Sponsor the Save Rural Hospitals Act:
Future Model - Community Outpatient Hospital

Rural hospitals are closing. Sixty-six rural hospitals have closed since 2010. Right now, 673 additional facilities are severely vulnerable and could close—this represents over 1/3 of rural hospitals in the U.S. In fact, the rate of closure has steadily increased since sequester and bad debt cuts began to hit rural hospitals; resulting in a rate six times higher in 2015 compared to 2010. Medical deserts are appearing across rural America, leaving many of our nation's most vulnerable populations without timely access to care. When these rural hospitals close, communities lose access to necessary local emergency services.

Local emergency medical care matters. Rural Medicare beneficiaries already face a number of challenges when trying to access health care services close to home. Seventy-seven percent of rural counties in the United States are Primary Care Health Professional Shortage Areas while nine percent have no physicians at all. Rural seniors are forced to travel significant distances for any care. On average, rural trauma victims must travel twice as far as urban residents to the closest hospital. In an emergency every second counts! As a result of these disparities, 60% of trauma deaths occur in rural America, even though only 20% of Americans living in rural areas. But the situation is poised to get even worse. With the 283 hospitals on the brink of closure 700,000 rural Americans are on the brink of losing access to the closest emergency room.

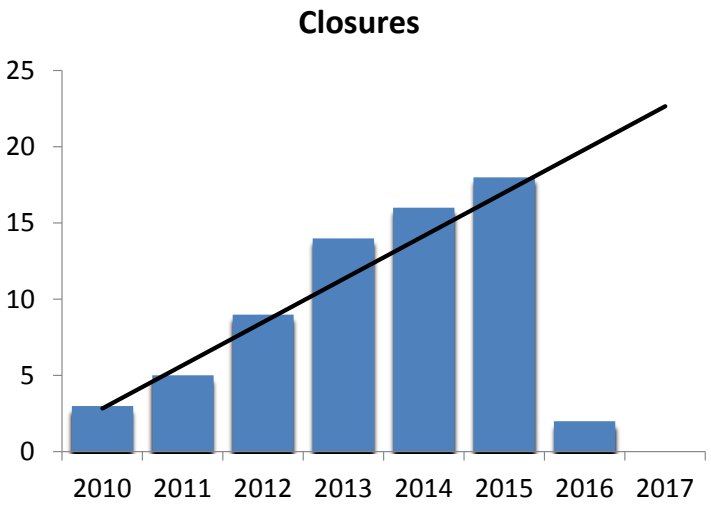
The innovative future model solution, created by the Save Rural Hospitals Act, establishes a new Medicare payment designation, the Community Outpatient Hospital (COH). It creates an innovative delivery model that will ensure emergency access to care for rural patients across the nation.

- **Eligibility**: Critical Access Hospitals (CAH) and rural hospitals with 50 beds or less as of December 31, 2014 are eligible to become COH (this includes facilities as described that have closed within 5 years prior to enactment).
- **Services**:
    - **Emergency Services** – a COH must
        - Provide emergency medical care and observation care (not to exceed an annual average of 24 hours), 24 hours a day, 7 days a week.
        - Have protocols in place for the timely transfer of patients who require a higher level of care or inpatient admission.
    - **Meeting the Needs of Rural Communities.** Based upon a community needs assessment, a COH could provide medical services in addition to the Emergency services, but not limited to observation care, skilled nursing facility (SNF) care, infusion services, hemodialysis, home health, hospice, nursing home care, population health and telemedicine services.

        - COHs are encouraged to provide primary care services though a FQHC (or FQHC look alike) or rural health clinic. These primary care services will ensure the community don't lose primary care and inappropriately use the emergency room.
        - The COH will not operate any inpatient acute care beds, but can operate swing beds and observation beds.
- **Payments**: The Medicare payment rate for services furnished at a COH (emergency care and outpatient services) will be 105% of reasonable cost. Plus COHs are eligible for population health grants to meet the needs of their community.
- **Conversion**:
    - For every CAH that converts to a COH, another hospital currently not designated as a CAH and located in the same state, would be eligible to become a CAH so long as all criteria other than the distance criteria are met.
    - CAHs that convert to COHs may revert back to the CAH designation at any time and under the same conditions they were originally designated.
- **Rural Hospital Grants:** New grants are included for Rural EMS. Hospital based grants are available to assist rural hospitals with the change to value based payment models and for rural hospitals working on population health (included a grant program targeted at COHs).

The solution is The Save Rural Hospitals Act. A comprehensive solution is necessary; a new model alone isn't enough. We have to first stop the bleeding.

Rural Hospital Closures on the Rise



At this rate, 25% of rural hospitals will shut down in less than 10 years .

*Even if legislative action is taken today, if it takes as long to implement the Community Outpatient Hospital as it took from the implementation of the CAH from a demo to the first certified CAH (10 years), 485 hospitals will be closed.