United States Senate
COMMITTEE ON THE BUDGET
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June 5, 2023

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,

I want to provide my comments on the Centers for Medicare & Medicaid Services' (CMS) proposed changes to the Rural Emergency Hospital program under the Inpatient Payment Prospective System Rule for calendar year (CY) 2024. I appreciate CMS' commitment to implementing the Rural Emergency Hospital (REH) designation, a new voluntary Medicare payment for rural hospitals.[1] Since this law was fully implemented on January 1, 2023, rural hospitals and communities across the country have begun to utilize this important flexibility to maintain access to health care services.[2] I continue to monitor your agency's implementation of REH to ensure it works for rural communities and follows Congressional intent.

First, I am writing to express my support for CMS designating REHs as graduate medical education (GME) eligible facilities. This is similar to the GME designation for critical access hospitals (CAHs).[3] I agree with your agency's interpretation that statutory flexibility exists for REHs to be considered a non-provider setting for GME payment purposes. As it is stated in the proposed rule, "increasing access to physicians in rural areas can be supported by a flexible policy which would allow for residency training to continue at these former CAHs and begin at

[1] Public Law (P.L.) 116-260, Division CC, Title I, Subtitle B, Section 125, "Medicare Payment for Rural Emergency Hospital Services."
[2] Becker's Hospital Review, "Texas hospital to keep doors open with rural emergency hospital designation," May 1, 2023, https://www.beckershospitalreview.com/finance/texas-hospital-to-keep-doors-open-with-rural-emergency-hospital-designation.html; Mississippi Today, "Holly Springs hospital receives official rural emergency hospital designation," May 9, 2023, https://mississippitoday.org/2023/05/09/holly-springs-hospital-receives-official-rural-emergency-hospital-designation/.
[3] Medicare Program; Proposed Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals and the Long-Term Care Hospital Prospective Payment System and Policy Changes and Fiscal Year 2024 Rates; Quality Programs and Medicare Promoting Interoperability Program Requirements for Eligible Hospitals and Critical Access Hospitals; Rural Emergency Hospital and Physician-Owned Hospital Requirements; and Provider and Supplier Disclosure of Ownership, 88 Fed. Reg. 26658-27309 (to be codified at C.F.R. Parts 411, 412, 419, 488, 489, and 495).

other newly designated REHs, which may have not previously trained residents."[4] Recent research from the Journal of Graduate Medical Education found, "Rural exposure during [family medicine] residency training is associated with a 5- to 6-fold increase in subsequent rural practice, with a positive dose effect for greater degrees of exposure, yet less than 10% of graduates experience any rural training during their residencies."[5] Further expanding the ability for future doctors to perform their residency in an REH can help expand our rural health care workforce.

Additionally, while I appreciate CMS providing additional clarity for hospitals to become REHs, I am concerned the agency's additional regulations titled, "PROPOSED SPECIAL REQUIREMENTS FOR REHS (§ 488.70)," could create barriers and burdens on rural hospitals. I recognize the value of having a detailed action plan, but I request that CMS promote efficiency and flexibility in the final regulations. Additional or burdensome paperwork can impact a rural hospital's ability to transition to an REH. CMS must implement the final regulation with an understanding of the challenges rural hospitals and communities face while maintaining standards for safety and high-quality care. As the REH statute clearly states, CMS must "take into consideration ways to account for rural emergency hospitals that lack sufficient case volume to ensure that the performance rates for such measures are reliable."[6] CMS must balance the need for oversight while minimizing the administrative burden for rural hospitals with limited capacities.

Finally, as I stated in my September 13, 2022 letter, I encourage the agency's leadership and staff working on REH implementation to maximize the opportunity to listen to rural stakeholders, especially rural hospitals and communities. In the past few years, I have visited over 40 rural hospitals and clinics across Iowa. There is no better way to understand rural health care challenges and the impact of federal policymaking than to visit a rural hospital. 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.

REH enables rural hospitals the option to right-size their health care infrastructure while maintaining essential medical services for their communities. Thank you for your agency's efforts to ensure rural hospitals and communities can thrive.

Sincerely,

Chuck Grassley

Charles E. Grassley
Ranking Member

[4] *Ibid*.
[5] Russell D.J., Wilkinson E., Petterson S., Chen C., & Bazemore A., "Family Medicine Residencies: How Rural Training Exposure in GME Is Associated With Subsequent Rural Practice," Journal of Graduate Medical Education, 2022, Aug;14(4):441-450. doi: 10.4300/JGME-D-21-01143.1. PMID: 35991106; PMCID: PMC9380633.
[6] P.L. 116-260, Division CC, Title I, Subtitle B, Section 125, "Medicare Payment for Rural Emergency Hospital Services."