Introduction to the Rural Health Clinic Program (PL. 95-210)

Healthcare Business Specialists, LLC

November 28,2023

HBS

Healthcare Business Specialists

Our Team

MEET OUR TEAM

Healthcare Business Specialists offers a variety of services designed to assist physician practices and RHCs in providing better primary medical services to underserved, rural residents by enhancing Medicare and Medicaid Reimbursement and staying compliant with Rural Health Clinic program requirements.

Through cost reporting preparation, program evaluations, RHC startups and conversions, Emergency Preparedness Compliance, CHOWs, RHC terminations, and feasibility studies, Healthcare Business Specialists is equipped to serve all your RHC needs.

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HBS Services

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SERVICES

RHC COST REPORTING

RHC PROGRAM EVALUATIONS

RHC STARTUPS & CONVERSIONS

EMERGENCY PREPAREDNESS COMPLIANCE

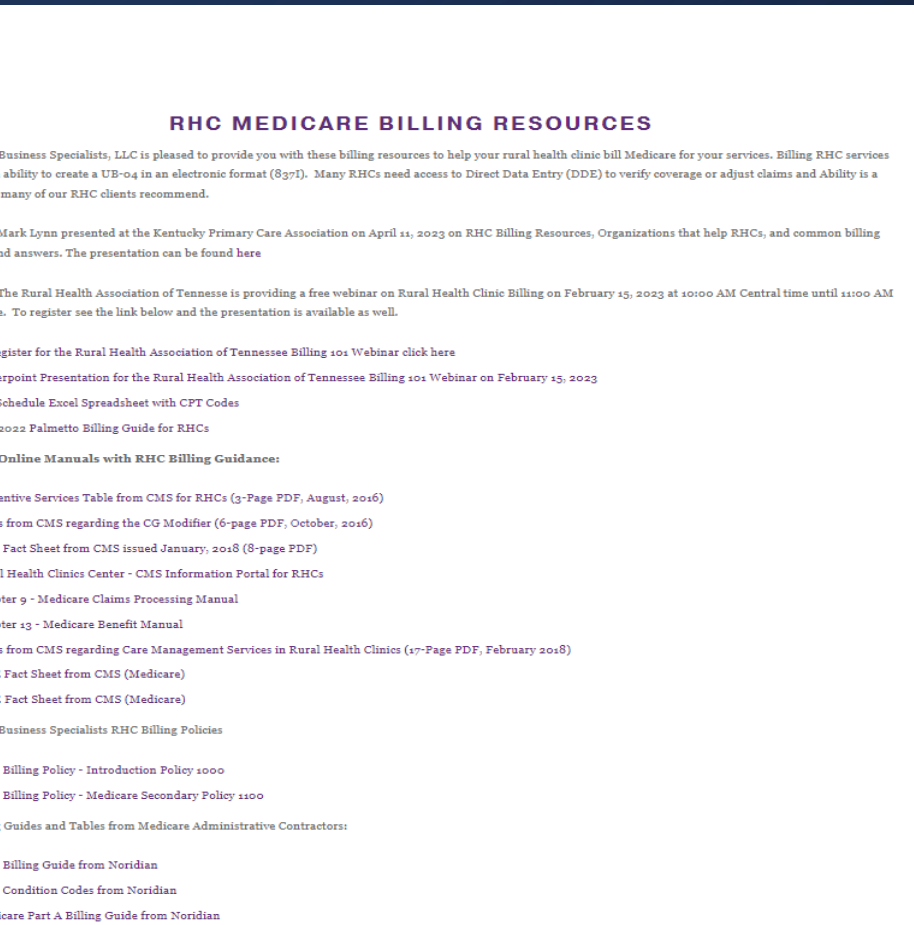
TENNCARE QUARTERLY REPORTING

FOR MORE INFORMATION: 833-787-2542 | www.ruralhealthclinic.com

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/

Healthcare Business Specialists Website



http://www.ruralhealthclinic.com/

Upcoming Billing and Cost Reporting Webinars

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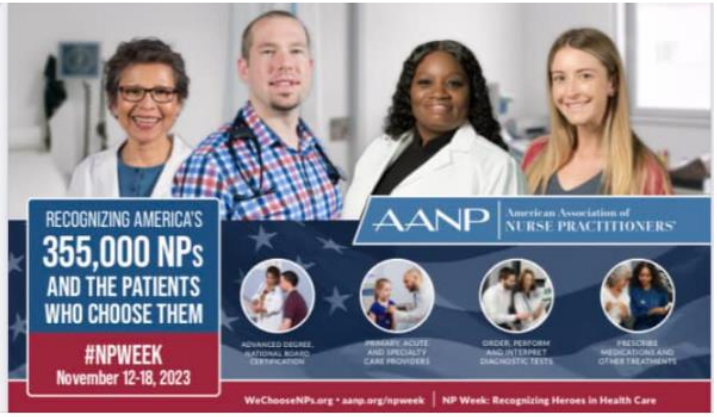

November 13, 2023
HBS Update

A big thank you to our Nurse Practitioners who provide excellent care to our rural and underserved communities through the 5,400 RHCs during Nurse Practitioner week. It is fitting that Nurse Practitioner week and Rural Health day (November 16, 2023) occur during the same week. We appreciate the sacrifice and dedication of nurse practitioners to develop the expertise and excellence to provide amazing healthcare to our rural and underserved residents.

https://conta.cc/3QXlYEI

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RHC Billing 101 – The Basics of Medicare billing for independent and provider-based RHCs with Amanda Dennison, MBA, CPC, CRHCP

Amanda Dennison, MBA, CPC, CRHCP, Senior Consultant from Blue & Co. will go over billing basics for RHCs including claim forms, incident to, definition of a visit, bill types, revenue codes, Medicare Advantage billing, and ancillary services. Medicaid billing will not be covered in this or any of the sessions. This session is sponsored by Blue & Co.

Please register for RHC Billing 101 – The Basics of Medicare billing for independent and provider-based RHCs with Amanda Dennison, MBA, CPC, CRHCP on Dec 5, 2023 1:00 PM EST at:

https://attendee.gotowebinar.com/register/3018262107910897494

RHC Billing 201 Lunch and Learn with Patty Harper RHIA, CHC, Principal, InQuiseek Consulting

In RHC Billing 201 Patty Harper, RHIA, CHC, Principal with InQuiseek Consulting will pick up where RHC 101 left off with more basics of RHC billing including billing examples, negative reimbursement, deductibles, coinsurance, chronic care management, telehealth billing, incident to billing, modifiers, condition codes, occurrence codes, Medicare secondary billing, etc. Sponsored by InQuiseek Consulting.

