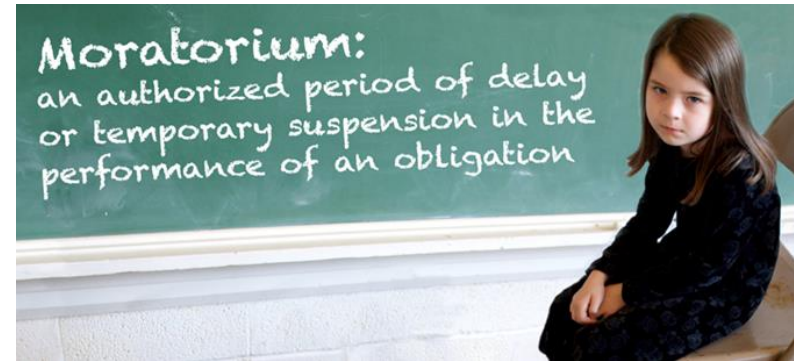


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Healthcare Business Specialists

TennCare Reimbursement Rules Healthcare Business Specialists Azalea Health and ChartSpan February 27, 2020





HBS

Healthcare Business Specialists

Contact Information

**Mark Lynn, CPA (Inactive), CRHCP
RHC Consultant**

**Healthcare Business Specialists
502 Shadow Parkway**

Chattanooga, Tennessee 37421

Phone: (423) 243-6185

marklynnrhc@gmail.com

www.ruralhealthclinic.com

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RHC information](#)**



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Healthcare Business Specialists

Dani Gilbert, CPA, CRHCP
RHC Consultant
Healthcare Business Specialists
144 Hancock Oaks Trce NE
Cleveland, Tennessee 37323
Phone: (833) 787-2542
dani.gilbert@outlook.com
www.ruralhealthclinic.com

[RHC Information Exchange Group on Facebook](#)

"A place to share and find information on RHCs."

RHC Information Exchange Group on Facebook

Join this group to post or ask questions regarding RHCs. Anyone is welcome to post about meetings, seminars, or things of interest to RHCs

<https://www.facebook.com/groups/1503414633296362/>

2019
2020

SAVE THE DATE!

RHC UPDATE SEMINARS



FREE

LOCATIONS & REGISTRATION

Nashville, TN 10/30/19 <http://bit.ly/rhc-nashville>

Somerset, KY 11/06/19 <http://bit.ly/rhc-somerset>

Clanton, AL 01/16/20 <http://bit.ly/rhc-clanton>

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2020 Dates

Nashville, TN 11/4
Somerset, KY 11/12
Clanton, AL 11/18



RURAL HEALTH CLINIC

RHC CONVERSION GUIDE

NOVEMBER, 2019

To view this document online go to <https://tinyurl.com/u88v54w>



Healthcare Business Specialists

Specializing in RHC reimbursement

502 Shadow Parkway Suite 214 Chattanooga, TN 37421

Email: marklynnrhc@gmail.com

Website: www.ruralhealthclinic.com

Telephone: (833) 787-2542

<https://docs.google.com/document/d/1RvzevTq4PAkVpnucCvTSh3d001oij49rCqzLpTbFCPg/edit>

- Information is current as of 2/27/2020 and is subject to change.
- We will supply general information to the best of our knowledge at the time. All situations are specific so refer to specific guidance, as necessary.
- We do not own any RHCs or bill TennCare for services. We do prepare Quarterly TennCare Wrap Reports and Cost Reports for our clients.
- This session is being recorded.

THE

DISCLAIMER



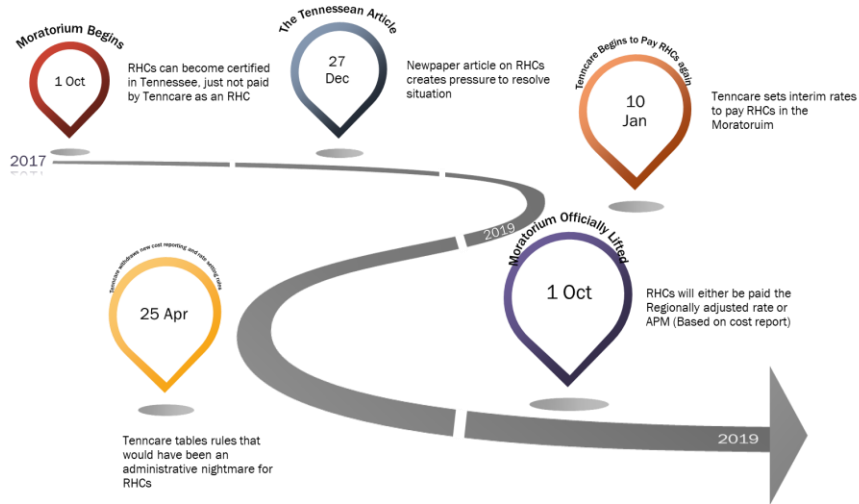
Questions or Comments?

