

1 “(ii) complies with such conflict of in-
2 terest standards determined appropriate by
3 the Secretary; and
4 “(iii) meets such other requirements
5 as the Secretary may prescribe.”.
6 (b) POTENTIAL EXPANSION OF PUBLIC-PRIVATE
7 PARTNERSHIP ANALYSES.—Not later than 2 years after
8 the date of the enactment of this Act, the Secretary of
9 Health and Human Services shall conduct a study and
10 submit to Congress a report on the feasibility of the part-
11 nership (as described in section 1128C(a)(6) of the Social
12 Security Act, as added by subsection (a)) establishing a
13 system to conduct real-time data analysis to proactively
14 identify ongoing as well as emergent fraud trends for the
15 entities participating in the partnership and provide such
16 entities with real-time feedback on potentially fraudulent
17 claims. Such report shall include the estimated cost of and
18 any potential barriers to the partnership establishing such
19 a system.
20 SEC. 125. MEDICARE PAYMENT FOR RURAL EMERGENCY
21 HOSPITAL SERVICES.
22 (a) IN GENERAL.—
23 (1) DEFINITIONS.—Section 1861 of the Social
24 Security Act (42 U.S.C. 1395x) is amended—

- 1 (A) in subsection (c), in the last sentence
- 2 of the matter following paragraph (9), by in-
- 3 serting "or a rural emergency hospital (as de-
- 4 fined in subsection (kkk)(2))" before the period
- 5 at the end; and
- 6 (B) by adding at the end the following sub-
- 7 section:
- 8 "Rural Emergency Hospital Services; Rural Emergency
- 9 Hospital
- 10 "(kkk)(1) RURAL EMERGENCY HOSPITAL SERV-
- 11 ICES.—
- 12 "(A) IN GENERAL.—The term 'rural emergency
- 13 hospital services' means the following services fur-
- 14 nished by a rural emergency hospital (as defined in
- 15 paragraph (2)) that do not exceed an annual per pa-
- 16 tient average of 24 hours in such rural emergency
- 17 hospital:
- 18 "(i) Emergency department services and
- 19 observation care.
- 20 "(ii) At the election of the rural emergency
- 21 hospital, with respect to services furnished on
- 22 an outpatient basis, other medical and health
- 23 services as specified by the Secretary through
- 24 rulemaking.

1 “(B) STAFFED EMERGENCY DEPARTMENT.—

2 For purposes of subparagraph (A)(i), an emergency
3 department of a rural emergency hospital shall be
4 considered a staffed emergency department if it
5 meets the following requirements:

6 “(i) The emergency department is staffed
7 24 hours a day, 7 days a week.

8 “(ii) A physician (as defined in section
9 1861(r)(1)), nurse practitioner, clinical nurse
10 specialist, or physician assistant (as those terms
11 are defined in section 1861(aa)(5)) is available
12 to furnish rural emergency hospital services in
13 the facility 24 hours a day.

14 “(iii) Applicable staffing and staffing re-
15 sponsibilities under section 485.631 of title 42,
16 Code of Federal Regulations (or any successor
17 regulation).

18 “(2) RURAL EMERGENCY HOSPITAL.—The term
19 ‘rural emergency hospital’ means a facility described in
20 paragraph (3) that—

21 “(A) is enrolled under section 1866(j), submits
22 the additional information described in paragraph
23 (4)(A) for purposes of such enrollment, and makes
24 the detailed transition plan described in clause (i) of
25 such paragraph available to the public, in a form

1 and manner determined appropriate by the Sec-
2 retary;

3 “(B) does not provide any acute care inpatient
4 services, other than those described in paragraph
5 (6)(A);

6 “(C) has in effect a transfer agreement with a
7 level I or level II trauma center;

8 “(D) meets—

9 “(i) licensure requirements as described in
10 paragraph (5);

11 “(ii) the requirements of a staffed emer-
12 gency department as described in paragraph
13 (1)(B);

14 “(iii) such staff training and certification
15 requirements as the Secretary may require;

16 “(iv) conditions of participation applicable
17 to—

18 “(I) critical access hospitals, with re-
19 spect to emergency services under section
20 485.618 of title 42, Code of Federal Regu-
21 lations (or any successor regulation); and

22 “(II) hospital emergency departments
23 under this title, as determined applicable
24 by the Secretary;

