



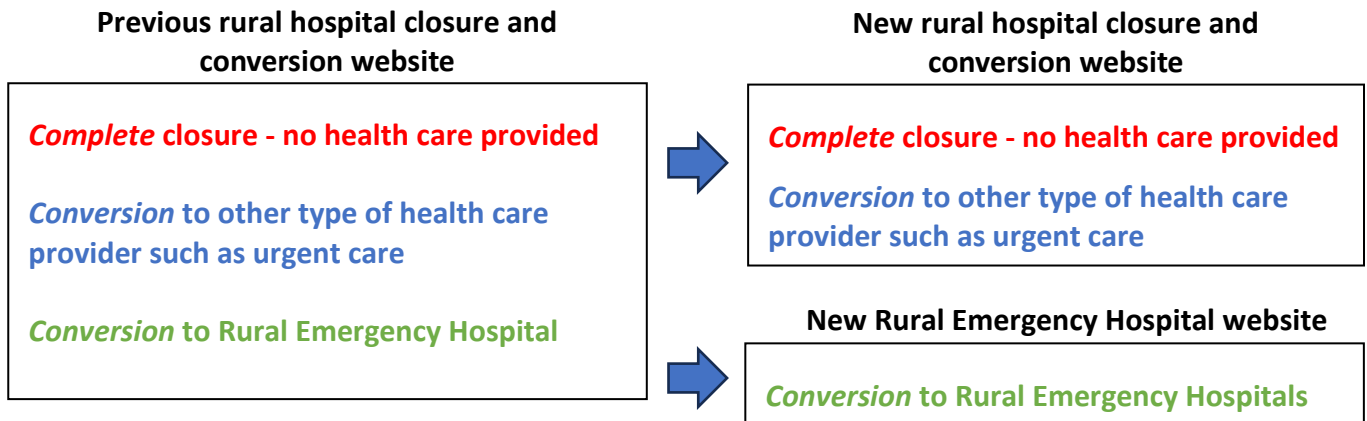
Rural Hospital Closure and Conversion Website Update

NC Rural Health Research Program

October 2023

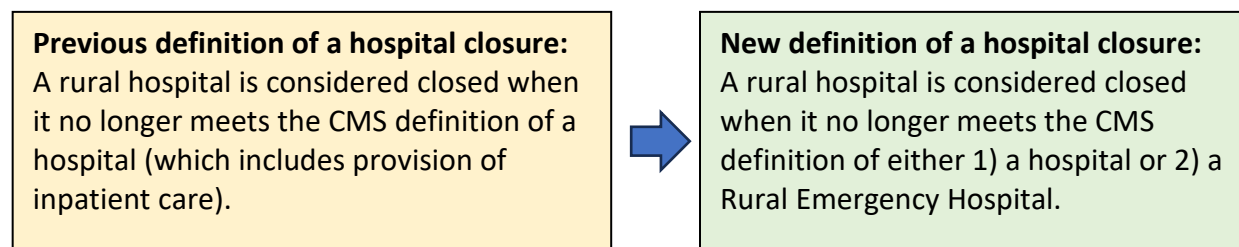
How has the rural hospital closure and conversion website changed?

Complete closures and conversions to other types of providers such as urgent care will continue to be reported on the existing rural hospital closure and conversion website. Conversions to Rural Emergency Hospitals (REHs) will be reported on a new REH website.



How has the definition of a rural hospital closure changed?

Previously hospital closure was defined as cessation of inpatient care. The new definition is cessation of inpatient care or no longer eligible to be a REH.



What prompted the changes?

REHs are a new type of Medicare provider that came into existence on January 1, 2023. The CMS definition of a hospital now includes both acute care inpatient hospitals and REHs. This required a change to the definition of a closure and creation of a new REH website.

CMS defines a hospital as:

A hospital is an institution primarily engaged in providing, by or under the supervision of physicians, inpatient diagnostic and therapeutic services or rehabilitation services.

Source:

<https://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/CertificationandCompliance/Hospitals>.

CMS has added Rural Emergency Hospital:

A Rural Emergency Hospital is a facility that is allowed to provide emergency department services, observation care, and additional outpatient medical and health services if elected by the REH, that do not exceed an annual per patient average length of stay of 24 hours. REHs are prohibited from providing inpatient services, except those furnished in a distinct part licensed as a skilled nursing facility to furnish post-hospital extended care services.

Source: <https://www.cms.gov/medicare/health-safety-standards/guidance-for-laws-regulations/hospitals/rural-emergency-hospitals>

How will closures and conversions be reported on the two websites?

Scenario	Closed and converted hospital website	Rural Emergency Hospital website
Open hospital converts to REH		REH added to list
Closed hospital reopens as a REH	Hospital removed from list	REH added to list
Open REH closes	REH added to list with Medicare payment stated as REH and status as complete closure	REH removed from list
Open REH converts to urgent care	REH added to list with Medicare payment stated as REH and status as converted closure	REH removed from list
Open REH reverts to acute care inpatient hospital		REH removed from list

Does this mean the total number of hospital closures and conversions decreased?

Before the change on 10-5-2023:

201 Total closures and conversions = **102 complete closures** + **89 conversions to other type of health care provider** + **10 conversions to Rural Emergency Hospital**

After the change on 10-6-2023:

191 Total closures and conversions = **102 complete closures** + **89 conversions to other type of health care provider**

10 conversions to Rural Emergency Hospital (reported on a separate webpage)

We report fewer total closures and conversions after the change because conversions to REHs are now reported separately. At its core, our decision faced a tension between two perspectives of REHs:

- 1) Conversion to REH is a closure because they do not provide inpatient care.
- 2) Conversion to REH is not a closure because they provide emergency department, outpatient services, and other core services that a community needs.

We decided on option 2, but if you prefer the previous approach, then you can calculate the number of hospitals that no longer provide inpatient care by summing the number of complete closures and conversions to other types of providers (from the closures and conversions website), and the number of conversions to Rural Emergency Hospital (from the REH website), and that is a reasonable approach as well.