Please type your questions in the Questions area of Go To Webinar. Additionally, we will open the lines for questions at the end of the 45-minute webinar.

TennCare and RHCs



Timeline



Date	Milestone Title	Description or Activity
10/1/2017	Moratorium Begins	RHCs can become certified in Tennessee, just not paid by TennCare as an RHC
12/27/2018	The Tennessean Article	Newspaper article on RHCs creates pressure to resolve situation
1/10/2019	TennCare Begins to Pay RHCs again	TennCare sets interim rates to pay RHCs in the Moratorium
4/25/2019	TennCare withdraws new cost reporting and rate setting rules	TennCare tables rules that would have been an administrative nightmare for RHCs
10/1/2019	Moratorium Officially Lifted	RHCs will either be paid the Regionally adjusted rate or APM (Based on cost report)

December 27, 2018

BREAKING NEWS Man arrested in connection with Evelyn Boswell Amber Alert back in Tennessee, faces arraignment

In small-town Tennessee, rural health clinics struggle as state freezes payments

Anita Wadhvani, The Tennessean Published 6:00 a.m. CT Dec. 27, 2018 | Updated 10:11 a.m. CT Dec. 28, 2018



Alicia Metcalf, co-CEO of the Servolution Health Services clinic explains struggle with the state's TennCare program. Nashville Tennessean



(Photo: Michael Patrick/News Sentinel)

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This story has been updated to name a rural health clinic audited by the Comptroller.

In March, Servolution Health Services threw a party to celebrate its opening as a rural health clinic in

Speedwell, Tenn., a small Appalachian town near the Kentucky border with 5,000 children and no pediatrician.

The new clinic, nestled between a cornfield and a dairy farm, brought on a pediatrician. It hired nurse practitioners to provide primary care to adults, too.

In a county with one-fifth of the population living below the poverty level and high rates of diabetes and hypertension, the clinic is a significant addition.

But the celebration was short-lived.

The clinic is now struggling to stay afloat, caught in a prolonged bureaucratic tangle created by officials with the state's TennCare program.

Extra TennCare payments promised to Servolution — and about 20 other rural health clinics that have opened within the past 15 months — have been frozen while the state works out new payment rules.

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Man to be arraigned after extradition in connection with Evelyn Boswell case

Feb. 27, 2020, 9:32 a.m.

<https://www.tennessean.com/story/news/2018/12/27/TennCare-rural-health-care-issues-tennessee/2349379002/>

TennCare Memorandum on the Moratorium on January 10, 2019



January 10, 2019

Re: Interim rates during Moratorium

TennCare would like to share with you an update regarding payments to Rural Health Clinics (RHCs). As you are aware, there is currently a moratorium on the registration of new RHCs into the TennCare program to allow for the creation of a new set of rules governing FQHC/RHC payments. The rules are designed to allow for clear, detailed, and robust rules for payments to FQHCs and RHCs and are not intended to limit the number of RHCs in the program. The proposed rule is currently in the rulemaking process but is not yet final. TennCare recognizes that the time it has taken to prepare diligent, complete, and fair rules has had a financial impact on new RHCs certified by CMS during the moratorium. In order to mitigate this impact, TennCare is allowing interim RHC supplemental or “wraparound” payments to be made to RHCs certified by CMS during the moratorium. Because the moratorium on new enrollment of RHCs in the TennCare program remains in place, affected RHCs will receive this temporary interim payment but will not be permitted to register with TennCare as an RHC at this time or to establish a final RHC payment rate.

Interim payments will not be based on the individual RHC’s actual cost data, which is used to set the final payment rate. Rather, the interim rate for each affected RHC shall be set at the average rate for all active RHCs that (a) had already received a final payment rate from the Comptroller as of the date the moratorium began and (b) are located in the same Grand Division of the state as the affected RHC. Interim payments will be made dating back to either the effective date of a provider’s certification by CMS as an RHC or the effective date of a provider’s TennCare Medicaid ID number, whichever is later.¹ However, in no case will payments be made dating back earlier than October 25, 2017, which is the date the moratorium began. In addition, no payments will be made for visits prior to when an RHC entered into a participation agreement with a corresponding MCO.

Once the moratorium is lifted and the final rules are in place, TennCare will resume registration of RHCs. At that time, the final payment rate for each newly registered RHC, including those that received these interim payments, will be based on one year of its actual cost report data as required under the proposed rule. Further, at the time the final rate is set, the RHC will be offered a choice of rate methodologies as set forth in the forthcoming state rules: the RHC can choose to be paid according to the Prospective Payment System (PPS) rate or under the Alternative Payment Methodology (APM) rate.