Please register for RHC Billing 201 Lunch and Learn with Patty Harper RHIA, CHC, Principal, InQuiseek Consulting on Dec 7, 2023 1:00 PM EST at:

https://attendee.gotowebinar.com/register/7385582766596485212

RHC Billing 301 – Advanced Subjects - Charles James, Jr., North American HMS

In this webinar Charles James from North American Healthcare Management Services will go over some advanced topics with billing examples, preventive services, mental health services, Telehealth, Chronic Care Management, etc. Sponsored by North American Healthcare Management Services.

Please register for RHC Billing 301 – Advanced Subjects - Charles James, Jr., North American HMS on Dec 12, 2023 1:00 PM EST at:

https://attendee.gotowebinar.com/register/6827726850548732761

http://www.ruralhealthclinic.com/rhc-webinars

Upcoming Webinars

RHC BILLING PRIMER – HOW TO FIND BILLING INFORMATION FOR RHCS AND BASIC PRINCIPLES OF RHC BILLING

In this webinar Mark Lynn from Healthcare Business Specialists will provide new RHCs the building blocks to begin billing as a rural health clinic. This webinar is designed for clinics new to the RHC program and have not billed as an RHC previously. The webinar will have an RHC Billing Pre-test, direct RHCs to billing resources, explain how to charge for services and to collect the correct co-pay and deductible amounts, issues with NPI numbers, commonly used acronyms, when to obtain a Medicare Secondary Payor questionnaire, and when to complete the 838 Credit Balance Report.

Please register for RHC Billing Primer – How to find billing information for RHCs and basic principles of RHC Billing on Nov 30, 2023 1:00 PM EST at:

https://attendee.gotowebinar.com/register/4849655954043958616

RHC BILLING 101 – THE BASICS OF MEDICARE BILLING FOR INDEPENDENT AND PROVIDER-BASED RHCS WITH AMANDA DENNISON, MBA, CPC, CRHCP

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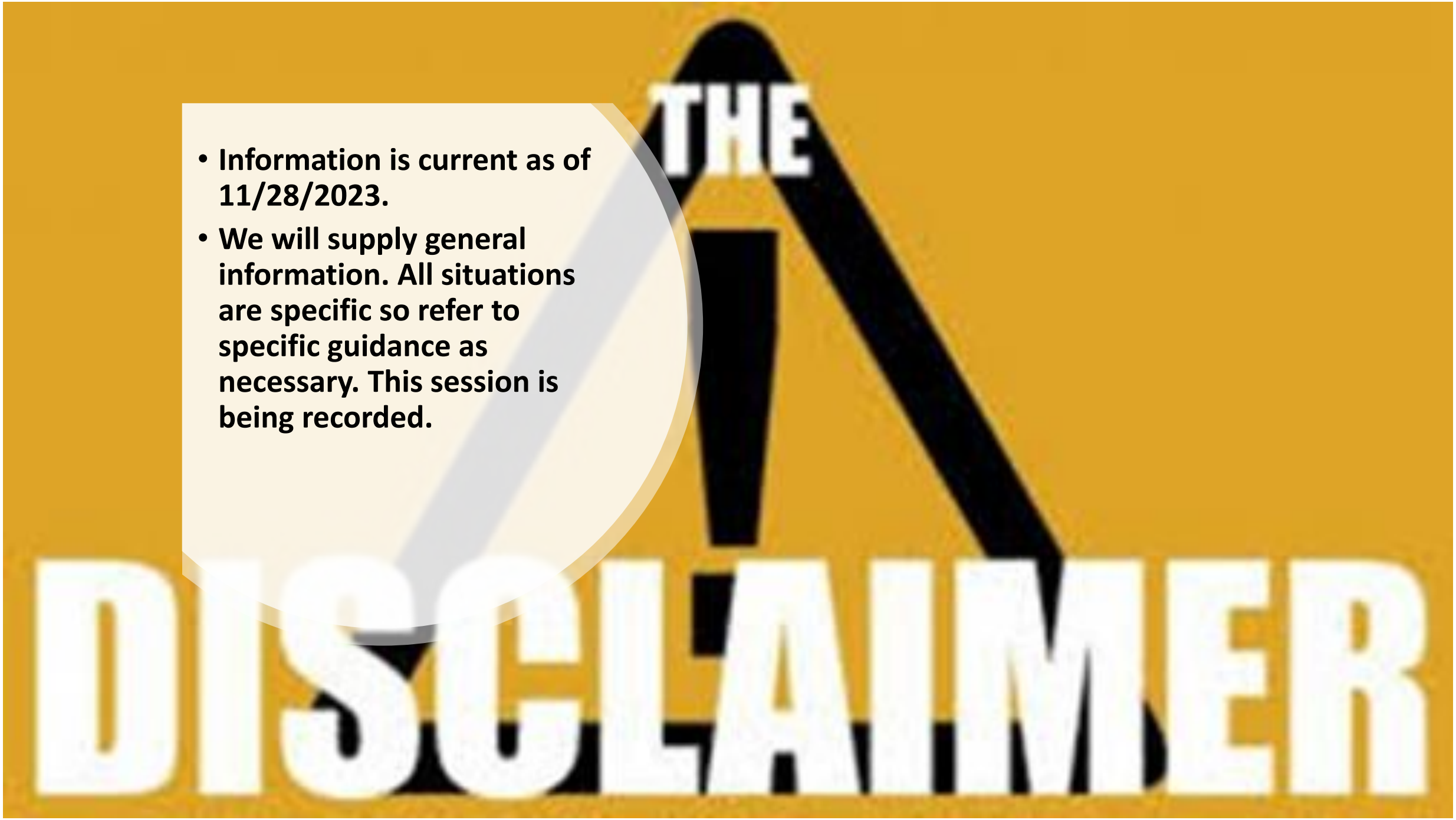


- Information is current as of 11/28/2023.
- We will supply general information. All situations are specific so refer to specific guidance as necessary. This session is being recorded.

Please type your questions in the Question box and submit them and if you raise your hand at the end of the session, we will open your line to ask a question.

Slides and Recording of this session will be posted to the Facebook Group and at www.ruralhealthclinic.com and on the Healthcare Business Specialists Youtube channel https://www.youtube.com/channel/UCXW4pkwNzDXVTMFrFwMy2_A

Should you become a Rural Health Clinic?

Executive Summary

What is a Rural Health Clinic (RHC)?

