

119TH CONGRESS  
2D SESSION

**S.** \_\_\_\_\_

To establish a guaranteed funding stream to keep existing emergency rooms at America’s rural hospitals open, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

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Mr. HAWLEY (for himself and Ms. HASSAN) introduced the following bill; which was read twice and referred to the Committee on

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**A BILL**

To establish a guaranteed funding stream to keep existing emergency rooms at America’s rural hospitals open, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Rural Hospital Emer-  
5 gency Room Guarantee Act”.

1 **SEC. 2. RURAL HOSPITAL EMERGENCY ROOM GUARANTEE**  
2 **FUND.**

3 Part P of title III of the Public Health Service Act  
4 (42 U.S.C. 280g et seq.) is amended by adding at the end  
5 the following:

6 **“SEC. 399V-8. RURAL HOSPITAL EMERGENCY ROOM GUAR-**  
7 **ANTEE FUND.**

8 “(a) **ESTABLISHMENT.**—There is established in the  
9 Treasury of the United States a fund, to be known as the  
10 ‘Rural Hospital Emergency Room Guarantee Fund’ (re-

11 ferred to in this section as the ‘Fund’), consisting of—  
12 “(1) such amounts as are appropriated to the  
13 fund pursuant to subsection (i); and

14 “(2) any amounts collected as civil monetary  
15 penalties under subsection (g)(2)(A).

16 “(b) **ADMINISTRATION.**—The Fund shall be adminis-  
17 tered by the Secretary, acting through the Administrator  
18 of the Health Resources and Services Administration (re-  
19 ferred to in this section as the ‘Secretary’).

20 “(c) **USE OF FUNDS.**—

21 “(1) **IN GENERAL.**—Amounts in the Fund shall  
22 be available, without further appropriation or fiscal  
23 year limitation, to the Secretary to make payments  
24 under the program established under paragraph (2).

25 “(2) **PROGRAM.**—

1           “(A) IN GENERAL.—Not later than 90  
2 days after the date of enactment of the Rural  
3 Hospital Emergency Room Guarantee Act, the  
4 Secretary shall establish, and solicit applica-  
5 tions for, a 10-year program (referred to in this  
6 section as the ‘program’) to make payments to  
7 eligible entities for the authorized uses de-  
8 scribed in subsection (e).

9           “(B) PAYMENTS.—Each year of the pro-  
10 gram, the Secretary shall—

11                   “(i) make a payment—

12                           “(I) in the first year of the pro-  
13 gram, in the amount of \$1,000,000  
14 (to be distributed in equal payments  
15 on a quarterly basis) to each eligible  
16 entity with an approved application  
17 under subsection (d)(2); and

18                           “(II) in each subsequent year of  
19 the program, in an amount equal to  
20 the amount of the payment for the  
21 preceding year, as adjusted to reflect  
22 changes for the 12-month period end-  
23 ing the preceding November 30 in the  
24 Consumer Price Index for Medical  
25 Care Services published by the Bu-

1           reau of Labor Statistics of the De-  
2           partment of Labor; and

3           “(ii) make an additional payment to  
4           each such eligible entity in an amount not  
5           greater than 50 percent of the amount of  
6           the payment made to such eligible entity  
7           under clause (i) for that year, to be deter-  
8           mined by the Secretary with respect to  
9           each such eligible entity pursuant to a for-  
10          mula established by the Secretary by rule-  
11          making based on, with respect to an eligi-  
12          ble entity—

13                   “(I) the payor mix of the eligible  
14                   entity;

15                   “(II) the injury need of patients  
16                   within the immediate geographical  
17                   area in which the eligible entity is lo-  
18                   cated;

19                   “(III) the economic conditions in  
20                   the geographic area in which such eli-  
21                   gible entity is located; and

22                   “(IV) past financial history of  
23                   such eligible entity.

24                   “(C) EMERGENCY PAYMENTS.—The Sec-  
25                   retary may make an additional payment, in an

1 amount not to exceed \$250,000, to an eligible  
2 entity with an approved application under sub-  
3 section (d)(2) in any year of the program if the  
4 Secretary determines that the emergency de-  
5 partment of such eligible entity is in danger of  
6 closing in the next 14 days, on the condition  
7 that no eligible entity may receive more than 1  
8 such payment in any year of the program.

9 “(d) APPLICATIONS; APPROVAL; ELIGIBILITY.—

10 “(1) IN GENERAL.—Each entity desiring to re-  
11 ceive payments under the program shall submit to  
12 the Secretary an application at such time, in such  
13 manner, and containing such information as the Sec-  
14 retary may require.