[IMPORTANT NOTE] The interim rate is not based on the individual RHC’s actual cost data. Therefore, there will be a reconciliation process once the final rate has been selected by the RHC under the forthcoming rules. If the RHC has been overpaid under the interim rate as compared to the final rate,

¹ TennCare recognizes that, in the normal course of business, there is typically a gap in time between a provider’s certification by CMS as an RHC and their subsequent registration with the TennCare program as an RHC. However, because there is a moratorium on the enrollment of new RHCs with TennCare, TennCare will rely on the date of CMS certification solely for the purposes of establishing eligibility for this interim payment.



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Experienced Knowledge

TennCare Moratorium Lifted

As of October 1, 2019, TennCare is lifting the moratorium on new RHCs registering as Medicaid RHCs

They have posted a memo and FAQ concerning Final Rate Setting and the Moratorium on their website at:

<https://www.tn.gov/TennCare/moratorium-on-rural-health-centers.html>



RuralHealthClinic.com

Experienced Knowledge

Moratorium on Rural Health Centers and Final Rate Setting

In October 2017 TennCare applied for and received a moratorium from the federal government on the registration of new RHCs with the TennCare program. The initial moratorium period is for 6 months, with applications for extensions permitted by law. In April 2019, the federal government approved a moratorium extension that runs through October 25, 2019. The purpose of the moratorium was to allow for the creation of rules by the Division of TennCare, in consultation with the Comptroller's office, to address issues concerning the RHC payment methodology. The proposed TennCare rules and associated state plan amendment have been withdrawn by TennCare.

As of October 1, 2019, TennCare is lifting the moratorium and moving forward with setting final rates for all clinics that are still on interim rates. For more information about this, please see the following two documents:

[Memo on RHC Moratorium and FQHC/RHC Final Rate Setting](#)

[FAQ on RHC Moratorium and FQHC/RHC Final Rate Setting](#)

NEED HELP? CALL TENNCARE CONNECT AT 855-259-0701

Moratorium on Rural Health Centers and Final Rate Setting

Moratorium on Rural Health Centers and Final Rate Setting

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As of October 1, 2019, TennCare is lifting the moratorium and moving forward with setting final rates for all clinics that are still on interim rates. For more information about this, please see the following two documents:

[Memo on RHC Moratorium and FQHC/RHC Final Rate Setting](#)

[FAQ on RHC Moratorium and FQHC/RHC Final Rate Setting](#)

If you would like to be added to the e-mail list for updates regarding RHC final rates and other information please send an email to Rebekah Stephens @ Rebekah.stephens@tn.gov or call 615.687.4739 with your name, organization, phone number and e-mail address.

TennCare Memorandum on Final Rate Setting



To: Administrators of Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs)
From: Zane Seals, Deputy Chief Financial Officer
Date: September 26, 2019
Subject: Final Rate Setting and Moratorium on FQHCs and RHCs

<https://www.tn.gov/content/dam/tn/TennCare/documents/RateAndMoratoriumMemo.pdf>

As you may already be aware, TennCare has elected to withdraw the proposed rule to govern rate-setting and payment processes for the prospective payment system (PPS) for FQHCs and RHCs. This decision was made in response to a lack of clarity from CMS regarding the rule and associated state plan amendment. TennCare is also withdrawing the proposed state plan amendment. Because the rule and proposed state plan amendment will not be going into effect, TennCare would like to clarify several issues regarding rate setting and reimbursement that affect the provider community.

Moratorium on RHCs

In October of 2017, TennCare gained approval from CMS to implement a moratorium on the registration of new RHCs with TennCare. Beginning on October 1, 2019, TennCare will lift the moratorium on new RHCs registering as Medicaid RHCs. This means that clinics that have already received their federal RHC designation will be able to change their provider type to RHC, and new clinics that obtain RHC status from the federal government will be able to immediately register with TennCare as an RHC. See the attached FAQ on how to register with TennCare as an RHC. All of these clinics will receive a final rate as specified below.

Setting of Final Rates

Clinics (FQHCs and RHCs) that are receiving an interim rate set prior to the moratorium will receive a final PPS rate based on their costs as set by the Comptroller. Clinics impacted by the moratorium (those receiving an interim rate after the issuance of the moratorium) will receive a final PPS rate that is equal to the average of adjacent clinics with similar caseloads. This means that a clinic will receive a final PPS that is equal to the average rate of clinics of the same type (FQHCs for FQHCs, RHCs for RHCs) in their grand division, with a separate average being calculated for clinics of varying caseloads. If there are no such similar clinics, then the facility will receive a cost-based PPS, as explained in the attached FAQ document. These clinics affected by the moratorium will also be given an option of an alternative payment methodology (APM) based on cost data. Clinics must timely respond to data requests from the Comptroller in order to receive final PPS and if applicable, APM rates.