RHC is a certification that an outpatient primary care clinic in rural, underserved areas may obtain, which has special payment provisions for Medicare and Medicaid (TennCare) allowing Nurse Practitioners and Physician Assistants to be paid at the same rates as physicians. RHCs are considered essential providers in many government programs and may qualify for additional funding (i.e., PHE funds), including certain grants.

Why become a Rural Health Clinic?

Medicare pays RHCs as an institution using a UB-04 form for billing, with a bundled All-Inclusive Rate (AIR) for RHC covered services (laboratory, technical components, hospital services, and other services are paid in addition to the AIR). Thanks to the Consolidated Appropriations Act of 2021, Medicare RHC National Statutory Limits (NSL) have increased dramatically increasing by $13 per year until 2028 when the limit reaches $190 per visit. RHCs are paid the NSL or the clinic's actual cost per visit, as computed by a Medicare cost report (whichever is less). For Medicaid/TennCare, RHCs are paid using rules as promulgated in the Benefits Improvement and Protection Act of 2000 (BIPA). Currently, TennCare pays RHCs based upon the same caseload of similar clinics in the same grand division.

Executive Summary

What are the requirements?

To become an RHC there are nine conditions for certification as outlined in the Current Federal Regulations which include, compliance with federal, state and local laws, location in a rural, underserved area, a safe physical plant and environment, medical direction by a physician, staffing with a Nurse Practitioner or a Physician Assistant at least 50% of the time, provide primary care services at least 51% of the time, have patient health records, conduct a program evaluation, and have a comprehensive Emergency Preparedness program. The clinic must pass a survey by either the state or receive a recommendation from an accrediting organization.

What are the disadvantages of becoming an RHC?

RHCs must bill Medicare on a UB-04 form versus the 1500 that most clinics are used to. This will create a learning curve on how to bill Medicare services properly. Medicaid is different in each state as well and will require different billing and enrollment processes. In summary, the revenue cycle for Medicare and Medicaid will be disrupted by the RHC certification process and should be anticipated by having cash on hand or lines of credit available for the anticipated slowdown in reimbursement. The clinic will have to have a robust accounting system to track expenses, visits, non-RHC costs, and other Medicare required reporting requirements.

What is a rural health clinic?

Public Law 95-210 passed on December 13, 1977
7 pages long

https://www.govinfo.gov/content/pkg/STATUTE-91/pdf/STATUTE-91-Pg1485.pdf

Is a certification from CMS that allows physician practices to qualify for cost-based reimbursement from Medicare and Medicaid.

Wikipedia definition of Rural Health Clinic

Rural health clinic

Add languages

Article Talk | Read Edit View history Tools

From Wikipedia, the free encyclopedia

A **rural health clinic** (**RHC**) is a clinic located in a rural, medically under-served area in the United States that has a separate reimbursement structure from the standard medical office under the Medicare and Medicaid programs. RHCs were established by the Rural Health Clinic Services Act of 1977 (P.L. 95-210), (Section 1905 of the Social Security Act). The RHC program increases access to health care in rural areas by

1. creating special reimbursement mechanisms that allow clinicians to practice in rural, under-served areas
2. increasing utilization of physician assistants (PA) and nurse practitioners (NP)

President Carter signing the Rural Health Clinic Services Act of 1977

As of 2018, there were approximately 4,300 RHCs across 44 states in the U.S.[1] RHCs facilitate 35.7 million visits per year and provide services for millions of people, including 8 million Medicare beneficiaries.[2]

As primary care facilities, RHCs are essential to the health care safety net in rural America.[3] Unlike FQHCs, RHCs are not legally mandated to provide care to patients who cannot pay but many of their patients are uninsured.[4] Recent evidence shows that the presence of RHCs enables greater appointment availability for Medicaid patients.[5]

https://en.wikipedia.org/wiki/Rural_health_clinic

RHC Status affects reimbursement from:

1. Original Medicare
2. Medicaid
3. Some Medicare Advantage plans

What is the difference between a provider-based RHC and an independent RHC?

Provider-based RHCs are owned and operated as an essential part of a hospital, nursing home, or home health agency participating in the Medicare program. RHCs operate under the licensure, governance, and professional supervision of that organization. Most provider-based RHCs are hospital-owned.

Independent RHCs are free-standing clinics owned by a provider or a provider entity. They may be owned and/or operated by a larger healthcare system, but do not qualify for, or have not sought, provider-based status.

According to Community Characteristics and Financial and Operational Performance of Rural Health Clinics in the United States: A Chartbook, a May 2022 publication from the Maine Rural Health Research Center, 33.8% of RHCs were independent RHCs in 2021, with the remaining 66.2% being provider-based RHCs.

