

INTERIM STUDY PROPOSAL 2021-153

State of Arkansas

93rd General Assembly

Third Extraordinary Session, 2022

A Bill

JMB/JMB

HOUSE BILL

By: Representative L. Johnson

Filed with: House Committee on Public Health, Welfare, and Labor
pursuant to A.C.A. §10-3-217.

For An Act To Be Entitled

AN ACT TO CREATE THE RURAL EMERGENCY HOSPITAL ACT; TO
AUTHORIZE LICENSURE OF RURAL EMERGENCY HOSPITALS BY
THE DEPARTMENT OF HEALTH; AND FOR OTHER PURPOSES.

Subtitle

TO CREATE THE RURAL EMERGENCY HOSPITAL
ACT; AND TO AUTHORIZE LICENSURE OF RURAL
EMERGENCY HOSPITALS BY THE DEPARTMENT OF
HEALTH.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. DO NOT CODIFY. Title.

This act shall be known and may be cited as the "Rural Emergency
Hospital Act".

SECTION 2. DO NOT CODIFY. Legislative findings and intent.

(a) The General Assembly finds that the importance and necessity of
providing and regulating the system by which healthcare services are
structured and integrated promotes the availability of and access to
necessary and appropriate healthcare services to protect the general health,
safety, and welfare of the rural residents of this state.

(b) It is the intent of the General Assembly to create a category of
licensure to enable certain hospitals within this state to receive federal
healthcare reimbursement as rural emergency hospitals in order to:

- 1 (1) Improve the health of the rural population of this state;
- 2 (2) Preserve access to healthcare services and providers;
- 3 (3) Encourage collaboration among healthcare providers;
- 4 (4) Promote delivery of quality rural healthcare services and
- 5 the efficiency and efficacy of rural healthcare services;
- 6 (5) Embrace technology in the delivery of rural healthcare
- 7 services; and
- 8 (6) Promote adequate and fair reimbursement for rural healthcare
- 9 services.

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11 SECTION 3. Arkansas Code § 20-9-201, concerning definitions relating
12 to health facilities, is amended to add additional subdivisions to read as
13 follows:

- 14 (13) “Rural emergency hospital” means an establishment that:
- 15 (A) Meets the eligibility requirements described in this
- 16 subchapter;
- 17 (B) Provides rural emergency hospital services;
- 18 (C) Provides rural emergency services in the facility
- 19 twenty-four (24) hours per day by maintaining an emergency department that is
- 20 staffed twenty-four (24) hours per day and seven (7) days per week with a
- 21 physician, nurse practitioner, clinical nurse specialist, or physician
- 22 assistant;
- 23 (D) Has a transfer agreement in effect with a Level I or
- 24 Level II trauma center; and
- 25 (E) Meets other requirements as the Department of Health
- 26 finds necessary:
- 27 (i) In the interest of the health and safety of
- 28 individuals who receive rural emergency hospital services; and
- 29 (ii) For implementation of a state licensure that
- 30 satisfies requirements for reimbursement by federal healthcare programs as a
- 31 rural emergency hospital; and
- 32 (14) “Rural emergency hospital services” means the following
- 33 services provided by a rural emergency hospital that do not require more than
- 34 twenty-four (24) hours on average in a rural emergency hospital:
- 35 (A) Emergency department services and observation care;
- 36 and

1 (B) At the election of the rural emergency hospital, other
 2 medical and health services provided on an outpatient basis as specified in
 3 regulations adopted by the United States Secretary of Health and Human
 4 Services and authorized by the Department of Health.