Reconciliation of Final Rates

TennCare recognizes that many clinics have been on an interim rate for a significant period of time, resulting in unique risk to these facilities once the final rate is set. In an effort to recognize this risk posed to these clinics and encourage the stability of healthcare delivery in challenged areas, TennCare will not execute a reconciliation of final rates to those clinics currently on an interim rate established prior to the moratorium, if their final rate is lower than the interim. TennCare will still perform a reconciliation for those clinics whose final rate is higher than the interim, meaning these clinics will receive additional back payments from the state. This means that if a clinic's interim rate established prior to the moratorium is higher than the final rate, TennCare will not seek reconciliation of funds.

If you have questions about any step in this process, please see the attached FAQ that is being distributed with this memo. You can also contact Rebekah Stephens at Rebekah.stephens@tn.gov or 615-687-4739.

TennCare FAQs on Rate Setting



FAQ

Frequently Asked Questions for Federally Qualified Health Center and Rural Health Clinic Final Rate Setting

The purpose of this guidance is to address frequently asked questions from Rural Health Clinics and Federally Qualified Health Centers (RHC/FQHC) regarding the rate setting process.

1. Is the moratorium on registration of new RHCs being lifted?

Yes, effective October 1, 2019.

2. How do I register as a Medicaid RHC once the moratorium is lifted?

You may use the TennCare provider portal to register as an RHC. If your clinic is not yet registered with TennCare, you can begin the process and select "RHC" as the provider type. For clinics that are already registered with TennCare as another provider type but have received RHC status from the federal government, you may contact Provider.Registration@tn.gov in order to initiate the process of switching your clinic type to "RHC."

3. What happened to the rules and new state plan amendment proposed by TennCare?

Both the proposed rules and proposed state plan amendment have been withdrawn by TennCare and will not take effect.

4. I received an interim rate prior to the moratorium. When will I get a final rate and how will my final rate be set?

The Comptroller will begin the process of issuing final rates immediately. Your final rate will be based on your costs as determined by the Comptroller. You are required to respond to data requests from the Comptroller in a timely fashion.

5. I received an interim rate after the issuance of the moratorium. How will my final rate be set?

Per federal law and the existing TennCare State Plan, a clinic's PPS rate will be set using the average PPS rate for neighboring clinics with similar caseloads. This means that a clinic will receive a final PPS that is equal to the average rate of clinics of the same type (FQHCs for FQHCs, RHCs for RHCs), in the same grand division, and with similar caseloads (or visit counts).

If there are no such similar clinics, then the final PPS rate will be based on facility-specific costs. You will receive an interim rate until your final PPS rate is calculated. You must cooperate with the Comptroller to have your facility-specific costs calculated.

If your clinic received an interim rate during the moratorium and qualifies to receive a regional caseload-adjusted PPS, you will have the option of an alternative payment methodology (APM) based on your facility-specific costs. The APM can only be offered if it is at least as high or higher than the regional caseload-adjusted PPS. Clinics wishing to pursue this APM option should contact the Comptroller at Karen.Degges@cot.tn.gov.

<https://www.tn.gov/content/dam/tn/TennCare/documents/FQHCRHCFAQ.pdf>

TennCare FAQs on Rate Setting (2)



FAQ

6. What if my final rate is lower than my interim rate?

In order to recognize the unique risks posed to facilities who are currently on interim rates established prior to the moratorium, TennCare will not execute a reconciliation of the final rate if the final rate is lower than the interim rate. This means there will be no recoupment in applying your final rate--your final rate will only be applied prospectively.

Clinics impacted by the moratorium (those receiving interim rates after the issuance of the moratorium) and in the future will experience full reconciliations. It is important to note that clinics must still respond to data requests from the Comptroller in a timely fashion so that the Comptroller can set the final rates.

7. What if my final rate is higher than my interim rate?

If you are currently on an interim rate, including those impacted by the moratorium, then TennCare will reconcile the final rate retroactively if the final rate is higher than the interim rate. For clinics that are already registered with TennCare as an RHC, the reconciliation will cover all services on or after the date of your registration with TennCare as an RHC. For clinics that are impacted by the moratorium and are therefore not currently registered as an RHC, this reconciliation will cover all services on or after the date of receiving RHC status from the federal government (these clinics must still register with TennCare as an RHC as part of this process). This reconciliation means you will receive additional back payments from TennCare for the above described periods. It is important to note that clinics must still respond to data requests from the Comptroller in a timely fashion so that the Comptroller can set the final rates.

8. I am a new clinic entering the program after the Moratorium is lifted. Will I get an interim rate?

If there is an average PPS rate for neighboring clinics of the same type (FQHCs for FQHCs, RHCs for RHCs) with similar caseloads, then you will immediately receive that rate as your final PPS rate. If there are not adequate neighboring clinics with similar caseloads, then you will receive an average PPS rate on an interim basis until you receive a final rate based on your costs.