1 “(v) such other requirements as the Secretary finds necessary in the interest of the
2 health and safety of individuals who are fur-
3 nished rural emergency hospital services; and
4 “(vi) in the case where the rural emer-
5 gency hospital includes a distinct part unit of
6 the facility that is licensed as a skilled nursing
7 facility, such distinct part meets the require-
8 ments applicable to skilled nursing facilities
9 under this title.
10 “(3) FACILITY DESCRIBED.—A facility described in
11 this paragraph is a facility that as of the date of the enact-
12 ment of this subsection—
13 “(A) was a critical access hospital; or
14 “(B) was a subsection (d) hospital (as defined
15 in section 1886(d)(1)(B)) with not more than 50
16 beds located in a county (or equivalent unit of local
17 government) in a rural area (as defined in section
18 1886(d)(2)(D)), or was a subsection (d) hospital (as
19 so defined) with not more than 50 beds that was
20 treated as being located in a rural area pursuant to
21 section 1886(d)(8)(E).
22 “(4) ADDITIONAL INFORMATION.—
23 “(A) INFORMATION.—For purposes of para-
24 graph (2)(A), a facility that submits an application
25

1 for enrollment under section 1866(j) as a rural
2 emergency hospital shall submit the following infor-
3 mation at such time and in such form as the Sec-
4 retary may require:

5 “(i) An action plan for initiating rural
6 emergency hospital services (as defined in para-
7 graph (1)), including a detailed transition plan
8 that lists the specific services that the facility
9 will—

10 “(I) retain;

11 “(II) modify

12 “(III) add; and

13 “(IV) discontinue.

14 “(ii) A description of services that the fa-
15 cility intends to furnish on an outpatient basis
16 pursuant to paragraph (1)(A)(ii).

17 “(iii) Information regarding how the facil-
18 ity intends to use the additional facility pay-
19 ment provided under section 1834(x)(2), includ-
20 ing a description of the services covered under
21 this title that the additional facility payment
22 would be supporting, such as furnishing tele-
23 health services and ambulance services, includ-
24 ing operating the facility and maintaining the

1 emergency department to provide such services
2 covered under this title.
3 “(iv) Such other information as the Sec-
4 retary determines appropriate.
5 “(B) EFFECT OF ENROLLMENT.—Such enroll-
6 ment shall remain effective with respect to a facility
7 until such time as—
8 “(i) the facility elects to convert back to its
9 prior designation as a critical access hospital or
10 a subsection (d) hospital (as defined in section
11 1886(d)(1)(B)), subject to requirements appli-
12 cable under this title for such designation and
13 in accordance with procedures established by
14 the Secretary; or
15 “(ii) the Secretary determines the facility
16 does not meet the requirements applicable to a
17 rural emergency hospital under this subsection.
18 “(5) LICENSURE.—A facility may not operate as a
19 rural emergency hospital in a State unless the facility—
20 “(A) is located in a State that provides for the
21 licensing of such hospitals under State or applicable
22 local law; and
23 “(B)(i) is licensed pursuant to such law; or

1 “(ii) is approved by the agency of such State or
2 locality responsible for licensing hospitals, as meet-
3 ing the standards established for such licensing.

4 “(6) DISCRETIONARY AUTHORITY.—A rural emer-
5 gency hospital may—

6 “(A) include a unit of the facility that is a dis-
7 tinct part licensed as a skilled nursing facility to fur-
8 nish post-hospital extended care services; and

9 “(B) be considered a hospital with less than 50
10 beds for purposes of the exception to the payment
11 limit for rural health clinics under section 1833(f).

12 “(7) QUALITY MEASUREMENT.—

13 “(A) IN GENERAL.—The Secretary shall estab-
14 lish quality measurement reporting requirements for
15 rural emergency hospitals, which may include the
16 use of a small number of claims-based outcomes
17 measures or surveys of patients with respect to their
18 experience in the rural emergency hospital, in ac-
19 cordance with the succeeding provisions of this para-
20 graph.

