

Statement
John Bomher, Senior Vice President and Counsel, Government Relations
Illinois Health and Hospital Association

Illinois Hospital Transformation Review Committee

Wednesday September 12, 2018
Chicago and Springfield, Illinois

As the Committee continues to consider the hospital transformation issue, IHA appreciates the opportunity to share with you an option that is being considered by Congress to help assure access to health care in rural communities. The federal Rural Emergency Medical Center Act of 2018 is an example of potential policy options on this challenging issue.

As you know, our rural communities rely on their hospitals as vital hubs for health care, as well as economic engines for their communities. Because rural hospitals care for patients who are often older and sicker, and more dependent on government programs such as Medicare and Medicaid, many rural hospitals face financial challenges due to their low patient volume, regulatory burdens and workforce shortages.

U.S. Representatives Lynn Jenkins (R-KS), Ron Kind (D-WI), and Terri Sewell (D-AL) have introduced bipartisan legislation in Congress that would establish a new rural facility designation under the federal Medicare program – the Rural Emergency Medical Center (REMC).

The Rural Emergency Medical Center Act of 2018 ([H.R. 5678](#)) would allow critical access hospitals (CAHs) and other rural hospitals with 50 inpatient beds or fewer to convert to 24/7 emergency department care and outpatient services in rural areas and receive enhanced reimbursement rates for these services to take into account their fixed costs and the low volume of services these centers provide.

The bill would require that a hospital stop providing inpatient services should it choose this new designation, and would be required to transport patients to an inpatient hospital if needed. An REMC would also be classified as an “originating site” for Medicare-covered telehealth services. Additionally, an REMC could provide post-acute care in a separately licensed skilled nursing facility unit and would be paid at 110 percent of the amount normally paid under the Medicare skilled nursing facility payment system.

At the federal level IHA supports the Rural Emergency Medical Center Act of 2018, but does believe it could be improved by clarifying that REMCs could continue to operate off-site, hospital based clinics.

With respect to potential hospital transformation options for the Illinois Medicaid program, IHA is evaluating whether there are lessons from the proposed Medicare Rural Emergency Medical Center model that should be incorporated under the Illinois Medicaid program.