9. I have questions about my rate. Who can I call?

If you have questions about your rate, you can contact the Comptroller at Karen.Degges@cot.tn.gov. If you have questions about the related memo or this document, you can contact Rebekah Stephens with TennCare at Rebekah.stephens@tn.gov or 615-687-4739.



TennCare RHC Regulations

Now that the moratorium is over, and the proposed regulations have been pulled by TennCare, RHCs are starting to enter the RHC program again and have some questions. Here are the answers to the most common questions:

1. How will my interim RHC rate be established once I become a rural health clinic?
 - a. The interim rates will be same as what was previously announced by TennCare in January 2019 when TennCare started paying RHCs trapped in the moratorium based upon the Grand Division that each RHC is located in.
 - i. West: \$141.49
 - ii. Middle: \$131.35
 - iii. East: \$137.99



Healthcare Business Specialists
Specializing in 501(c)(3) non-profits
502 Shadow Parkway Chattanooga, TN 37421
Email: mackmarb@gmail.com
Website: www.ruralhealthclinic.com
Telephone: (833) 787-2542

HBS prepared an FAQ based upon conversations with the Comptroller's Office and are just our understanding of the rules.

<https://tinyurl.com/r72d7bb>



Important updates

1. Is the moratorium on registration of new RHCs being lifted?

Yes, effective October 1, 2019.

3. What happened to the rules and new state plan amendment proposed by TennCare?

Both the proposed rules and proposed state plan amendment have been withdrawn by TennCare and will not take effect.





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Experienced Knowledge

How to register as an RHC with TennCare

2. How do I register as a Medicaid RHC once the moratorium is lifted?

You may use the TennCare provider portal to register as an RHC. If your clinic is not yet registered with TennCare, you can begin the process and select “RHC” as the provider type. For clinics that are already registered with TennCare as another provider type but have received RHC status from the federal government, you may contact Provider.Registration@tn.gov in order to initiate the process of switching your clinic type to “RHC.”



Tennessee RHCs can be placed in Two Buckets



Prior to
10/1/2017
Pre-
Moratorium



From
10/1/2017
going
forward

Tennessee RHCs can be placed in Two Buckets

Interim Rate Setting Process



Prior to 10/1/2017

Based upon a Projected
Cost Report.



From 10/1/2017
going forward

Based upon Grand
Division that the
RHC is in.



Interim Rates

1. How will my interim RHC rate be established once I become a rural health clinic?
 - a. The interim rates will be same as what was previously announced by TennCare in January 2019 when TennCare started paying RHCs trapped in the moratorium based upon the Grand Division that each RHC is located in.
 - i. West: \$141.49
 - ii. Middle: \$131.35
 - iii. East: \$137.99

Source: HBS

Tennessee's Three Grand Divisions



West

Middle

East

8. I am a new clinic entering the program after the Moratorium is lifted. Will I get an interim rate?

If there is an average PPS rate for neighboring clinics of the same type (FQHCs for FQHCs, RHCs for RHCs) with similar caseloads, then you will immediately receive that rate as your final PPS rate. If there are not adequate neighboring clinics with similar caseloads, then you will receive an average PPS rate on an interim basis until you receive a final rate based on your costs.



Tennessee RHCs certified
10/1/2019 and after

East	137.99
Middle	131.35
West	141.49

Tennessee RHCs can be placed in Two Buckets

Final Rate Setting Process



Prior to 10/1/2017

Final Rate based upon Cost Report. The Regionally Adjusted Average PPS rate do not apply to these clinics.



From 10/1/2017 going forward

The Final PPS Rate will be set using the Regionally Adjusted Average PPS rate unless the clinic elects to use the APM (the cost report).

Regionally Adjusted Average PPS rates



**Regionally Adjusted
Average PPS rates do
not apply to RHCs
certified before
10/1/2017.**



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5. I received an interim rate after the issuance of the moratorium. How will my final rate be set?

Per federal law and the existing TennCare State Plan, a clinic's PPS rate will be set using the average PPS rate for neighboring clinics with similar caseloads. This means that a clinic will receive a final PPS that is equal to the average rate of clinics of the same type (FQHCs for FQHCs, RHCs for RHCs), in the same grand division, and with similar caseloads (or visit counts).

If there are no such similar clinics, then the final PPS rate will be based on facility-specific costs. You will receive an interim rate until your final PPS rate is calculated. You must cooperate with the Comptroller to have your facility-specific costs calculated.

If your clinic received an interim rate during the moratorium and qualifies to receive a regional caseload-adjusted PPS, you will have the option of an alternative payment methodology (APM) based on your facility-specific costs. The APM can only be offered if it is at least as high or higher than the regional caseload-adjusted PPS. Clinics wishing to pursue this APM option should contact the Comptroller at Karen.Degges@cot.tn.gov.