15 “(2) APPROVAL.—

16 “(A) IN GENERAL.—Not later than 30  
17 days after receiving an application under para-  
18 graph (1), the Secretary shall approve such ap-  
19 plication if the Secretary determines that such  
20 entity meets the eligibility criteria described in  
21 paragraph (3). Such approval shall apply with  
22 respect to such an entity for the duration of the  
23 program, except as provided in paragraph (4).

24 “(B) REQUIREMENT.—If the Secretary  
25 does not approve an application under subpara-

1 graph (A), as soon as practicable after such dis-  
2 approval, the Secretary shall provide to the ap-  
3 plicant—

4 “(i) an explanation of the reason for  
5 the disapproval; and

6 “(ii) an expedited process for curing  
7 any deficiencies in the application and re-  
8 applying.

9 “(3) ELIGIBILITY.—To be eligible to receive a  
10 payment under the program, an entity—

11 “(A) shall be a rural health facility (as de-  
12 fined in section 2105(h)(3)(D) of the Social Se-  
13 curity Act), other than an entity described in  
14 clause (i)(II) of such section;

15 “(B) shall participate in a Federal health  
16 care program (as defined in section 1128B(f) of  
17 such Act); and

18 “(C) shall operate a 24-hour emergency  
19 department of a hospital (as defined in section  
20 2799A–1(a)(3)) or a 24-hour independent free-  
21 standing emergency department (as so defined).

22 “(4) CONDITION OF PARTICIPATION.—After the  
23 date on which the application of an eligible entity is  
24 approved under paragraph (2)(A), if such eligible  
25 entity is acquired, in whole or in part, by a private-

1 equity, venture-capital, or similarly purposed owner-  
2 ship fund, such eligible entity may not continue to  
3 participate in the program.

4 “(e) AUTHORIZED USES.—An eligible entity receiving  
5 payments under the program—

6 “(1) may only use the funds to pay for the nor-  
7 mal operating expenses, including for staffing, of the  
8 emergency department of such eligible entity; and

9 “(2) may not—

10 “(A) use the funds—

11 “(i) to develop projects that do not di-  
12 rectly impact the existing operations of  
13 such eligible entity; or

14 “(ii) to make payments to executives,  
15 executive staff, or members of the board of  
16 directors of such eligible entity; or

17 “(B) transfer the funds to other facilities,  
18 including other facilities of such eligible entity.

19 “(f) REPORTING.—Each eligible entity receiving pay-  
20 ments under the program shall submit to the Secretary  
21 an annual report describing the financial condition and  
22 continued need of such eligible entity and the impact of  
23 such payments received during the preceding year on such  
24 eligible entity. The Secretary may not use such reported

1 information to disqualify such eligible entity from partici-  
2 pation in the program.

3 “(g) COMPLIANCE.—

4 “(1) IN GENERAL.—The Secretary shall con-  
5 duct random audits of eligible entities receiving pay-  
6 ments under the program to ensure the compliance  
7 of such eligible entities with the requirements of the  
8 program.

9 “(2) VIOLATIONS.—If the Secretary determines  
10 that an eligible entity has violated a requirement of  
11 the program, the Secretary may—

12 “(A) impose civil penalties, including civil  
13 monetary penalties, against such eligible entity;  
14 or

15 “(B) remove such eligible entity from par-  
16 ticipation in the program.

17 “(h) REGULATIONS FOR REPORTING.—Not later  
18 than 90 days after the date of enactment of the Rural  
19 Hospital Emergency Room Guarantee Act, the Secretary,  
20 acting through the Administrator of the Centers for Medi-  
21 care & Medicaid Services, shall promulgate regulations—

22 “(1) establishing a reporting methodology for  
23 eligible entities enrolled in the Medicare program  
24 under title XVIII of the Social Security Act under  
25 section 1866(j) of such Act to disclose for informa-

1 tional purposes on any required cost reports under  
2 such title XVIII all payments received under the  
3 program; and

4 “(2) allowing an eligible entity to exclude all  
5 payments received under the program from cost set-  
6 tlement calculations and expense offsets.

7 “(i) MANDATORY FUNDING.—Out of any money in  
8 the Treasury not otherwise appropriated, there is author-  
9 ized to be appropriated, and there is appropriated, to the  
10 Fund such sums as are necessary for each of fiscal years  
11 2026 through 2036.

12 “(j) EFFECT.—Participation in the program shall not  
13 be taken into account in determining eligibility of an eligi-  
14 ble entity under any other Federal health care program  
15 (as defined in section 1128B(f) of the Social Security Act)  
16 and any payment under the program shall be in addition  
17 to any payment such eligible entity is eligible to receive  
18 under any other Federal health care program (as so de-  
19 fined).”.