

# Rural Emergency Hospital FAQs

## 1. What Is a Rural Emergency Hospital?

A Rural Emergency Hospital (REH) is a new Medicare provider type created to keep essential 24/7 emergency care, lab services, radiology, and outpatient services available in rural areas facing financial hardship or potential hospital closures.

## 2. What are the advantages of a Rural Emergency Hospital?

- Shifts away from inpatient care to focus on emergency & observation services, ensuring vital access without maintaining costly inpatient beds.
- providing immediate care for under 24-hour stays
- supported by specific Medicare reimbursement and monthly payments
- prevents residents from traveling long distances for basic emergency needs

## 3. What are the Key Characteristics of a Rural Emergency Hospital?

- **24/7 Emergency Care:** Must provide round-the-clock emergency services and observation care.
- **No Inpatient Care/Stays:** REHs are prohibited from providing acute inpatient services. The only exception is for observation and Skilled Nursing Facility (SNF) for post-hospital care/Rehabilitation.
- **Essential Outpatient Services:** Offers labs, radiology, pharmacy, and discharge planning, plus other services like telehealth.
- **Length of Stay:** Patients cannot stay longer than an annual average of 24 hours.
- **Transfer Agreements:** REHs must have a formal transfer agreement with a Level I or II trauma center to ensure patients needing higher-level care are moved quickly.
- **Eligibility:** Available to [Critical Access Hospitals](#) (CAHs) and small rural hospitals (under 50 beds) that were open in late 2020.

## 4. What is the purpose of a Rural Emergency Hospital?

- **Address Rural Hospital Closures:** Offers a viable alternative to shutting down entirely, maintaining local healthcare.
- **Improve Access:** Ensures rural residents have nearby emergency care, reducing travel times.
- **Financial Viability:** Provides new Medicare payment structures, including enhanced outpatient rates and monthly facility payments, to support operations.

## 5. Why Convert from a CAH to a REH?

- Redefines the rural hospital, focusing on urgent needs rather than inpatient stays, preserving crucial healthcare access in underserved communities.
- Allows small facilities to continue providing emergency and outpatient care while eliminating costly inpatient services
- As of early 2026, dozens of hospitals have converted to this status to preserve essential local healthcare access in communities where full-service hospitals are no longer financially sustainable.
- **Sustainability:** Struggling hospitals with very low inpatient volumes often convert to REH status to eliminate the high overhead of maintaining 24/7 inpatient staffing.

## 6. What are the financial Benefits of a REH?

The REH designation provides significant financial support to maintain viability:

- **Monthly Facility Payment:** Each REH receives a fixed monthly payment from Medicare, regardless of patient volume. In 2026, this is \$295,000 per month (over \$3.54 million annually).
- **Enhanced Reimbursement:** Medicare pays REHs at the standard outpatient rate plus an additional 5% for covered services.

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### 7. Why did Boulder City Hospital decide to reclassify as a Rural Emergency Hospital?

Critical Access Hospitals (CAHs) have been closing or converting to other models at an alarming rate across the United States.

CAHs are facing closure because they operate on thin margins in low-volume markets, face low and inconsistent reimbursement from payers, struggle with workforce shortages, are slow to pay vendor and loan obligations, and carry high fixed costs — all against a backdrop of demographic and policy pressures that make long-term financial viability very hard to achieve.

Some CAHs are not closing outright but rather switching to different designations, such as Rural Emergency Hospitals (REHs), which allow emergency care without inpatient beds to improve reimbursement. Boulder City Hospital is converting to a Rural Emergency Hospital designation.

Although reclassification to a Rural Emergency Hospital comes with payer and reimbursement advantages, this does not always solve financial pressures, and many facilities still risk shutting down.

### 8. Boulder City Hospital is reclassifying to a Rural Emergency Hospital due to three main factors:

1. Financial Instability
2. Low patient volumes
3. Reimbursement gaps

### 9. We are converting to a Rural Emergency Hospital; what happens next?

- Impacted employees will have received a letter notifying them of the intent to convert to a Rural emergency Hospital, the impacted service areas, and their rights in the State of Nevada.
- Effective May 1, 2026, the Hospital will cease accepting inpatient admissions. Any patient requiring overnight admission, other than a <24-hour observation stay, will be transferred to area hospitals per current transfer agreements.

### 10. What areas at Boulder City Hospital are impacted?

- The following areas will no longer accept patients on or before May 1, 2026:
  - Inpatient care services, including areas known as Med Surg and TRU
  - Geriatric Psychiatry
- Patients currently admitted to these areas will be subject to a transfer agreement with area hospitals.

### 11. I am an employee in an impacted area. What's next?

To provide additional information and answer general questions, the hospital will hold virtual informational meetings as follows:

March 16 from 10a-11a: <https://us02web.zoom.us/j/88241715571?pwd=YuXQWi1HLY6g12Qxji8AexazRYR23V.1>  
Meeting ID: 882 4171 5571 / Passcode: 931094

March 17 from 530p-630p: <https://us02web.zoom.us/j/88218908650?pwd=tx7s4jDs8yV6tbQNKn1UGi8UEjJWcl.1>  
Meeting ID: 882 1890 8650 / Passcode: 728845

March 18 from 2p-3p: <https://us02web.zoom.us/j/89033499523?pwd=PbKbm0iD1jEAct5zS4DeAPxGOTfXDR.1>  
Meeting ID: 890 3349 9523 / Passcode: 378330

Attendance is voluntary. This meeting is intended to supplement, not replace, the written notice provided under the WARN Act. However, information regarding final pay, continuation of benefits, and severance (if applicable) will be provided separately. You may be eligible for COBRA continuation coverage and state unemployment insurance. If you have questions regarding this notice or the layoff, please contact:

Belinda McGraw, SHRM-CP  
Director of Human Resources  
Boulder City Hospital  
901 Adams Blvd  
Boulder City, NV 89005  
O: (702) 293-4111 ext. 5773  
E: [bmcgraw@bchnv.org](mailto:bmcgraw@bchnv.org)



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We expect the ***closing of inpatient care services*** to be permanent. This closing will involve cessation of all operations and termination of all employees at the unit site.