21 “(B) QUALITY REPORTING BY RURAL EMER-
22 GENCY HOSPITALS.—

23 “(i) IN GENERAL.—With respect to each
24 year beginning with 2023, (or each year begin-
25 ning on or after the date that is one year after

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1 one or more measures are first specified under
2 subparagraph (C)), a rural emergency hospital
3 shall submit data to the Secretary in accord-
4 ance with clause (ii).
5 “(ii) SUBMISSION OF QUALITY DATA.—
6 With respect to each such year, a rural emer-
7 gency hospital shall submit to the Secretary
8 data on quality measures specified under sub-
9 paragraph (C). Such data shall be submitted in
10 a form and manner, and at a time, specified by
11 the Secretary for purposes of this subpara-
12 graph.
13 “(C) QUALITY MEASURES.—
14 “(i) IN GENERAL.—Subject to clause (ii),
15 any measure specified by the Secretary under
16 this subparagraph must have been endorsed by
17 the entity with a contract under section
18 1890(a).
19 “(ii) EXCEPTION.—In the case of a speci-
20 fied area or medical topic determined appro-
21 priate by the Secretary for which a feasible and
22 practical measure has not been endorsed by the
23 entity with a contract under section 1890(a),
24 the Secretary may specify a measure that is not
25 so endorsed as long as due consideration is

1 given to measures that have been endorsed or
2 adopted by a consensus organization identified
3 by the Secretary.

4 “(iii) CONSIDERATION OF LOW CASE VOL-
5 UME WHEN SPECIFYING PERFORMANCE MEAS-
6 URES.—The Secretary shall, in the selection of
7 measures specified under this subparagraph,
8 take into consideration ways to account for
9 rural emergency hospitals that lack sufficient
10 case volume to ensure that the performance
11 rates for such measures are reliable.

12 “(D) PUBLIC AVAILABILITY OF DATA SUB-
13 MITTED.—The Secretary shall establish procedures
14 for making data submitted under subparagraph (B)
15 available to the public regarding the performance of
16 individual rural emergency hospitals. Such proce-
17 dures shall ensure that a rural emergency hospital
18 has the opportunity to review, and submit correc-
19 tions for, the data that is to be made public with re-
20 spect to the rural emergency hospital prior to such
21 data being made public. Such information shall be
22 posted on the Internet website of the Centers for
23 Medicare & Medicaid Services in an easily under-
24 standable format as determined appropriate by the
25 Secretary.

1 “(8) CLARIFICATION REGARDING APPLICATION OF
2 PROVISIONS RELATING TO OFF-CAMPUS OUTPATIENT
3 DEPARTMENT OF A PROVIDER.—Nothing in this sub-
4 section, section 1833(a)(10), or section 1834(x) shall af-
5 fect the application of paragraph (1)(B)(v) of section
6 1833(t), relating to applicable items and services (as de-
7 fined in subparagraph (A) of paragraph (21) of such sec-
8 tion) that are furnished by an off-campus outpatient de-
9 partment of a provider (as defined in subparagraph (B)
10 of such paragraph).
11 “(9) IMPLEMENTATION.—There shall be no adminis-
12 trative or judicial review under section 1869, 1878, or oth-
13 erwise of the following:
14 “(A) The determination of whether a rural
15 emergency hospital meets the requirements of this
16 subsection.
17 “(B) The establishment of requirements under
18 this subsection by the Secretary, including require-
19 ments described in paragraphs (2)(D), (4), and (7).
20 “(C) The determination of payment amounts
21 under section 1834(x), including the additional facil-
22 ity payment described in paragraph (2) of such sec-
23 tion.”.
24 (2) PAYMENT FOR RURAL EMERGENCY HOS-
25 PITAL SERVICES.—

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1 (A) IN GENERAL.—Section 1833(a) of the
2 Social Security Act (42 U.S.C. 1395l(a)) is
3 amended—

4 (i) in paragraph (8), by striking
5 “and” at the end;

6 (ii) in paragraph (9), by striking the
7 period at the end and inserting “; and”;
8 and

9 (iii) by inserting after paragraph (9)
10 the following new paragraph:

11 “(10) with respect to rural emergency hospital
12 services furnished on or after January 1, 2023, the
13 amounts determined under section 1834(x).”.

14 (B) PAYMENT AMOUNT.—Section 1834 of
15 the Social Security Act (42 U.S.C. 1395m) is
16 amended by adding at the end the following
17 subsection:

18 “(x) PAYMENT RULES RELATING TO RURAL EMER-
19 GENCY HOSPITALS.—

20 “(1) PAYMENT FOR RURAL EMERGENCY HOS-
21 PITAL SERVICES.—In the case of rural emergency
22 hospital services (as defined in section
23 1861(kkk)(1)), furnished by a rural emergency hos-
24 pital (as defined in section 1861(kkk)(2)) on or after
25 January 1, 2023, the amount of payment for such

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1 services shall be equal to the amount of payment

2 that would otherwise apply under section 1833(t) for

3 covered OPD services (as defined in section

4 1833(t)(1)(B) (other than clause (ii) of such sec-

5 tion)), increased by 5 percent to reflect the higher

6 costs incurred by such hospitals, and shall include

7 the application of any copayment amount deter-

8 mined under section 1833(t)(8) as if such increase

9 had not occurred.

