Sustaining Rural Health Care in Kansas

The Rural Emergency Hospital

October 2022

Historical Background
Kansas is a Leader in New Models

- Kansas hospitals have been researching and working on a new model since 2012
- Kansas is the first state to pass legislation allowing for licensure and operation of a Rural Emergency Hospital - HB 2208 (2021)
- Research showed more than 75% of patients using the emergency room would be fully served by the new model

Key Activities

- 2012 – 2013 – Group created, principles developed, case for change
- 2014 – 2015 – Primary Health Center concept created, paper test
- 2017 – 2018 – Discussions with CMMI, federal bills introduced
- 2019 – Push at federal level, launched Community Conversations
- 2020 – Community Conversation in Oberlin, stakeholder conversations, CHART Model released, REH established
- 2021 – Media Briefing, Regional Conversations, REH State Legislation
- 2022 – Proposed Conditions of Participation and Payment Rules Released
Recent Developments

A New Approach to Rural Health Delivery

• Federal legislation established the Rural Emergency Hospital in December 2020 (part of Consolidated Appropriations Act)
  • The REH is very similar to the Primary Health Center
  • REHs can operate starting in January 2023
• State legislation now ensures Kansas can have REHs
• Centers for Medicare and Medicaid Services is responsible agency
  • RFI in August 2021 – Kansas provided input
  • Proposed Conditions of Participation – comments due 8-29-22
  • Proposed Payment Rules – comments due 9-13-22
Rural Emergency Hospital

a.k.a. Primary Health Center

Services Provided by REH

CORE SERVICES
- Emergency care
- Urgent care
- Observation
- Outpatient procedures
- Telemedicine
- Transportation
- Primary health care, including prenatal care
- Management of chronic conditions

OPTIONAL SERVICES
If unavailable locally, may be added:
- Skilled care
- Rehabilitative services
- Behavioral health
- Oral health
- Specialty care (via telemedicine or visiting specialists on site)
**Benefits of the REH**

- A Kansas solution that changes the way health care services are delivered and paid for.
- A health care approach that provides flexibility so a community can get the services it needs.
- A place where 24/7 health care is available.
- An approach to health services that focuses activities on keeping people healthy, not on keeping them in the hospital.

**Overview**

- Provide emergency department and observation services
  - No inpatient beds
- Cannot exceed annual per patient average of 24 hours
- Transfer agreement with Level I or II trauma center
- Allowed to provide other outpatient services
- Allowed to operate a distinct licensed skilled care facility
- Designation will not impact an off-campus outpatient department
Eligibility

• Current Critical Access Hospitals
• PPS hospital with 50 beds or less in a rural area
  
  Kansas = 91 hospitals eligible
• State must allow for licensure of an REH and approve facility as meeting the criteria

REH Review Process

• Development of a Transition Plan – available to public and submitted to CMS
• Describe services that will be retained, modified, added or reviewed
• Describe outpatient services to be provided
• Discuss how facility payment will be used (telehealth and ambulance)
Designation Period

- Hospital elects to revert back to original status
- CMS determines hospital does not meet the REH requirements

Proposed Staffing

- RN on duty when there is one or more patients in REH
- Dr, NP or clinical nurse specialist (training in emergency care) on call and immediately available by phone
- Emergency services organized under direction of medical staff

Allow for flexibility
Telemedicine can fill gaps
**Proposed Services**

- Lab – basic services 24/7
- Imaging – acute hospital requirements
- Pharmacy – pharmacy or drug storage area supervised by pharmacist or DR
- Discharge Services – discharge planning evaluation, under supervision of RN or social worker, assist choosing post acute provider

**Match the CAH requirements**

---

**REH Quality Measures**

- Small number – claims based
- Patient experience included
- Reported annually
- Take into consideration low volumes
- Publically available

**Start small**
- MBQIP Measures
- EDCAHPS
- Appropriate for care provided
**Payment Model**

- Annual facility payment – distributed monthly
- Annual market basket update
- Total amount paid to all CAHs in 2019 compared to what would have paid if PPS and total number of CAHs
- Must keep a record of how all payments are used

Estimated AFP: $3.2M

---

**Proposed Payments**

<table>
<thead>
<tr>
<th>Type of Payment</th>
<th>Method</th>
<th>KHA Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outpatient</td>
<td>Current OPPS + 5%</td>
<td>Include all required services at +5%</td>
</tr>
<tr>
<td>Outpatient</td>
<td>Based on current OPPS</td>
<td></td>
</tr>
<tr>
<td>SNF DPU</td>
<td>Current SNF PPS</td>
<td>Transition period, add on payment</td>
</tr>
<tr>
<td>Non-OPPS</td>
<td>Fee for service</td>
<td>Include all required services at +5%</td>
</tr>
<tr>
<td>Ambulance</td>
<td>Current ambulance fee schedule</td>
<td>Annual ambulance support</td>
</tr>
<tr>
<td>RHC</td>
<td>Same rate as &lt;50 bed hospital</td>
<td>Provide clarity</td>
</tr>
<tr>
<td>340B</td>
<td>Allow participation</td>
<td></td>
</tr>
<tr>
<td>Method II Billing</td>
<td>Allow</td>
<td></td>
</tr>
<tr>
<td>Bad Debt</td>
<td>Allow reimbursement</td>
<td></td>
</tr>
<tr>
<td>FLEX/SHIP</td>
<td>Allow participation</td>
<td></td>
</tr>
<tr>
<td>Sequestration</td>
<td>exempt</td>
<td></td>
</tr>
</tbody>
</table>
REH Might Work in KS