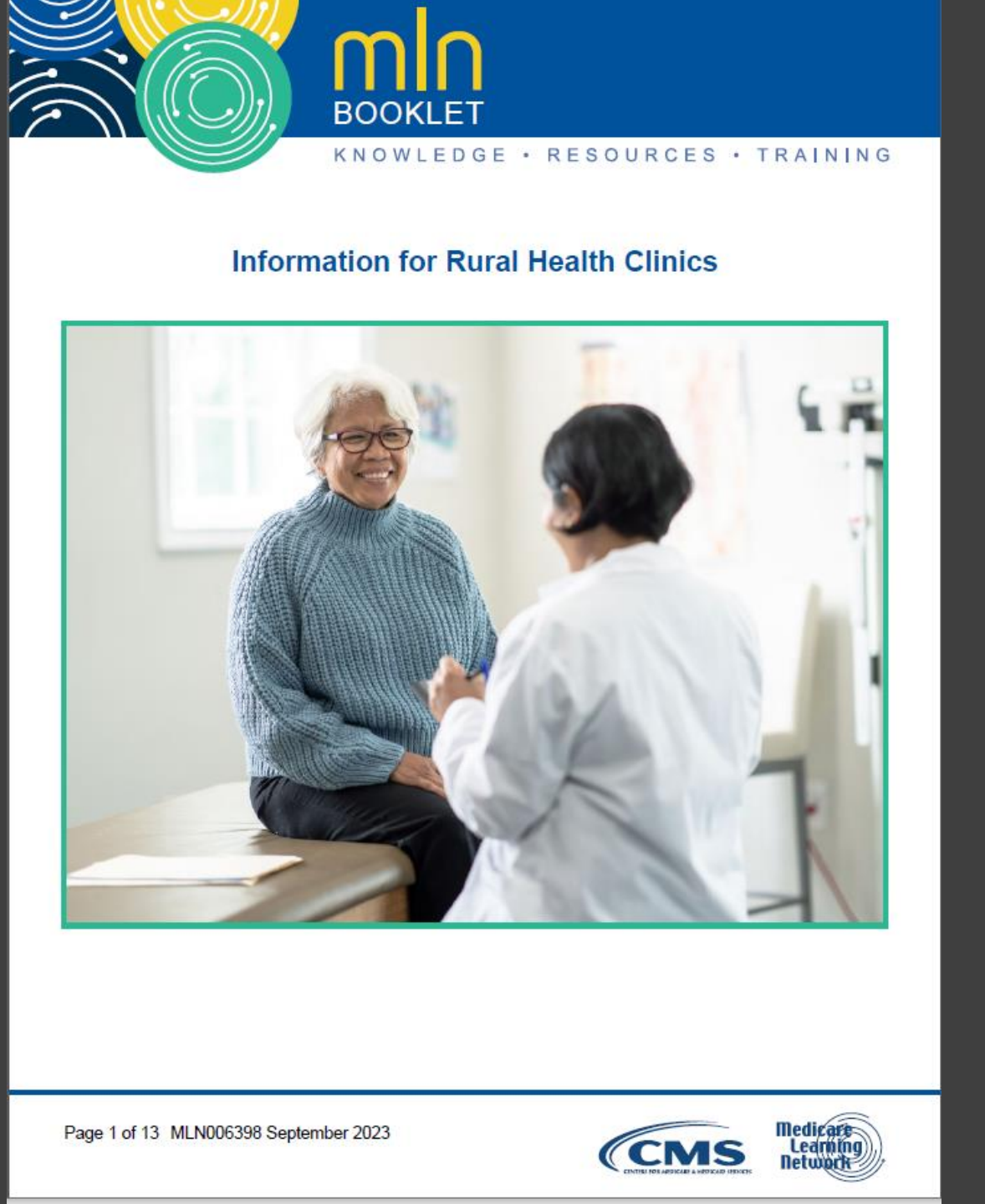
Source: https://www.ruralhealthinfo.org/topics/rural-health-clinics

What is a rural health clinic?

RHC Fact Sheet

https://www.cms.gov/files/document/mln006398-information-rural-health-clinics.pdf

Last Update: September 2023 (13 pages)



Certification

To be certified as an RHC, a clinic must meet all state and federal requirements, including location, staffing, and health care services requirements. RHCs must also have a quality assessment and quality improvement program.

Location Requirements

An RHC must:

- Be located in an area defined by the U.S. Census Bureau as non-urbanized
- Be located in an area currently designated by the Health Resources & Services Administration (HRSA) within the last 4 years as 1 of these:
  - Primary Care Geographic Health Professional Shortage Area (HPSA)
  - Primary Care Population-Group HPSA
  - Medically Underserved Area
  - Governor-designated and Secretary-certified Shortage Area
- Post operation days and hours

Are there location requirements for RHCs?

Yes. According to statute, RHCs must be located in non-urbanized areas, as defined by the U.S. Census Bureau. However, beginning in March 2022, the U.S. Census Bureau published updated criteria informing how it will define urban areas based on the results of the 2020 Decennial Census, including no longer defining or differentiating between urbanized areas and urban clusters as of the 2020 Census. In March 2023, CMS released an memorandum announcing, until further notice, that a location will meet the location requirements for RHCs if:

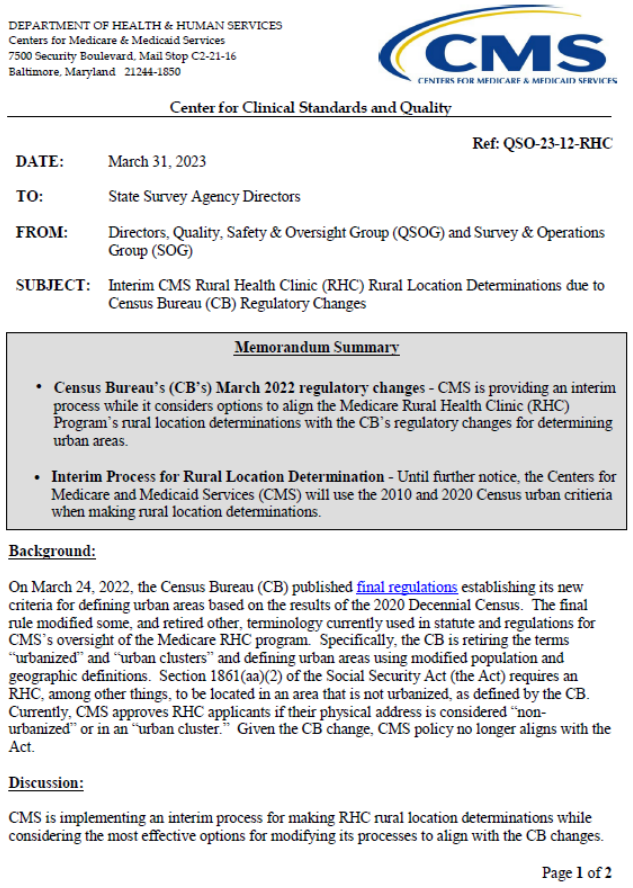
•the location is in a "non-urbanized area" or "urban cluster," as indicated by the 2010 Decennial Census Bureau data, **or**

•the location is not in an urban area, as indicated by the 2020 Decennial Census Bureau data.

There is no restriction on how closely RHCs can be located to one another. If services are provided at more than one permanent location, each location must be independently approved by Medicare. You can use the Am I Rural? tool as a first step to see if your location qualifies, but note that your Am I Rural? report is not a guarantee of your rural status eligibility for the RHC program.

Source: https://www.ruralhealthinfo.org/topics/rural-health-clinics

CMS Interim CMS Rural Health Clinic (RHC) Rural Location Determinations due to Census Bureau (CB) Regulatory Changes



DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop C2-21-16
Baltimore, Maryland 21244-1850

CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES

Center for Clinical Standards and Quality

Ref: QSO-23-12-RHC

DATE: March 31, 2023

TO: State Survey Agency Directors

FROM: Directors, Quality, Safety & Oversight Group (QSOG) and Survey & Operations Group (SOG)

SUBJECT: Interim CMS Rural Health Clinic (RHC) Rural Location Determinations due to Census Bureau (CB) Regulatory Changes

Memorandum Summary

- **Census Bureau's (CB's) March 2022 regulatory changes** - CMS is providing an interim process while it considers options to align the Medicare Rural Health Clinic (RHC) Program's rural location determinations with the CB's regulatory changes for determining urban areas.
- **Interim Process for Rural Location Determination** - Until further notice, the Centers for Medicare and Medicaid Services (CMS) will use the 2010 and 2020 Census urban critieria when making rural location determinations.