10 “(2) ADDITIONAL FACILITY PAYMENT.—

11 “(A) IN GENERAL.—The Secretary shall

12 make monthly payments to a rural emergency

13 hospital in an amount that is equal to $\frac{1}{12}$ of

14 the annual additional facility payment specified

15 in subparagraph (B).

16 “(B) ANNUAL ADDITIONAL FACILITY PAY-

17 MENT AMOUNT.—The annual additional facility

18 payment amount specified in this subparagraph

19 is—

20 “(i) for 2023, a Medicare subsidy

21 amount determined under subparagraph

22 (C); and

23 “(ii) for 2024 and each subsequent

24 year, the amount determined under this

25 subparagraph for the preceding year, in-

increased by the hospital market basket percentage increase.

“(C) DETERMINATION OF MEDICARE SUB-

STUDY AMOUNT.—For purposes of subparagraph

(B)(i), the Medicare subsidy amount deter-

mined under this subparagraph is an amount

equal to—

—of any excess (i) the

(I), the total amount that the

Secretary determines was paid under.

this title to all critical access hospitals

in 2019; over

the estimated total amount (II),,

that the Secretary determines would

have been paid under this title to such

hospitals in 2019 if payment were

made for inpatient hospital, out-

patient hospital, and skilled nursing

facility services under the applicable

prospective payment systems for such

services during such year; provided by

(ii), the total number of such hos-

pitals in 2019.

“(D) REPORTING ON USE OF THE ADDI-

TRONAL FACILITY PAYMENT.—A rural emper-

1	agency hospital receiving the additional facility
2	payment under this paragraph shall maintain
3	detailed information as specified by the Sec-
4	retary as to how the facility has used the addi-
5	tional facility payments. Such information shall
6	be made available to the Secretary upon re-
7	quest.
8	“(3) PAYMENT FOR AMBULANCE SERVICES.—
9	For provisions relating to payment for ambulance
10	services furnished by an entity owned and operated
11	by a rural emergency hospital, see section 1834(l).
12	“(4) PAYMENT FOR POST-HOSPITAL EXTENDED
13	CARE SERVICES.—For provisions relating to pay-
14	ment for post-hospital extended care services fur-
15	nished by a rural emergency hospital that has a unit
16	that is a distinct part licensed as a skilled nursing
17	facility, see section 1888(e).
18	“(5) SOURCE OF PAYMENTS.—
19	“(A) IN GENERAL.—Except as provided in
20	subparagraph (B), payments under this sub-
21	section shall be made from the Federal Supple-
22	mentary Medical Insurance Trust Fund under
23	section 1841.
24	“(B) ADDITIONAL FACILITY PAYMENT AND
25	POST-HOSPITAL EXTENDED CARE SERVICES.—

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1	Payments under paragraph (2) shall be made
2	from the Federal Hospital Insurance Trust
3	Fund under section 1817.”
4	(b) PROVIDER AGREEMENTS.—
5	(1) AGREEMENT WITH QIO.—Section 1866(a)
6	of the Social Security Act (42 U.S.C. 1395cc(a)) is
7	amended—
8	(A) in paragraph (1)(F)(ii), by inserting
9	“rural emergency hospitals,” after “critical ac-
10	cess hospitals,”; and
11	(B) in paragraph (3) —
12	(i) in subparagraph (A), by inserting
13	“rural emergency hospital,” after “critical
14	access hospital,”;
15	(ii) in subparagraph (B), by inserting
16	“rural emergency hospital,” after “critical
17	access hospital,” each place it appears; and
18	(iii) in subparagraph (C)(ii)(II), by in-
19	serting “rural emergency hospitals,” after
20	“critical access hospitals,” each place it
21	appears.
22	(2) EMERGENCY MEDICAL TREATMENT AND
23	LABOR ACT.—
24	(A) Section 1866(a)(1) of the Social Secu-
25	rity Act (42 U.S.C. 1395cc(a)(1)) is amended—

