



***KHA's Federal Advocate***  
**May 16, 2024**

**Lawmakers Advocate for Rural Hospitals**

As lawmakers in Washington work their way through budget hearings, advocates for rural hospitals in both the House and Senate are introducing and moving bills helping to expand access for rural hospitals and their communities to the Centers for Medicare & Medicaid Services' Rural Emergency Hospital program. The REH program allows participating hospitals to receive the Outpatient Prospective Payment System rate for services provided, plus a 5 percent add-on and a fixed monthly payment. In exchange, REHs must not provide acute care inpatient services nor allow hospital stays beyond 24 hours.

In the Senate, Sen. Jerry Moran (R-KS) worked across the aisle with Sen. Tina Smith (D-MN) to introduce the Rural Emergency Hospital Improvement Act. This bill builds on the existing program and expands it by:

- Allowing previously closed rural hospitals to re-open and apply for the Rural Emergency Hospital designation if they can demonstrate they met all eligibility requirements between Jan. 1, 2015, and Dec. 27, 2020.
- Directing the U.S. Secretary of Health and Human Services to create a waiver program for facilities operating similarly to an REH to convert to an REH.
- Allowing REH facilities to maintain or create a unit for inpatient psychiatric care and obstetric care and allow for limited inpatient rehabilitation services.
- Requiring CMS to provide additional funding for laboratory services.
- Clarifying REH facilities are eligible for Small Rural Hospital Improvement grants.
- Directing the HHS secretary to allow an REH to be eligible as a National Health Service Corp site.
- Authorizing REH facilities to transfer patients from acute care to a Skilled Nursing Facility without leaving the hospital, in accordance with the Social Security Act.
- Allowing an REH facility to revert to a Critical Access Hospital to regain necessary provider status only if the facility was designated a necessary provider before converting to REH.

We thank Senator Moran and his staff for supporting rural hospitals and our state's rural communities! You can read Senator Moran's press release here: [Sen. Moran Introduces Legislation to Help Save Rural Hospitals - News Releases - U.S. Senator for Kansas, Jerry Moran \(senate.gov\)](#).

In the House, the Ways and Means Committee advanced H.R.8246, the Second Chance for Rural Hospitals Act, on a party-line vote of 24 to 16. This bill does many of the same things the Rural Emergency Hospital Improvement does, and we appreciate Rep. Ron Estes' (R-KS) support in the committee. You can read the American Hospital Association's summary of this and other important bills passed by the Ways and Means Committee earlier this week: [AHA Statement to House Ways and Means on Proposed Rural Access to Care Legislation | AHA](#).