



Rural Health Clinics: A General Overview

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Overview

- The following areas will be discussed:
 - What is an RHC?
 - RHC Reimbursement
 - Independent vs. Provider-Based RHCs
 - RHC Location Requirements
 - RHC Staffing Requirements
 - Provision of Services
 - Resources



What is an RHC?

- A Rural Health Clinic (RHC) is a clinic certified to receive special Medicare and Medicaid reimbursement.
- The purpose of the RHC program is improving access to primary care in underserved rural areas.
- The clinic must be staffed at least 50% of the time with a midlevel practitioner.

(Rural Assistance Center FAQ)



Independent RHCs

- Independent RHCs are generally private physician offices or hospital clinics whose parent is > 50 beds.
- RHC encounters are paid using the current RHC cap.
- Independent RHCs must file an annual cost report, which is due 5 months after the end of each fiscal year.
- Failure to file timely cost reports can result in full refunds of RHC payments.



Provider-Based RHCs

- Provider-based RHCs (PBRHC) are those owned by, and fully integrated with, a parent entity such as a hospital, nursing facility, or home health agency.
- PBRHCs owned by a hospital with 50 beds or less qualify for an un-capped RHC rate.
- Claims are billed to the MAC which services the parent entity.
- PBRHCs whose parent entity is greater than 50 beds have the same cap as independents.
- PBRHCs rate is set under the parent entity's cost report.



Cost Based Reimbursement

- Rural Health Clinics are paid an encounter rate based on the clinic's cost per patient.
- The cost per patient is based on:

Allowable Clinic Expenses

Total Patient Encounters



RHC Encounter Rate 2012

The current maximum RHC encounter rate is \$78.54. This represents a .6% increase over 2011.

The rate increases annually using a formula based on the MEI.



RHC Productivity Standards

Physician – 1 FTE

4200 Encounters

19 per day

MLP – 1 FTE

2100 Encounters

9.5 per day



Medicare Part A: RHC Claims

- Rural Health Clinic claims are administered by Medicare Part A.
- It is a Part B (Physician Service) benefit, using the structure of Medicare Part A.
- This is why we deal with UB04, Cost Reports, Revenue Codes, etc.



Fee Schedule – 1500 Claims

In Missouri – some Medicare and Medicaid claims will continue to be submitted and paid via the Physician Fee Schedule on a 1500, including:

- All lab services
- Technical Components for all Dx testing
- Hospital Professional Services



Medicare RHC Payments

- Medicare will pay 80% of the RHC encounter rate.
- The patient will be responsible for 20% co-insurance and deductible amounts, which are based on total charges instead of an allowable.



Medicaid RHC Payments

- Missouri Medicaid sets the RHC via cost report.
- Independent RHC encounter rates are based on the CMS cap.
- Provider-based RHCs are set based on the reasonable cost to charge ratio and Medicare.



RHC Location Requirements

RHCs must be located in one of the following:

- Geographic-based Health Professional Shortage Area (HPSA)
- Population-based HPSA
- Medically Underserved Areas (MUAs)
- Governor Designated and Secretary certified area

The shortage area designation must have been updated within the past four years.



RHC Location Requirements

The clinic must also be located in a non-urban area according to the U.S. Census Bureau.

RAC 'Am I Rural' lookup tool:

<http://maps.rupri.org/circ/racrural/amirural.asp>



Physical Facility¹

The Rural Health Clinic program does not place any restrictions on the type of facility that can be designated as an RHC. A Rural Health Clinic may be either a permanent location that is a stand alone building or a designated space within a larger facility. The clinic can also be a mobile facility that moves from one community to another community.



RHC Physician Staffing Requirements

- The clinic must have a designated medical director.
- A physician must be present in the clinic once every two weeks.
- The physician/medical director must see at least one patient and provide medical direction, consultation, and oversight.



RHC Mid-Level Provider (MLP) Requirements

- ▶ A nurse practitioner, physician assistant, or certified nurse mid-wife must be employed by the RHC.
- ▶ The MLP must be available for patient at least 50% of posted patient hours.



RHC Approved Providers

- Physicians – M.D. or D.O.
- Mid-level providers – N.P., P.A., or C.N.M.
- Mental Health Providers:
 - Clinical Psychologist – Ph.D.
 - Licensed Clinical Social Worker
 - (NO L.P.C. or C.P.C!)



Lab Services

Each RHC must have the ability to perform:

- Chemical examinations of urine
- Hemoglobin or Hematocrit
- Blood Sugar
- Occult Blood
- Pregnancy test
- Primary culturing for transmittal to lab



Emergency Response

Rural Health Clinics must be able to provide “first response” services to common life-threatening injuries and acute illnesses. In addition, the clinic must have access to those drugs used commonly in life-saving procedures.



RHC Policy and Procedure Manual¹

The Clinic must also maintain written patient care policies that:

- Are developed by a physician, physician assistant or nurse practitioner, and one health practitioner who is not a member of the clinic staff.
- Describe the services provided directly by the clinic's staff or through arrangement.
- Provide guidelines for medical management of health problems.
- Provide for annual review of the policies.