1	(i) in subparagraph (I)—
2	(I) in the matter preceding clause
3	(i), by striking “or critical access hos-
4	pital” and inserting “, critical access
5	hospital, or rural emergency hospital”;
6	and
7	(II) in clause (ii), by inserting “,
8	critical access hospital, or rural emer-
9	gency hospital” after “hospital”; and
10	(ii) in subparagraph (N)—
11	(I) in the matter preceding clause
12	(i), by striking “and critical access
13	hospitals” and inserting “, critical ac-
14	cess hospitals, and rural emergency
15	hospitals”;
16	(II) in clause (i), by striking “or
17	critical access hospital” and inserting
18	“, critical access hospital, or rural
19	emergency hospital”; and
20	(III) in clause (iv), by inserting
21	“, critical access hospital, or rural
22	emergency hospital” after “hospital”.
23	(B) Section 1867(e)(5) of such Act (42
24	U.S.C. 1395dd(e)(5)) is amended by inserting

1 “and a rural emergency hospital (as defined in
2 section 1861(kkk)(2))” before the period.

3 (c) TREATMENT AS TELEHEALTH ORIGINATING
4 SITE.—Section 1834(m)(4)(C)(ii) of the Social Security
5 Act (42 U.S.C. 1395m(m)(4)(C)(ii)) is amended by adding
6 at the end the following new subclause:

7 “(XI) A rural emergency hospital
8 (as defined in section
9 1861(kkk)(2)).”.

10 (d) CONFORMING AMENDMENTS.—

11 (1) Section 1861(u) of the Social Security Act
12 (42 U.S.C. 1395x(u)) is amended by inserting “rural
13 emergency hospital,” after “critical access hospital,”.

14 (2) Section 1864 of the Social Security Act (42
15 U.S.C. 1395aa) is amended by inserting before the
16 period at the end of the first sentence “, or whether
17 a facility is a rural emergency hospital as defined in
18 section 1861(kkk)(2).

19 (e) STUDIES AND REPORTS.—

20 (1) STUDIES.—The Secretary of Health and
21 Human Services shall conduct 3 studies to evaluate
22 the impact of rural emergency hospitals on the avail-
23 ability of health care and health outcomes in rural
24 areas (as defined in section 1886(d)(2)(D) of the

1 Social Security Act (42 U.S.C. 1395ww(d)(2)(D))).

2 The Secretary shall conduct a study—

3 (A) 4 years after the date of the enactment
4 of this Act;

5 (B) 7 years after the date of the enact-
6 ment of this Act; and

7 (C) 10 years after the date of the enact-
8 ment of this Act.

9 (2) REPORTS.—Not later than 6 months after
10 each date that the Secretary of Health and Human
11 Services is required to conduct a study under para-
12 graph (1), the Secretary shall submit to Congress a
13 report containing the results of each such study.

14 (3) FUNDING.—For purposes of carrying out
15 this subsection, the Secretary of Health and Human
16 Services shall provide for the transfer, from the Fed-
17 eral Hospital Insurance Trust Fund under section
18 1817 of the Social Security Act (42 U.S.C. 1395i)
19 and the Federal Supplementary Medical Insurance
20 Trust Fund under section 1841 of such Act (42
21 U.S.C. 1395t), in such proportion as the Secretary
22 determines appropriate, to the Centers for Medicare
23 & Medicaid Services Program Management Account,
24 of \$9,000,000. Amounts transferred under the pre-

1 ceding sentence shall remain available until ex-
2 pended.

3 (f) MEDPAC REVIEW OF PAYMENTS TO RURAL
4 EMERGENCY HOSPITALS.—Each report submitted by the
5 Medicare Payment Advisory Commission under section
6 1805(b)(1)(C) of the Social Security Act (42 U.S.C.
7 1395b–6(b)(1)(C)) (beginning with 2024), shall include a
8 review of payments to rural emergency hospitals under
9 section 1834(x), as added by subsection (a).

10 (g) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to items and services furnished on
12 or after January 1, 2023.

13 **SEC. 126. DISTRIBUTION OF ADDITIONAL RESIDENCY POSI-**
14 **TIONS.**

15 (a) IN GENERAL.—Section 1886(h) of the Social Se-
16 curity Act (42 U.S.C. 1395ww(h)) is amended—

17 (1) in paragraph (4)(F)(i), by striking “para-
18 graphs (7) and (8)” and inserting “paragraphs (7),
19 (8), and (9)”;

20 (2) in paragraph (4)(H)(i), by striking “para-
21 graphs (7) and (8)” and inserting “paragraphs (7),
22 (8), and (9)”;

23 (3) in paragraph (7)(E), by inserting “para-
24 graph (9),” after “paragraph (8),”; and