

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SEVENTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 697**

FINAL READING

Introduced by Kolterman, 24; Wayne, 13.

Read first time January 05, 2022

Committee: Health and Human Services

- 1 A BILL FOR AN ACT relating to health care facilities; to amend sections
- 2 71-401 and 71-403, Revised Statutes Cumulative Supplement, 2020; to
- 3 define terms; to provide for licensure of rural emergency hospitals;
- 4 to require coverage for rural emergency hospital services; to
- 5 harmonize provisions; and to repeal the original sections.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 71-401, Revised Statutes Cumulative Supplement,  
2 2020, is amended to read:

3 71-401 Sections 71-401 to 71-476 and sections 3 to 7 of this act  
4 shall be known and may be cited as the Health Care Facility Licensure  
5 Act.

6 Sec. 2. Section 71-403, Revised Statutes Cumulative Supplement,  
7 2020, is amended to read:

8 71-403 For purposes of the Health Care Facility Licensure Act,  
9 unless the context otherwise requires, the definitions found in sections  
10 71-404 to 71-431 and sections 3 and 4 of this act shall apply.

11 Sec. 3. Rural emergency hospital means a facility that:

12 (1) Meets the eligibility requirements described in section 5 of  
13 this act;

14 (2) Provides rural emergency hospital services;

15 (3) Maintains an emergency department to provide rural emergency  
16 hospital services in the facility twenty-four hours per day that is  
17 staffed twenty-four hours per day and seven days per week, with a  
18 physician, nurse practitioner, clinical nurse specialist, or physician  
19 assistant;

20 (4) Has a transfer agreement in effect with a comprehensive level  
21 trauma center or an advanced level trauma center as defined in the  
22 Statewide Trauma System Act and any other transfer agreement necessary  
23 for patient care; and

24 (5) Meets such other requirements as the department finds necessary  
25 in the interest of the health and safety of individuals who are provided  
26 rural emergency hospital services and to implement licensure under the  
27 Health Care Facility Licensure Act that satisfies requirements for  
28 reimbursement by federal health care programs as a rural emergency  
29 hospital.

30 Sec. 4. Rural emergency hospital services means the following  
31 services, provided by a rural emergency hospital, that do not require in

1 excess of an annual per-patient average of twenty-four hours in such  
2 rural emergency hospital:

3 (1) Emergency department services and observation care; and

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

9 Sec. 5. (1) A facility shall be eligible to apply for a license as  
10 a rural emergency hospital if such facility is:

11 (a) Licensed as a critical access hospital;

12 (b) Licensed as a general hospital with not more than fifty licensed  
13 beds located in a county in a rural area as defined in section 1886(d)(2)  
14 (D) of the federal Social Security Act; or

15 (c) Licensed as a general hospital with not more than fifty licensed  
16 beds that is deemed as being located in a rural area pursuant to section  
17 1886(d)(8)(E) of the federal Social Security Act.

18 (2) A facility applying for licensure as a rural emergency hospital  
19 shall include with the application:

20 (a) An action plan for initiating rural emergency hospital services,  
21 including a detailed transition plan that lists the specific services  
22 that the facility will retain, modify, add, and discontinue;

23 (b) A description of services that the facility intends to provide  
24 on an outpatient basis; and

25 (c) Such other information as required by rules and regulations  
26 adopted and promulgated by the department.

27 (3) A rural emergency hospital shall not have inpatient beds, except  
28 that such hospital may have a unit that is a distinct part of such  
29 hospital and that is licensed as a skilled nursing facility to provide  
30 post-hospital extended care services.

31 (4) A rural emergency hospital may own and operate an entity that

1 provides ambulance services.

2 (5) A licensed general hospital or critical access hospital that  
3 applies for and receives licensure as a rural emergency hospital and  
4 elects to operate as a rural emergency hospital shall retain its original  
5 license as a general hospital or critical access hospital. Such original  
6 license shall remain inactive while the rural emergency hospital license  
7 is in effect.

8 Sec. 6. A licensed rural emergency hospital may enter into any  
9 contracts required to be eligible for federal reimbursement as a rural  
10 emergency hospital.

11 Sec. 7. The department shall adopt and promulgate rules and  
12 regulations establishing minimum standards for the establishment and  
13 operation of rural emergency hospitals in accordance with the Health Care  
14 Facility Licensure Act, including licensure of rural emergency hospitals.

15 Sec. 8. Any individual or group sickness and accident insurance  
16 policy or subscriber contract, nonprofit hospital or medical service  
17 policy or plan contract, or health maintenance organization contract and  
18 any self-funded employee benefit plan to the extent not preempted by  
19 federal law or exempted by state law shall provide benefits for services  
20 when performed by a licensed rural emergency hospital if such services  
21 would be covered under such policies, contracts, or coverage if performed  
22 by a general hospital.

23 Sec. 9. Original sections 71-401 and 71-403, Revised Statutes  
24 Cumulative Supplement, 2020, are repealed.