RHC Service Locations

- Rural Health Clinic services can be provided at:
 - the clinic (or center)
 - a nursing home (SNF beds included)
 - the patient's place of residence
 - elsewhere (i.e. the scene of an accident)



Rural Health Clinic Services - Medicare

- Physicians' services
- Services and supplies incident to a physician's service
- Services of nurse practitioners (NP), physician assistants (PA), and certified nurse midwives (CNM)
- Services and supplies incident to the services of nurse practitioners and physician assistants (including services furnished by nurse midwives)

(Medicare Benefit Policy Manual Chapter 13)



Rural Health Services (Continued)

- Visiting nurse (VN) services to the homebound
- Clinical psychologist (CP) and clinical social worker services (CSW)
- Services of registered dietitians or nutritional professionals for diabetes training services and medical nutrition therapy
- Otherwise covered drugs that are furnished by, and incident to, services of physicians and non-physician practitioners of the RHC/FQHC

(Medicare Benefit Policy Manual Chapter 13)



Non-Payable but Covered Services

- ▶ These services are bundled and are not separately payable as encounters:
 - Nursing Visit
 - Telephone Consultation
 - Diabetic Nutrition Counseling
 - Zostavax (can be billed to Part D)
 - Hepatitis

MEDICARE BILLING INFORMATION FOR RURAL PROVIDERS AND SUPPLIERS

QUICK REFERENCE RURAL BILLING CHARTS

	Ambulance Services	Office Visits**	Hospital Services	Radiology and Diagnostics	Clinical Laboratory Tests	Supplies and Drugs	Preventive Services						
							Screening Mammography Services and Pelvic Screening Exams	Cardiovascular Screening, Diabetes Screening, and Screening Pap Tests	IPPEs	Influenza and PPVs	HBVs	Colorectal and Prostate Cancer Screenings and BMMs***	Glaucoma Screenings
Rural Health Clinic	N/A	Bill FI or A/B MAC	N/A	<p>Provider based Professional component Bill FI or A/B MAC</p> <p>Technical component Bill FI or A/B MAC using base provider's ID number*</p> <p>Non-provider based Professional component Bill carrier or A/B MAC</p> <p>Technical component Bill carrier or A/B MAC using practitioner's ID number*</p>	<p>Provider based Bill FI or A/B MAC using base provider's ID number*</p> <p>Non-provider based Bill carrier or A/B MAC using practitioner's ID number*</p>	RHCs receive no additional payment; costs included in encounter rate	<p>Provider based Professional component Bill FI or A/B MAC</p> <p>Technical component Bill FI or A/B MAC using base provider's ID number*</p> <p>Non-provider based Professional component Bill FI or A/B MAC</p> <p>Technical component Bill carrier or A/B MAC using practitioner's ID number*</p>	<p>Provider based Bill FI or A/B MAC using base provider's ID number*</p> <p>Non-provider based Bill carrier or A/B MAC using practitioner's ID number*</p>	<p>Provider based Professional component Bill FI or A/B MAC</p> <p>Technical component of EKGs Bill FI or A/B MAC using base provider's ID number*</p> <p>Non-provider based Professional component Bill FI or A/B MAC</p> <p>Technical component of EKGs Bill carrier using practitioner's ID number*</p>	Costs for vaccines included in cost report; no line items for vaccines are billed to FI or A/B MAC in addition to encounter	Effective 1/1/11, a separate line item for the vaccine must be billed to FI or A/B MAC RHCs receive no additional payment; costs included in encounter rate	<p>Provider based Professional component Bill FI or A/B MAC</p> <p>Technical component Bill FI or A/B MAC using base provider's ID number*</p> <p>Non-provider based Professional component Bill FI or A/B MAC</p> <p>Technical component Bill carrier or A/B MAC using practitioner's ID number*</p>	<p>If and only if beneficiary has an otherwise covered encounter Bill FI or A/B MAC</p> <p>All provider types No separable technical component</p>



CMS Quick Reference Guide

- See the following chart for a quick reference on RHC billing.
- This is also posted on www.northamericanhms.com.

<http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads//RuralChart.pdf>



Medicare Advantage

There are two types of Medicare Advantage Plans:

1. Private Fee For Service – no contract necessary. Send RHC rate letter. Submit claims on UB04. **Should** pay the RHC encounter rate.
2. Regional PPO – must negotiate RHC payment in contract. Not required to pay rate.



References

1. Starting a Rural Health Clinic - A How-To Manual. US Dept of Health and Human Services. Health Resources and Services Administration. Page 2



CMS and Medicare Resources

CMS Rural Health Center – www.cms.gov/center/rural.asp

Online Manuals -

www.cms.gov/Manuals/IOM/list.asp?listpage=1

Trailblazer's Rural Health Clinic Manual

www.trailblazerhealth.com/Publications/Training%20Manual/rhcmanual.pdf

Cahaba – www.cahabagba.com



Rural Health Resources

National Association of RHCs (NARHC)

www.narhc.org

Rural Assistance Center

<http://www.raconline.org/topics/clinics/rhc.php>



Preventive Service Links

IPPE (MM6445)

<http://www.cms.gov/MLNMattersArticles/downloads/MM6445.pdf>

Annual Wellness Exam (MM7079)

<https://www4.cms.gov/MLNMattersArticles/downloads/MM7079.pdf>

MPS Chart:

https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads//MPS_QuickReferenceChart_1.pdf

CMS Preventive Services Center:

<http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/PreventiveServices.html>



Medicare Preventive Reference

MPS Chart:

https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads//MPS_QuickReferenceChart_1.pdf

CMS Preventive Services Center:

<http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/PreventiveServices.html>



More CMS Resources

Medicare Claims Processing Manual – UB04 Completion

www.cms.gov/manuals/downloads/clm104c25.pdf

Medicare Claims Processing Manual – Chapter 9 RHC/FQHC
Coverage Issues

www.cms.gov/manuals/downloads/clm104c09.pdf

MedLearn Catalog

www.cms.gov/MLNProducts/downloads/MLNCatalog.pdf



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