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 6 SECTION 4. Arkansas Code § 20-9-214(b), concerning fees for the
 7 issuance of healthcare facility licenses, is amended to read as follows:

8 (b) The Department of Health may levy and collect the following annual
 9 fees for issuance of an annual license to hospitals or institutions:

11 Per facility	FY ’98	FY ’99
12 (unless otherwise noted)		
13 (1) Hospitals (per bed)	\$ 4.00	\$ 6.00
14 (2) Ambulatory Surgery Center	1,000.00	1,000.00
15 <u>(3) Rural Emergency Hospital</u>	<u>1,000.00</u>	<u>1,000.00</u>
16 (3)(4) Hospital-Based Recuperation Center	160.00	275.00
17 (4)(5) Freestanding Recuperation Center	2,000.00	2,000.00
18 (5)(6) Hospital-Based Alcohol/Drug Unit	60.00	75.00
19 (6)(7) Freestanding Alcohol/Drug Unit	1,000.00	1,000.00
20 (7)(8) Hospital-Based Outpatient Psychiatric Center	60.00	75.00
21 (8)(9) Freestanding Outpatient Psychiatric Center	1,000.00	1,000.00
22 (9)(10) Infirmary	100.00	100.00
23 (10)(11) Reissuance of license due to name/address change	100.00	100.00

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 25 SECTION 5. Arkansas Code Title 20, Chapter 9, Subchapter 2, is amended
 26 to add an additional section to read as follows:

27 20-9-224. Rural emergency hospitals.

28 (a) A healthcare facility shall be eligible to apply for a rural
 29 emergency hospital license if the healthcare facility on or before December
 30 27, 2020, was a:

- 31 (1) Licensed critical access hospital;
 32 (2) General hospital with not more than fifty (50) licensed beds
 33 located in a county in a rural area under 42 U.S.C. § 1395ww(d)(10)(C)(ii);
 34 or

1 (3) General hospital with not more than fifty (50) licensed beds
2 that is deemed as being located in a rural area under 42 U.S.C. §
3 1395ww(d)(8)(E).

4 (b) A healthcare facility applying for licensure as a rural emergency
5 hospital shall include with the licensure application:

6 (1) An action plan for initiating rural emergency hospital
7 services, including a detailed transition plan that lists the specific
8 services that the healthcare facility shall retain, modify, add, or
9 discontinue, or any combination of retain, modify, add, or discontinue;

10 (2) A description of services that the healthcare facility
11 intends to provide on an outpatient basis; and

12 (3) Other information as required by rules adopted by the
13 Department of Health.

14 (c) A rural emergency hospital shall not have inpatient beds unless
15 the rural emergency hospital has a unit that is a distinct part of the rural
16 emergency hospital that

17 (1) Is licensed as a skilled nursing facility to provide post-
18 hospital extended care services; or

19 (2) Provides behavioral health services in accordance with the
20 Arkansas Health and Opportunity for Me Act of 2021, § 23-61-1001 et seq.

21 (d) A rural emergency hospital may own and operate an entity that
22 provides ambulance services.

23 (e)(1) A licensed general hospital or critical access hospital that
24 applies for and receives licensure as a rural emergency hospital and elects
25 to operate as a rural emergency hospital shall retain its original license as
26 a general hospital or critical access hospital.

27 (2) The original license shall remain inactive while the rural
28 emergency hospital license is in effect.

29 (f)(1) A rural emergency hospital, including a city, county, or other
30 governmental or quasi-governmental hospital, may enter into any contracts
31 required to be eligible for federal reimbursement as a rural emergency
32 hospital.

33 (2)(A) An entity engaging in activities and entering into
34 contracts required to meet the requirements for licensure and reimbursement
35 as a rural emergency hospital and its officers, agents, representatives,
36 employees, and directors are acting pursuant to clearly expressed state

1 policy under the supervision of the state.

2 (B) An entity is not subject to state or federal antitrust
3 laws while acting in this manner.

4 (g) The State Board of Health shall adopt rules establishing the
5 minimum standards for the establishment and operation of rural emergency
6 hospitals in accordance with this section, including licensure of rural
7 emergency hospitals.

8 (h)(1) A health benefit plan that is offered, issued, or renewed in
9 this state shall provide benefits and coverage for services performed by a
10 rural emergency hospital if the services would be covered under the health
11 benefit plan if performed by a general hospital.

12 (2) As used in subdivision (h)(1) of this section, "health
13 benefit plan" means the same as defined in § 23-79-1801.

14 (i) The Arkansas Medicaid Program shall reimburse a rural emergency
15 hospital at the same or greater rate in which critical access hospitals are
16 reimbursed.

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19 Referred by Representative Eubanks

20 Prepared by: JMB/JMB

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