Background:

On March 24, 2022, the Census Bureau (CB) published final regulations establishing its new criteria for defining urban areas based on the results of the 2020 Decennial Census. The final rule modified some, and retired other, terminology currently used in statute and regulations for CMS's oversight of the Medicare RHC program. Specifically, the CB is retiring the terms "urbanized" and "urban clusters" and defining urban areas using modified population and geographic definitions. Section 1861(aa)(2) of the Social Security Act (the Act) requires an RHC, among other things, to be located in an area that is not urbanized, as defined by the CB. Currently, CMS approves RHC applicants if their physical address is considered "non-urbanized" or in an "urban cluster." Given the CB change, CMS policy no longer aligns with the Act.

Discussion:

CMS is implementing an interim process for making RHC rural location determinations while considering the most effective options for modifying its processes to align with the CB changes.

Page 1 of 2

In the interim, until further notice, CMS will use both the 2010 and 2020 CB data available at TIGERweb Decennial, a publicly available CB web-based system. During this time, an RHC applicant or a relocating RHC would be considered as meeting the rural location requirement at 42 CFR §491.5 if its physical address is identified as either "non-urbanized" or in an "urban cluster" under the 2010 CB data, or if its physical address is not identified as in an urban area under the 2020 CB data. Both the 2010 and the 2020 CB data are currently available at TIGERweb Decennial.

State agencies (SAs) may use this interim process when conducting their preliminary assessments of an RHC applicant's location before conducting an onsite survey, but the results of their assessments are not considered determinations by CMS. Accrediting organizations (AOs) with a CMS-approved Medicare RHC accreditation program may also use this interim process when deciding whether to accept an application for RHC accreditation and conduct an accreditation survey. However, SAs and AOs are not authorized to notify the RHC applicant of the results of their preliminary assessments. Further, the fact that the SA, or an AO with a CMS-approved Medicare RHC accreditation program, surveys the RHC applicant does not constitute a determination by CMS that the applicant's location satisfies the regulatory criteria. Only the CMS locations are authorized to make such a determination and notify the applicant whether or not it has been determined to meet the participation requirements. Potential applicants for RHC approval and current RHCs considering relocation may use this interim process to inform their decisions.

CMS will communicate updates to this policy in the future via an updated QSO memo.

Contact:
For questions or concerns relating to this memorandum, please contact QSOG_RHC-FQHC@cms.hhs.gov

Effective Date:
Immediately. Please communicate to all appropriate staff within 30 days.

/s/

Karen L. Tritz
Director, Survey & Operations Group

David R. Wright
Director, Quality, Safety & Oversight Group

https://www.cms.gov/files/document/qso-23-12-rhc.pdf

Are you located in an Eligible Area?

- Am I Rural Data Base
- http://ims2.missouri.edu/rac/amirural/

- HRSA Shortage Areas
- http://www.hrsa.gov/shortage/find.html

Am I Rural Website

RHIhub
Rural Health Information Hub

Am I Rural? – Report

Report produced by the Rural Health Information Hub on 11/26/23.

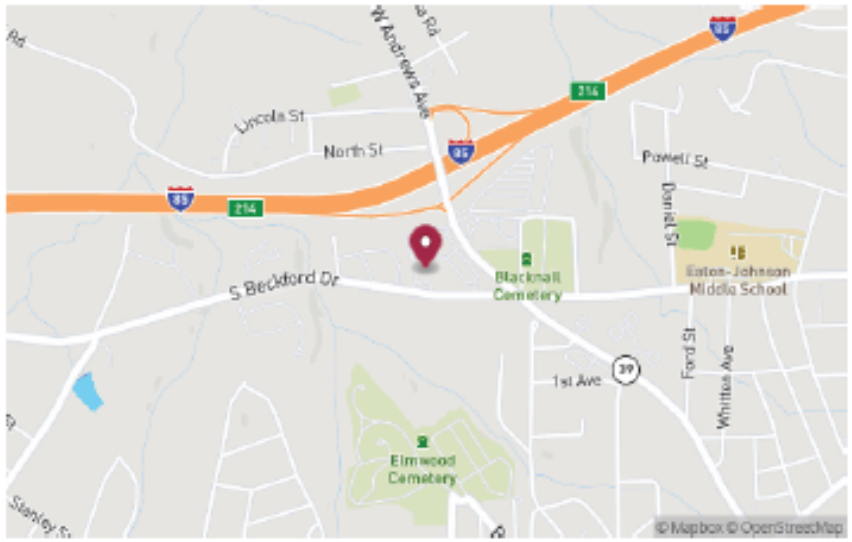
Location

Report Address:
176 S Beckford Dr, Henderson, NC 27536 *

Latitude: 36.33775
Longitude: -78.41108

Census Tract:
37181960500 (2010 & 2020)

County:
Vance County, NC



* Report is for a specific point in 176 S Beckford Dr, Henderson, NC 27536. Results may not be the same for all points in 176 S Beckford Dr, Henderson, NC 27536.