2. How will my final PPS rate be established?

- a. The first full cost report year the clinic is in the RHC program will be used as the “base year” and the total visits for that year will be used to compute the final PPS rate. Clinics with less than 14,000 visits will use the following schedule and those with greater than 14,000 visits will be based on facility-specific costs during that “base year”.

- RHCs with 14,000 or more visits will have the PPS rate established using their base year cost report!!!

Regionally Adjusted Average PPS rates

East Region Totals	Average Rate 2017	FY2018	FY2019	FY2020
<8,000 visits	\$ 167.48	\$ 169.49	\$ 171.86	\$ 174.44
8,000<=X<14,000	\$ 124.05	\$ 125.54	\$ 127.30	\$ 129.21
14,000<=X<20,000	No rate			
>=20,000 visits	No rate			
Middle Region totals	Average Rate 2017			
<8,000 visits	\$ 137.88	\$ 139.54	\$ 141.49	\$ 143.61
8,000<=X<14,000	\$ 151.94	\$ 153.77	\$ 155.92	\$ 158.26
14,000<=X<20,000	No rate			
>=20,000 visits	No rate			
West Region totals	Average Rate 2017			
<8,000 visits	\$ 143.51	\$ 145.23	\$ 147.26	\$ 149.47
8,000<=X<14,000	\$ 131.03	\$ 132.60	\$ 134.46	\$ 136.47
14,000<=X<20,000	No rate			
>=20,000 visits	No rate			

Regionally Adjusted Average PPS rates

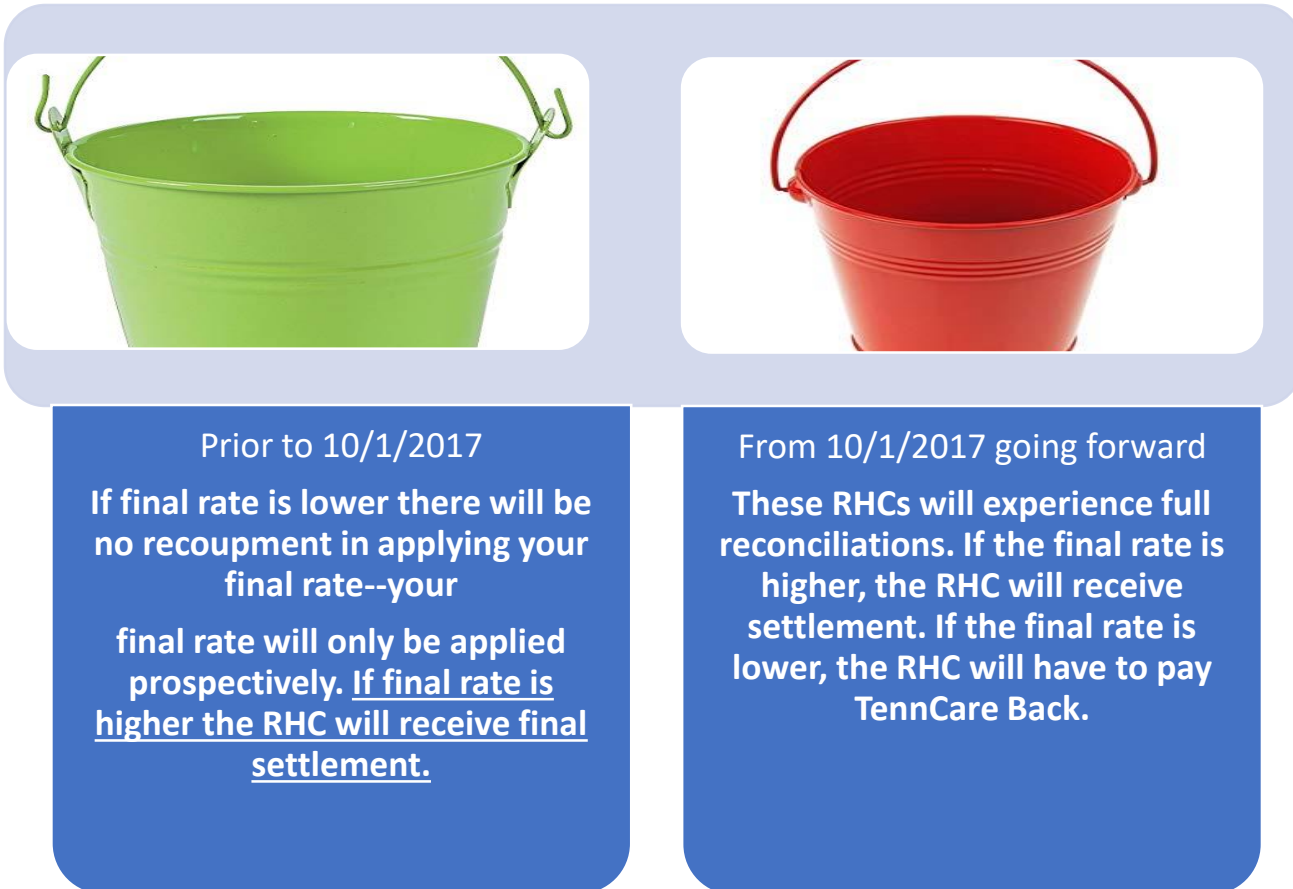
Region	Visits	Interim Rate	Final Rate	Variance
East	Less than 8,000	137.99	174.44	36.45
Middle	Less than 8,000	131.35	143.61	12.25
West	Less than 8,000	141.49	149.47	7.98
East	8,000 to 13,999	137.99	129.21	-8.78
Middle	8,000 to 13,999	131.35	158.26	26.91
West	8,000 to 13,999	141.49	136.47	-5.02

