Congress of the United States

Washington, DC 20510

October 5, 2022

The Honorable Chiquita Brooks-LaSure
Administrator
Centers for Medicare & Medicaid Services
U.S. Department of Health & Human Services
200 Independence Avenue S.W.
Washington, D.C. 20201

Dear Administrator Brooks-LaSure,

We appreciate the Centers for Medicare & Medicaid Services (CMS) commitment to implementing the Rural Emergency Hospital (REH) designation, a new voluntary Medicare payment for rural hospitals established under the Consolidated Appropriations Act of 2021.[1] REH is solution that enables rural hospitals the option to right-size their health care infrastructure while maintaining essential medical services for their communities. We believe it is critical that CMS implement REH with an understanding of the needs and challenges of rural hospitals to maintain health care access for rural America. Specifically, we request CMS to clarify whether a rural hospital is eligible to become a REH if it met the eligibility requirements on December 27, 2020, but has since closed or has begun the process to close prior to REH's effective date (January 1, 2023).

On September 1, 2022, Blessing Health Keokuk located in Keokuk, Iowa, announced its closure effective on October 1, 2022.[2] The hospital is currently going through the state of Iowa's Certificate of Need Closure of an Institutional Health Facility process. Blessing Health System intends to maintain primary care, some specialty clinics, and occupational health services in the community. While we are disappointed of this decision, this action follows a national trend with more than 100 rural hospitals having closed in 28 different states since 2013.[3] The COVID-19 pandemic, rise of historic inflation, and workforce challenge have only further strained hospital finances.

REH enables rural hospitals the option to right-size their health care infrastructure while maintaining essential medical services for their communities. Critical access hospitals (CAHs) and hospitals in a rural area or treated as being located in a rural area with less than 50 beds are eligible to convert into REHs. To be eligible to become a REH, a facility must have been a CAH or rural hospital with less than 50 beds as of the date of enactment (December 27, 2020). The REH allows rural hospitals that can no long support inpatient services the flexibility to continue offering vital services that meet the needs of their community.

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[1] Public Law (P.L.) 116-260, Division CC, Title I, Subtitle B, Section 125, "Medicare Payment for Rural Emergency Hospital Services."
[2] Blessing Health System, "Blessing Health announces changes to healthcare services in Keokuk," September 1, 2022.
[3] Government Accountability Office, Publication No. 21-93, https://www.gao.gov/products/gao-21-93.

There is a strong desire from Keokuk's community leaders for their hospital to be eligible in the future to become a REH. While the community has not made a final decision on establishing a REH, we would like to know about any federal regulatory barriers for the hospital and community. The REH statute[4] and proposed regulations[5] state that a rural hospital with less than 50 beds operating on December 27, 2020, would be eligible to become a REH. Blessing Health Keokuk was a hospital in a rural area with less than 50 beds on December 27, 2020. We request CMS clarify whether Keokuk's hospital is eligible to become a REH regardless of closure actions taken after December 27, 2020, but before January 1, 2023. We believe it is imperative that CMS understands the impact federal regulations and guidance will have on rural health care access.

Access to emergency and primary health care services are basic quality of life issues for communities of any size. We encourage CMS to ensure communities, including Keokuk, have the opportunity to establish a REH to maintain essential medical services and contribute to economic growth. You and your agency have an open invitation to visit a rural Iowa hospital and meet with its leaders and community members to understand the impact federal regulations and guidance will have on rural health care. Thank you for your agency's efforts and commitment to supporting rural hospitals.

Sincerely,

Charles E. Grassley
United States Senator

Mariannette J. Miller-Meeks, M.D.
Member of Congress

[4] Public Law (P.L.) 116-260, Division CC, Title I, Subtitle B, Section 125, "Medicare Payment for Rural Emergency Hospital Services."
[5] Medicare and Medicaid Programs; Conditions of Participation (CoPs) for Rural Emergency Hospitals (REH) and Critical Access Hospital CoP Updates, 87 Fed. Reg. 40351 (to be codified at C.F.R. Parts 485 and 489); Medicare Program: Hospital Outpatient Prospective Payment, 87 Fed. Reg. 44778 (to be codified at C.F.R. Parts 405, 410, 411, 412, 413, 416, 419, and 424).