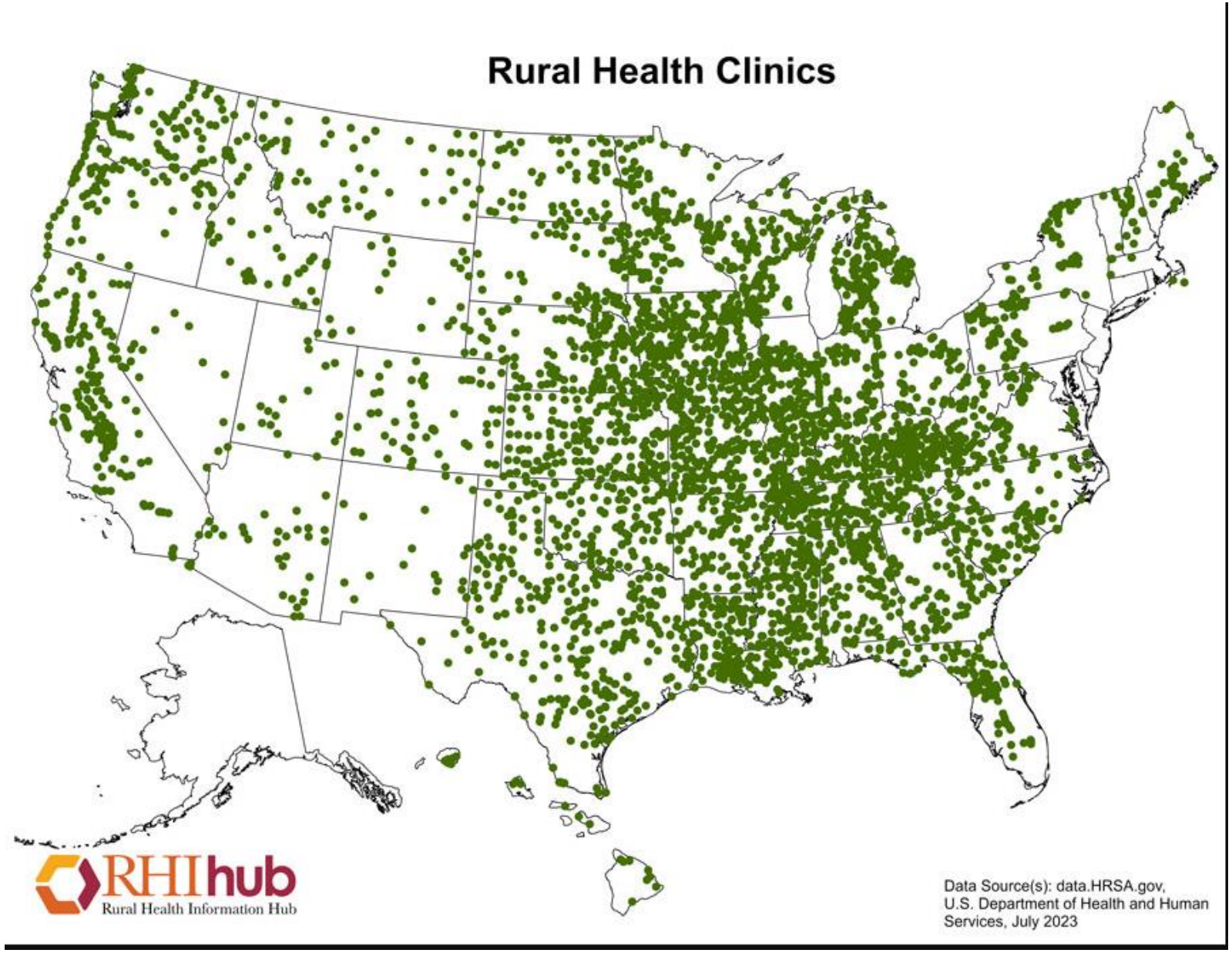
Program Eligibility

The information provided by this service addresses only the rural aspect of a program's requirements. Your *Am I Rural?* report is not a guarantee of your rural status. Please check with the program contacts directly to verify your eligibility for specific federal programs.

Program	Rural?	
FORHP - Grant Programs	YES	This location is eligible for Federal Office of Rural Health Policy grant programs. Vance County, NC has been designated by FORHP as rural. (For FY23 grant cycle)
CMS - Rural Health Clinics (RHC) Program	YES	CMS interim guidance (https://www.cms.gov/files/document/qso-23-12-rhc.pdf) considers a location to meet the rural location requirement for the RHC program if it is outside of an urbanized area in the 2010 Census Bureau data OR if it is outside of an urban area in the 2020 Census Bureau data. • This location is outside of 2010 Urbanized Areas

- https://www.ruralhealthinfo.org/am-i-rural

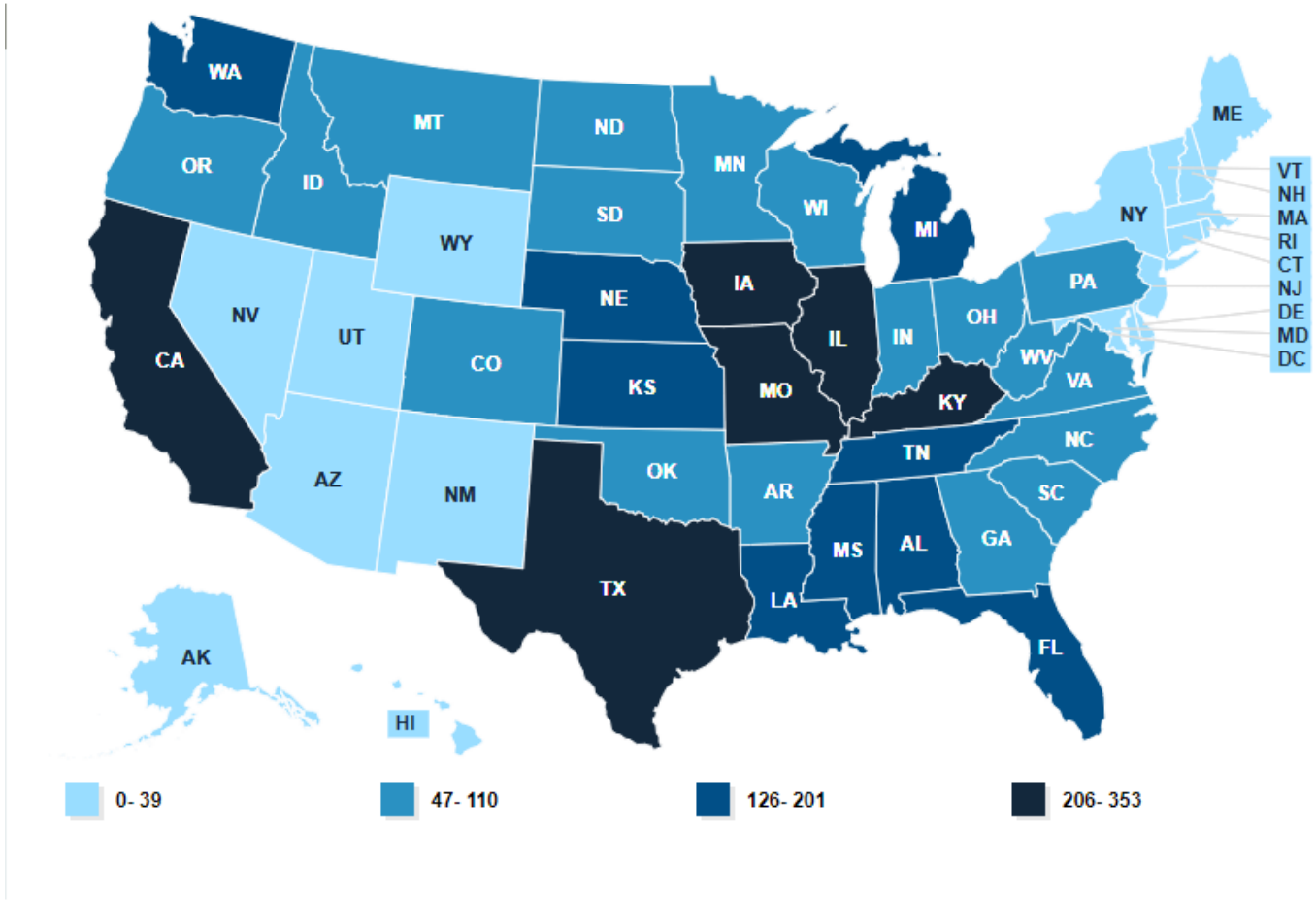
How Many?