Summary

- 1. Less than 8,000 will always receive a final settlement**
- 2. West and East TN RHCs with 8,000 to 13,999 visits will always pay monies back to TennCare**
- 3. Middle Tennessee RHCs will always receive a settlement**

Tennessee RHCs can be placed in Two Buckets

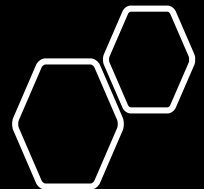
Settlement Process





3. Will my RHC rate change if the total visit counts go up or down in subsequent periods after the “base year” when the PPS rate is established?
 - a. No – the RHC will receive the Medicare Economic Index increase every July 1, which is about 2%, but TennCare will not change the rate based upon volume of the clinic.
4. Will there be a reconciliation between RHC and TennCare to settle the difference in my interim rate and the final PPS rate?
 - a. Yes – RHCs with greater than 8,000 visits could have to pay back money to TennCare.

Source: HBS FAQ - 2/12/2020



4. I received an interim rate prior to the moratorium. When will I get a final rate and how will my final rate be set?

The Comptroller will begin the process of issuing final rates immediately. Your final rate will be based on your costs as determined by the Comptroller. You are required to respond to data requests from the Comptroller in a timely fashion.

The Regionally Adjusted Average PPS rate does not apply to these clinics. The base year cost report will be used to establish your Rate.





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6. What if my final rate is lower than my interim rate?

In order to recognize the unique risks posed to facilities who are currently on interim rates established prior to the moratorium, TennCare will not execute a reconciliation of the final rate if the final rate is lower than the interim rate. This means there will be no recoupment in applying your final rate--your final rate will only be applied prospectively.



Source: TennCare



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Experienced Knowledge

7. What if my final rate is higher than my interim rate?

If you are currently on an interim rate, including those impacted by the moratorium, then TennCare will reconcile the final rate retroactively if the final rate is higher than the interim rate. For clinics that are already registered with TennCare as an RHC, the reconciliation will cover all services on or after the date of your registration with TennCare as an RHC. For clinics that are impacted by the moratorium and are therefore not currently registered as an RHC, this reconciliation will cover all services on or after the date of receiving RHC status from the federal government (these clinics must still register with TennCare as an RHC as part of this process). This reconciliation means you will receive additional back payments from TennCare for the above described periods. It is important to note that clinics must still respond to data requests from the Comptroller in a timely fashion so that the Comptroller can set the final rates.





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What if I am unhappy with my final PPS rate?



There is an informal reconsideration process that is conducted by TennCare and the Comptroller.



TennCare
Cost Report
Adjustments



Farm Life

Allowable Administrative Compensation Ranges

Allowable Administrative Compensation Ranges for Owner and Relatives for 1 FTE					
Total Visit Count for the Year		Base Allowance for 1 FTE	Amount Per Each Visit	In Excess of	To a Maximum of
2,100 and under		\$52,000			\$52,000
2,101	22,900	\$52,000	\$2.50	2,100	\$104,000

Medicare Economic Index should be brought forward to the current year

Year	Increase
2017	1.20%
2018	1.40%
2019	1.50%
2020	1.90%

Physician Compensation Guidelines

Physician Owner Compensation Reasonable Cost Guidelines for RHC Region 3 and Division 6 from Provider Reimbursement Manual Part 1, Chapter 9, Compensation	304,655.00
FTE for the cost report period	1.09
Allowable Physician Owner Compensation Expense	<hr/> 332,073.95

<https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2017Downloads/R474PR1.pdf>

**Physician Owner Compensation Reasonable Cost Guidelines for Rural Health Clinics
By Census Bureau Regions and Divisions
Per FTE**