Table 7: State Location of Converters

<table>
<thead>
<tr>
<th>State</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>KS</td>
<td>16</td>
</tr>
<tr>
<td>TX</td>
<td>7</td>
</tr>
<tr>
<td>NE</td>
<td>5</td>
</tr>
<tr>
<td>OK</td>
<td>4</td>
</tr>
<tr>
<td>IA</td>
<td>3</td>
</tr>
<tr>
<td>MT</td>
<td>3</td>
</tr>
<tr>
<td>ND</td>
<td>3</td>
</tr>
</tbody>
</table>

Moving Forward
Next Steps for the REH Model

Finalize rules for the operation of the Rural Emergency Hospital

- TA Center – Rural Health Redesign Center (PA)
- Final Rules expected by Nov. 1
- Kansas rule making process follows CMS
- REHs to start operating January 2023

Facility Analysis

- Current use of inpatient beds
- Highest used services today
- Services are available in the community and nearby
- Current financial situation
- Future population/tax support considerations
- Board/medical staff/staff willingness to consider change
- Community willingness to consider change
Community Conversations

Grant Funded Project

Facilitator

Community Conversations

• Education about current environment
• Current state of local hospital/health delivery system
• Discuss essential services
• Review options for the future
How Can You Help?

• Spread the word to those in your circles

• Recommend communities for Community Conversations

• Help us identify challenges to implementation

Additional Resources

Find information on the rural emergency hospital, community conversations and other resources on KHA Website.

https://www.kha-net.org/CriticalIssues/AccessToCare/RuralIssues/
Contact Information

Jennifer Findley
findley@kha-net.org (785) 233-7436

R.H.I.G.
Rural Hospital Innovation Grant
Andy Jones | Oct. 26, 2022
Office of Primary Care and Rural Health

- Charitable Health Care Provider Program (CHCP)
- Community-Based Primary Care Clinic Program (CBPCC)
- Conrad 30 J-1 Visa Waiver Program
- Health Professional Shortage Area Designation (HPSA)
- Medicare & Rural Hospital Flexibility Program (Flex)
- Rural Hospital Innovation Grant (RHIG)
- Student Loan Repayment Programs (SLRP)
- Unused Medications Repository Program (UMR)
- Webinars, Technical Assistance & Educational Offerings

https://www.kdhe.ks.gov/PC-RH

Background

- Passed on May 6, 2021 in HB2208 along with REH licensure designation
- Fund with $10 million from American Rescue Plan Act (ARPA)
# Timeline

<table>
<thead>
<tr>
<th>Event</th>
<th>Date/Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applications Open</td>
<td>September 1, 2022</td>
</tr>
<tr>
<td>Application Cycle</td>
<td>Year Round</td>
</tr>
<tr>
<td>Application Review and Grant Award</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Reporting Due to KDHE</td>
<td>October 1, Annually</td>
</tr>
<tr>
<td>Final Application Deadline</td>
<td>September 30, 2024</td>
</tr>
<tr>
<td>All Funds Obligated by KDHE</td>
<td>December 31, 2024</td>
</tr>
<tr>
<td>Deadline for Funds to be Expended</td>
<td>March 31, 2025</td>
</tr>
</tbody>
</table>

---

## Basic Eligibility

- A hospital in a KS county other than Douglas, Johnson, Sedgwick, Shawnee, or Wyandotte
- County must secure a 2:1 funding match
- County Commissioners or designee must apply to KDHE
Project Focus

The program, and any grant awarded thereunder, shall be for the purpose of strengthening and improving the healthcare system and increasing access to healthcare services in eligible counties to help communities in such counties achieve and maintain optimal health by providing transitional assistance to hospitals in such counties.

Funds are to be used at a hospital for the transitional assistance related to changing a hospital’s current healthcare delivery model to a model more appropriate for the community that the hospital serves.

Possible Project Scopes

- Transitioning a hospital to a new provider type.
- Making changes to the services provided and/or mode in which services are delivered to better suit the community.
- Conducting a market study of healthcare services needed and provided in the community. (National TA Center)
- Acquiring and implementing new technological tools and infrastructure including but not limited to telemedicine delivery methods.
- Acquiring the services of appropriate personnel including but not limited to additional medical residents or individuals trained to be needed healthcare professionals.
Further Project Considerations

*Build a strong, resilient and equitable recovery by making investments that support long-term growth and opportunity*

- Scoring consideration will include but are not limited to:
  - Rural or Frontier designation
  - Health Professional Shortage Area (HPSA) score
  - Local county or city ownership
  - Demographics of population being served
  - Community impact of the project
  - Long-term project sustainability


Resources and Contact Info

Website: [https://www.kdhe.ks.gov/1922/Rural-Hospital-Innovation-Grant-RHIG](https://www.kdhe.ks.gov/1922/Rural-Hospital-Innovation-Grant-RHIG)
Email: kdhe.ruralhealth@ks.gov

Andy Jones, Rural Hospital Innovation Grant Program Analyst: [Anthony.Jones@ks.gov](mailto:Anthony.Jones@ks.gov)

Rural Health Redesign Center, REH Technical Assistance Center: [https://www.rhrco.org/reh-tac](https://www.rhrco.org/reh-tac)


Steam on a Roll – Sarah Ellerbeck