There are 5,438 RHCs in the USA out of 244,000 physician practices (2%)

https://www.ruralhealthinfo.org/rural-maps/mapfiles/rural-health-clinics.jpg?v=7

Where are they?



https://www.kff.org/other/state-indicator/total-rural-health-clinics/

Medicaid has been the driving force for the increased number of RHCs until now

RHCs in the Southeast

State	2018	2019	2020	2023	5-Year Increase	5-year % Increase
Kentucky	191	252	281	387	196	103%
Mississippi	177	184	201	240	63	36%
Tennessee	112	134	171	275	163	146%
Florida	155	161	161	153	-2	-1%
Alabama	109	115	135	145	36	33%
Georgia	90	89	100	101	11	12%
South Carolina	87	86	87	108	21	24%
North Carolina	73	72	74	75	2	3%

Where to find specific RHCs

https://qcor.cms.gov/RHC_wizard.jsp?which=12&report=active_nh.jsp

Qcor Active Provider Counts

qcor.cms.gov/active_popup.jsp?prvdr_intrnl_num=443931&

Provider or Supplier Details

Provider or Supplier Name:	APPALACHIA HEALTH SERVICES LLC
CMS Certification Number:	443931
Provider or Supplier Type:	Rural Health Clinic
Address:	292 NORTH MAIN STREET JELLICO, TN 37762
Phone Number:	423 784-3600
Participation Date:	08/29/2002
Region:	(IV) Atlanta
Ownership Type:	For Profit Partnership

https://qcor.cms.gov/active_nh.jsp?which=12&report=active_nh.jsp&jumpfrom=#STN

Active Provider and Supplier Counts Report

Region	Active Providers and Suppliers	% of Active Providers
(I) Boston	68	100.0 %
(II) New York	53	100.0 %
(III) Philadelphia	205	100.0 %
(IV) Atlanta	1,484	100.0 %
Alabama	145	100.0%
Florida	153	100.0%
Georgia	101	100.0%
Kentucky	387	100.0%
Mississippi	240	100.0%
North Carolina	75	100.0%
South Carolina	108	100.0%
Tennessee	275	100.0%
ACCESS MEDICAL CARE OF MONROE COUNTY, PC	1	100.0%
ACCESS MEDICAL CLINIC TENNESSEE LLC	1	100.0%
ACCESS MEDICAL CLINIC TENNESSEE, LLC	1	100.0%
ADVANCED FAMILY MEDICAL CENTER, PLLC	1	100.0%
AGAPE FAMILY HEALTH, LLC	1	100.0%
ALLCARE MEDICAL PLLC	1	100.0%
AMG SAINT THOMAS COOKEVILLE PRIMARY CARE	1	100.0%
AMG SAINT THOMAS WOODLEE FAMILY PRACTICE	1	100.0%
ANEW FAMILY MEDICAL PLLC	1	100.0%
ANEW FAMILY MEDICAL PLLC	1	100.0%
APPALACHIA HEALTH SERVICES LLC	1	100.0%
ARISTORENAS HEALTH CLINIC	1	100.0%
ARMOUR FAMILY MEDICINE, PLLC	1	100.0%
ASCENSION SAINT THOMAS HICKMAN MEDICAL CLINIC	1	100.0%
ASCENSION SAINT THOMAS RIVER PARK	1	100.0%
ASCENSION SAINT THOMAS RIVER PARK	1	100.0%
ASCENSION SAINT THOMAS THREE RIVERS PRIMARY CARE	1	100.0%
ASCENSION SAINT THOMAS URGENT CARE	1	100.0%
ASCENSION SAINT THOMAS URGENT CARE	1	100.0%
ASCENSION SAINT THOMAS URGENT CARE, PLLC	1	100.0%
ATHENS FAMILY PRACTICE	1	100.0%
ATHENS PEDIATRICS PLLC	1	100.0%
ATHENS WOMENS CLINIC, PC	1	100.0%
ATOKA IDAVILLE FAMILY HEALTH, INC	1	100.0%
BAPTIST CARROLL COUNTY FAMILY HEALTH CARE	1	100.0%
BRADLEY-POLK WALK- IN CLINIC	1	100.0%
BROWNSVILLE FAMILY MEDICINE PA	1	100.0%
BROWNSVILLE MEDICAL CLINIC PA	1	100.0%
CARMEL CLINIC CORPORATION	1	100.0%
CARTHAGE FAMILY WELLNESS	1	100.0%
CELEBRATION FAMILY CARE PLLC	1	100.0%

Why are Clinics becoming certified as RHCs

1. Medicaid reimbursement is typically cost-based and much higher than fee-for-service reimbursement.
2. Medicare reimbursement caps have increased for independent RHCs from $86 to currently $126 ($139 in 2023) and up to $190 in 2028.
3. There are no payment reductions for NPs/PAs/CNMs (15% reduction on Medicare fee schedule)
4. RHCs are consider Essential Providers and were eligible for additional Provider Relief Funds (all RHCs received at least $103,269 in 2020).
5. RHCs may be eligible to receive grants if they apply for them. https://www.burrowsconsulting.net/
6. RHCs qualify for National Health Service Corp tax-free loan repayment. https://hpsa.us/
7. Medicare Bad Debts reimbursed at 65%.

Consolidated Appropriations Act of 2021 (CAA) enacted on April 1, 2021

1. Independent and newly established Provider-Based RHCs are subject to Medicare Upper Payment Limits as established in the CAA.
2. Provider-based RHCs enrolled on, or before, December 31, 2020, are grandfathered from being subject to the Medicare Upper Payment limit but have controls on the rate of growth of their Medicare reimbursement rate.

