAH) program and other special payment programs to account for the unique circumstances of providing care in rural communities. Over time, as health care delivery has shifted to focus on value over volume, and more services are provided in the outpatient setting; many of these special rural programs are insufficient and/or outdated.

The American Hospital Association's Task Force on *Ensuring Access in Vulnerable Communities* issued a report in 2016, recommending Congress establish new models of care to provide communities options to protect and stabilize access to health care services. **The Rural Emergency Medical Center (REMC) Act of 2018** would create a new designation under the Medicare program allowing hospitals meeting certain criteria to transition to a 24/7 emergency medical center with enhanced reimbursement and transportation to higher acuity facilities, as needed.

### Why Is a Rural Emergency Medical Center Designation Needed?

The future of rural health care includes "right-sizing" the health care infrastructure and services to better align with the needs of communities and to keep pace with the ongoing transformation of health care delivery.

The current reimbursement model, which rewards fee-for-service inpatient care, is not working in certain vulnerable communities due to the unique circumstances of providing care in rural areas.

The establishment of a rural emergency medical center (REMC) designation under the Medicare program would help ensure patients in rural communities maintain access to essential emergency and outpatient services, while providing enhanced transportation to inpatient hospitals.

## Fast Facts: The Rural Emergency Medical Center Act

### • REMC Designation

The REMC Act would establish a new rural facility designation under the Medicare program, allowing facilities meeting certain requirements to provide 24/7 emergency department care and other outpatient services in vulnerable rural communities and receive enhanced reimbursement rates.

REMCs would be required to have established protocols to transport patients to an inpatient hospital if needed.

## • REMC Services

- **24/7 emergency services:** REMCs would operate a 24/7 emergency department and have established protocols and arrangements for transporting patients to inpatient acute care hospitals (and trauma centers) as needed.
- **Outpatient services:** REMCs could provide the type of medical and other health services that a hospital provides on an outpatient basis to Medicare beneficiaries. These include observation and diagnostic services.
- **Post-acute care:** Skilled nursing care may be furnished in a separately licensed skilled nursing facility (SNF) unit.
- **Telehealth:** A REMC is considered a Medicare telehealth “originating site” at which Medicare beneficiaries may receive covered telehealth services.

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## • REMC Requirements

A rural emergency medical center must meet the following requirements:

- Provide 24-hour emergency medical care and observation care (not to exceed, on an annual per patient average, 24 hours or more than one midnight;
- Not provide any acute care inpatient beds;
- Have protocols in place for timely transfer of patients who require acute care inpatient services or other inpatient services;
- Provide ambulance transport services for patients requiring inpatient hospital services; it must have a transfer agreement with a level I or II trauma center;
- Make an election to be designated as a REMC;
- Be licensed or approved to operate as a REMC by the State involved; and
- Be certified by the Secretary of Health and Human Services (HHS) as meeting the above requirements and meeting HHS requirements for staff training and education.
- Meet Medicare conditions of participation required by CAHs with exceptions (e.g., providing inpatient care).

A rural emergency medical center may include a separately licensed SNF unit.

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## • REMC Reimbursement

Payment for rural emergency medical center services consists of:

- The Medicare outpatient prospective payment system (PPS) plus an additional amount to take into account fixed costs and the low volume of services these centers provide.

REMCs that establish a separately licensed SNF unit will be paid at 110 percent of the amount of payment

otherwise applicable under the Medicare SNF PPS for those services.

Payment for ambulance services is set at 105 percent of the otherwise applicable Medicare ambulance fee schedule amount for the patient transport from the REMC to a hospital or CAH.