

1 State of Arkansas
2 94th General Assembly
3 Regular Session, 2023
4

A Bill

HOUSE BILL 1127

5 By: Representative L. Johnson
6

For An Act To Be Entitled

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

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14 TO CREATE THE RURAL EMERGENCY HOSPITAL
15 ACT; AND TO AUTHORIZE LICENSURE OF RURAL
16 EMERGENCY HOSPITALS BY THE DEPARTMENT OF
17 HEALTH.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. DO NOT CODIFY. Title.

23 This act shall be known and may be cited as the "Rural Emergency
24 Hospital Act".
25

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

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

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

35 (1) Improve the health of the rural population of this state;

36 (2) Preserve access to healthcare services and providers;



1 (3) Encourage collaboration among healthcare providers;

2 (4) Promote delivery of quality rural healthcare services and
 3 the efficiency and efficacy of rural healthcare services;

4 (5) Embrace technology in the delivery of rural healthcare
 5 services; and

6 (6) Promote adequate and fair reimbursement for rural healthcare
 7 services.

8
 9 SECTION 3. Arkansas Code § 20-9-201, concerning definitions relating
 10 to health facilities, is amended to add additional subdivisions to read as
 11 follows:

12 (13) “Rural emergency hospital” means an establishment that:

13 (A) Meets the eligibility requirements described in this
 14 subchapter;

15 (B) Provides rural emergency hospital services;

16 (C) Provides rural emergency services in the facility
 17 twenty-four (24) hours per day by maintaining an emergency department that is
 18 staffed twenty-four (24) hours per day and seven (7) days per week with a
 19 physician, nurse practitioner, clinical nurse specialist, or physician
 20 assistant;

21 (D) Has a transfer agreement in effect with a Level I or
 22 Level II trauma center; and

23 (E) Meets other requirements as the Department of Health
 24 finds necessary:

25 (i) In the interest of the health and safety of
 26 individuals who receive rural emergency hospital services; and

27 (ii) For implementation of a state licensure that
 28 satisfies requirements for reimbursement by federal healthcare programs as a
 29 rural emergency hospital; and

30 (14) “Rural emergency hospital services” means the following
 31 services provided by a rural emergency hospital that do not require more than
 32 twenty-four (24) hours on average in a rural emergency hospital:

33 (A) Emergency department services and observation care;
 34 and

35 (B) At the election of the rural emergency hospital, other
 36 medical and health services provided on an outpatient basis as specified in

1 regulations adopted by the United States Secretary of Health and Human
 2 Services and authorized by the Department of Health.

3
 4 SECTION 4. Arkansas Code § 20-9-214(b), concerning fees for the
 5 issuance of healthcare facility licenses, is amended to read as follows:

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

9 Per facility	FY 1998	FY '99
10 (unless otherwise noted)		
11 (1) Hospitals (per bed)	\$ 4.00	\$ 6.00
12 (2) Ambulatory Surgery Center	1,000.00	1,000.00
13 <u>(3) Rural Emergency Hospital</u>		<u>1,000.00</u>
14 (3)(4) Hospital-Based Recuperation Center	160.00	275.00
15 (4)(5) Freestanding Recuperation Center	2,000.00	2,000.00
16 (5)(6) Hospital-Based Alcohol/Drug Unit	60.00	75.00
17 (6)(7) Freestanding Alcohol/Drug Unit	1,000.00	1,000.00
18 (7)(8) Hospital-Based Outpatient Psychiatric Center	60.00	75.00
19 (8)(9) Freestanding Outpatient Psychiatric Center	1,000.00	1,000.00
20 (9)(10) Infirmary	100.00	100.00
21 (10)(11) Reissuance of license due to name/address change	100.00	100.00

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

25 20-9-224. Rural emergency hospitals.

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

29 (1) Licensed critical access hospital;

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

33 (3) General hospital with not more than fifty (50) licensed beds
 34 that is deemed as being located in a rural area under 42 U.S.C. §
 35 1395ww(d)(8)(E).

36 (b) A healthcare facility applying for licensure as a rural emergency

1 hospital shall include with the licensure application:

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

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

8 (3) Other information as required by rules adopted by the
9 Department of Health.

10 (c) A rural emergency hospital shall not have inpatient beds unless
11 the rural emergency hospital has a unit that is a distinct part of the rural
12 emergency hospital that

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

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

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

19 (e)(1) A licensed general hospital or critical access hospital that
20 applies for and receives licensure as a rural emergency hospital and elects
21 to operate as a rural emergency hospital shall retain its original license as
22 a general hospital or critical access hospital.

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

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

29 (2)(A) An entity engaging in activities and entering into
30 contracts required to meet the requirements for licensure and reimbursement
31 as a rural emergency hospital and its officers, agents, representatives,
32 employees, and directors are acting pursuant to clearly expressed state
33 policy under the supervision of the state.

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

36 (g) The State Board of Health shall adopt rules establishing the

1 minimum standards for the establishment and operation of rural emergency
2 hospitals in accordance with this section, including licensure of rural
3 emergency hospitals.

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

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

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

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