Region	Division		2009		2010		2011		2012		2013		2014	
		Factor*: →	0.017		0.015		0.020		0.020		0.019		0.019	
		* Source: §905.6.	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max
1	1	New England	\$275,890	\$306,762	\$280,029	\$311,364	\$285,629	\$317,591	\$291,342	\$323,943	\$296,877	\$330,098	\$302,518	\$336,370
	2	Middle Atlantic	\$213,095	\$223,657	\$216,292	\$227,012	\$220,618	\$231,552	\$225,030	\$236,183	\$229,306	\$240,670	\$233,663	\$245,243
Subtotal - Region 1: Northeast			\$252,636	\$264,593	\$256,425	\$268,562	\$261,554	\$273,933	\$266,785	\$279,412	\$271,854	\$284,721	\$277,019	\$290,131
2	3	East North Central	\$251,684	\$276,027	\$255,459	\$280,167	\$260,569	\$285,771	\$265,780	\$291,486	\$270,830	\$297,024	\$275,976	\$302,667
	4	West North Central	\$266,258	\$285,384	\$270,252	\$289,665	\$275,657	\$295,458	\$281,170	\$301,367	\$286,512	\$307,093	\$291,956	\$312,928
Subtotal - Region 2: Midwest			\$260,249	\$281,442	\$264,153	\$285,663	\$269,436	\$291,376	\$274,825	\$297,204	\$280,047	\$302,851	\$285,368	\$308,605
3	5	South Atlantic	\$218,079	\$233,894	\$221,350	\$237,402	\$225,777	\$242,150	\$230,293	\$246,993	\$234,669	\$251,686	\$239,128	\$256,468
	6	East South Central	\$250,876	\$268,628	\$254,640	\$272,658	\$259,732	\$278,111	\$264,927	\$283,673	\$269,961	\$289,063	\$275,090	\$294,555
	7	West South Central	\$233,620	\$244,568	\$237,124	\$248,236	\$241,867	\$253,201	\$246,704	\$258,265	\$251,391	\$263,172	\$256,167	\$268,172
Subtotal - Region 3: South			\$236,132	\$245,690	\$239,674	\$249,375	\$244,468	\$254,363	\$249,357	\$259,450	\$254,095	\$264,380	\$258,923	\$269,403
4	8	Mountain	\$261,423	\$298,011	\$265,344	\$302,481	\$270,651	\$308,530	\$276,064	\$314,701	\$281,309	\$320,680	\$286,654	\$326,773
	9	Pacific	\$275,667	\$301,697	\$279,802	\$306,223	\$285,398	\$312,347	\$291,106	\$318,594	\$296,637	\$324,647	\$302,273	\$330,815
Subtotal - Region 4: West			\$270,217	\$300,186	\$274,270	\$304,689	\$279,756	\$310,782	\$285,351	\$316,998	\$290,773	\$323,021	\$296,298	\$329,158

Census Bureau Divisions:

New England Division: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont

Middle Atlantic Division: New Jersey, New York, Pennsylvania

East North Central Division: Illinois, Indiana, Michigan, Ohio, Wisconsin

West North Central Division: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota

South Atlantic Division: Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia

East South Central Division: Alabama, Kentucky, Mississippi, Tennessee

West South Central Division: Arkansas, Louisiana, Oklahoma, Texas

Mountain Division: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming

Pacific Division: Alaska, California, Hawaii, Oregon, Washington

Nurse Practitioner Compensation Guidelines

NP compensation (1 FTE)	105,620.00
Administrative compensation (0.5 FTE allowed)	<u>31,320.00</u>
Adjustment	<u><u>136,940.00</u></u>

Consulting Fees and Auto Leases

To adjust reported consulting amount to \$15,000 (15,000-43,750)

To remove auto lease



Resources



Farm Life



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9. I have questions about my rate. Who can I call?

If you have questions about your rate, you can contact the Comptroller at Karen.Degges@cot.tn.gov. If you have questions about the related memo or this document, you can contact Rebekah Stephens with TennCare at Rebekah.stephens@tn.gov or 615-687-4739.





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TENNCARE BILLING RESOURCES

TennCare was granted a moratorium for paying RHCs the enhanced RHC reimbursement rate effective October 25, 2017. We have included links to many of the documents regarding the moratorium. Please click the link below:

- [The Tennessean Article on TennCare lifting the Moratorium](#)
- [TennCare Interim Payment Memorandum lifting the Moratorium](#)
- [The Tennessean Article on payment freeze to RHCs published on December 27, 2018](#)
- [TennCare Comments on November 27, 2018](#)
- [TennCare Proposed Rules on November 6, 2018](#)
- [TennCare State Plan from 2005](#)



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TennCare Officials

Karen E. Degges, CPA

Legislative Audit Manager

Tennessee Comptroller of the Treasury

Division of State Audit

Cordell Hull Building

425 Fifth Avenue North

Nashville, TN 37243-3400

Phone (615) 747-5203

Fax (615) 741-4293

Web

Address: <http://www.comptroller.tn.gov/sa/>



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Questions, Comments, Thank You



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