



Health Facility Licensing Guidance Letter

Number: GL 23-1000
Title: Emergency Rule for Limited Services Rural Hospitals
Provider Types: General and Special Hospitals
Date Issued: January 13, 2023

1.0 Subject and Purpose

The Health and Human Services Commission (HHSC) adopted an emergency rule to allow a qualified rural hospital that meets the requirements to be designated as a rural emergency hospital under the [Code of Federal Regulations §§485.502](#) and [485.506](#) to apply to HHSC for a limited services rural hospital (LSRH) license under [Texas Health and Safety Code \(HSC\) Chapter 241, Subchapter K](#).

This emergency rule implements [Senate Bill \(SB\) 1621, 86th Legislature, Regular Session, 2019](#), which the Legislature enacted to further federal efforts to ensure individuals living in rural areas continue to have access to hospital care, in response to the closure of rural hospitals.

This letter describes the emergency rule and the license application process.

2.0 Emergency Rule Details

New emergency rule §600.1, Limited Services Rural Hospital, was adopted under Texas Administrative Code Title 26 (26 TAC) Part 1, Chapter 600 on January 13, 2023. This emergency rule establishes requirements for qualified rural hospitals to apply to HHSC for an LSRH license and forego any conflicting inpatient license and operational requirements to protect public health and safety of rural communities until HHSC adopts standard rules for LSRH licensure in the TAC.

2.1 Emergency Rule Text

TITLE 26 HEALTH AND HUMAN SERVICES
PART 1 HEALTH AND HUMAN SERVICES COMMISSION
CHAPTER 600 LIMITED SERVICES RURAL HOSPITALS

§600.1. Limited Services Rural Hospital.

(a) Based on Texas Health and Safety Code (HSC) Chapter 241, Subchapter K (relating to Limited Services Rural Hospital), as added by Senate Bill 1621, 86th Legislature, Regular Session, 2019, the Texas Health and Human Services Commission (HHSC) adopts this emergency rule to establish requirements for qualified rural hospitals to apply to HHSC for a limited services rural hospital (LSRH) license and forego any conflicting inpatient license and operational requirements, to protect public health and safety of rural communities until HHSC adopts standard rules for LSRH licensure in the Texas Administrative Code.

(b) To the extent this emergency rule conflicts with Texas Administrative Code Title 25 (25 TAC) Chapter 133 (relating to Hospital Licensing), this emergency rule controls.

(c) In this section, "qualified rural hospital" means a hospital that meets the requirements to be designated as a rural emergency hospital under the Code of Federal Regulations Part 42 (42 CFR) §485.502 (relating to Definitions), and §485.506 (relating to Designation and certification of REHs) that is currently licensed under HSC Chapter 241 (relating to Hospitals); and is:

(1) located in a rural area, as defined by United State Code Title 42 Section 1395ww(d)(2)(D); or

(2) designated by the Centers for Medicare and Medicaid Services as a critical access hospital, rural referral center, or sole community hospital.

(d) Notwithstanding the licensing and operational requirements in 25 TAC Chapter 133, a qualified rural hospital may apply to HHSC for an LSRH license using a form prescribed by HHSC as described on the HHSC website.

(e) The presurvey conference and architectural and compliance inspections under 25 TAC §133.22 (relating to Application and Issuance of Initial License) are not required for licensure under this emergency rule.

(f) If HHSC approves a hospital's LSRH application, HHSC will issue the hospital an LSRH license with the same expiration date as the hospital's current license and the hospital's existing license becomes void.

(g) An LSRH shall comply with the following:

(1) 42 CFR Part 485, Subpart E (relating to Conditions of Participation: Rural Emergency Hospitals (REHs));

(2) 25 TAC §133.44 (relating to Hospital Patient Transfer Policy), and

(3) 25 TAC §133.61 (relating to Hospital Patient Transfer Agreements).

(h) In addition to the conditions of participation (CoPs) at 42 CFR Part 485, Subpart E, the hospital shall comply with 25 TAC Chapter 133 to the extent it does not conflict with the CoPs.

(i) An LSRH licensed under this section shall comply with 25 TAC §133.23 (relating to Application and Issuance of Renewal License). The renewal licensure fee shall be the amount the hospital previously paid for its most recent hospital license.

2.2 New Emergency Rule §600.1, Limited Services Rural Hospital

Under new emergency rule §600.1, a general or special hospital currently licensed under [HSC Chapter 241](#) may apply for an LSRH license if the hospital:

- Meets the requirements to be designated as a rural emergency hospital under the [Code of Federal Regulations §§485.502 and 485.506](#); and is
- Located in a rural area, as defined by [United State Code Title 42 Section 1395ww\(d\)\(2\)\(D\)](#); or
- designated by the Centers for Medicare and Medicaid Services (CMS) as a critical access hospital, rural referral center, or sole community hospital.

The new rule is effective until it expires or is withdrawn at an earlier date as determined by HHSC. The new rule is available for review in [Section 2.1](#).

2.3 Applying for an LSRH License

To apply for an LSRH license, an applicant must complete [Form 3240, Limited Services Rural Hospital \(LSRH\) License Application](#), and submit to HHSC all information required by the application.

HHSC will review all applications submitted, and applicants will receive correspondence by email from HHSC about their application status.

3.0 Background/History

As authorized by Texas Government Code §2001.034, HHSC may adopt an emergency rule without prior notice or hearing upon finding that an imminent peril to the public health, safety, or welfare requires adoption on fewer than 30 days' notice. Emergency rules adopted under Texas Government Code §2001.034 may be effective for not longer than 120 days and may be renewed for not longer than 60 days.

HHSC accordingly finds that the threat to access to hospital care constitutes an imminent peril to the public health, safety, and welfare of the state that requires immediate adoption of this emergency rule for limited services rural hospitals.

4.0 Resources

View emergency rule §600.1 in the *Texas Register* by searching Texas Register Docket Number (TRD ID): **202300169** at:
[https://texreg.sos.state.tx.us/public/regviewctx\\$.startup](https://texreg.sos.state.tx.us/public/regviewctx$.startup).

View SB 1621 (86th Legislature, Regular Session, 2019) at:
<https://capitol.texas.gov/tlodocs/86R/billtext/html/SB01621F.htm>.

View HSC Chapter 241 at:
<https://statutes.capitol.texas.gov/Docs/HS/htm/HS.241.htm>.

View Code of Federal Regulations §485.502 at:
<https://www.ecfr.gov/current/title-42/chapter-IV/subchapter-G/part-485/subpart-E/section-485.502>.

View Limited Services Rural Hospital (LSRH) License Application, at:
<https://www.hhs.texas.gov/regulations/forms/3000-3999/form-3240-limited-services-rural-hospital-license-application>.

To receive future updates, sign up for GovDelivery at:
<https://service.govdelivery.com/accounts/TXHHSC/subscriber/new>.

5.0 Contact Information

If you have any questions about this letter, please email the Policies and Rules Unit at: HCR_PRU@hhs.texas.gov.