National Statutory Payment Limits for RHCs

Begin Date	End Date	Medicare Upper Limit
1/1/2020	12/31/2020	$ 86.31
1/1/2021	3/31/2021	$ 87.52
4/1/2021	12/31/2021	$ 100.00
1/1/2022	12/31/2022	$ 113.00
1/1/2023	12/31/2023	$ 126.00
1/1/2024	12/31/2024	$ 139.00
1/1/2025	12/31/2025	$ 152.00
1/1/2026	12/31/2026	$ 165.00
1/1/2027	12/31/2027	$ 178.00
1/1/2028	12/31/2028	$ 190.00
1/1/2029	12/31/2029	MEI

MEI = Medicare Economic Index

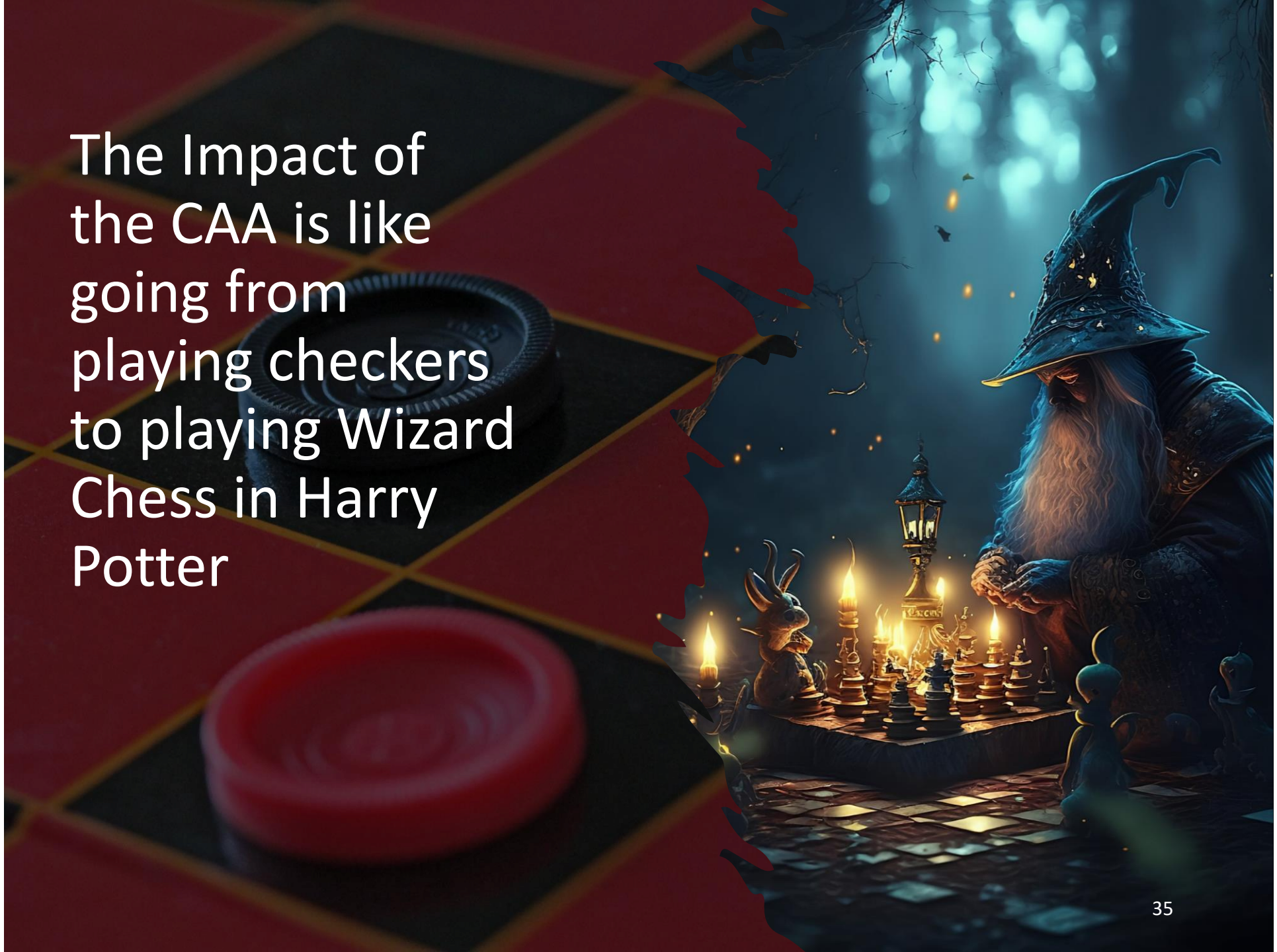
Laboratory, technical components, CCM, telehealth (except mental health starting in 2022) and hospital services are reimbursed outside the rate.

MEDICARE CLAIM EXAMPLE (BASED ON $126 AIR)

Description	Amount
Charge - 99214	$200
Co-Insurance – 20% of actual charge	$40
Medicare Payment ($126 X .784) (80% – 2% Sequestration)	$99
Total Payment	$139
Contractual Adjustment	$61

The Impact of the CAA of 2021 on Rural Health Clinic Cost Reports

The Impact of the CAA is like going from playing checkers to playing Wizard Chess in Harry Potter



What has been the impact of the National Statutory Caps on Rural Health Clinics?

- Independent RHCs now can possibly recoup their actual cost of Medicare patients.
- All Provider-based RHCs are subject to a cap, either the National Statutory limit or the clinic's grandfathered rate.
- All RHCs will have to manage their costs better, plan, budget, and keep good cost report records as it does have real impacts on reimbursement from Medicare.

Sample RHC Cost Report Plan and ToDo List

RHC Cost Reporting Plan

12/31/2024

Objective: The objective of this plan is to facilitate the completion of the Rural Health Clinic cost report that results in:

1. The Medicare Cost Report filed timely, accurately, and optimizing Medicare reimbursement while following all Medicare guidance regarding the allowability of costs and accounting for the number of patient encounters.
2. The Medicaid Cost Report filed timely, accurately, and optimizing Medicaid reimbursement while following all Medicaid guidance regarding the allowability of costs and accounting for the number of patient encounters.
3. The Form 838 Credit balance reports will be submitted timely each quarter to avoid Medicare stopping RHC payments.

Plan: The RHC will do the following during the year to achieve the objectives mentioned above:

1. Establish an accrual-based accounting system that captures information as required in the cost report including the following:
    A. Salaries of physicians, NPs, PAs, RNs, LPNs, MAs, CPS, CSWs, Lab personnel, Radiology personnel, Chronic Care Management personnel, Office personnel, and other categories of employees if applicable.
    B. Accounts to record the expenses of Influenza, Pneumococcal, and Covid vaccines in the general ledger.
    C. Accounts to track the expenditures not included in the computation of the RHC All-Inclusive rate including:
        a. Telehealth (exception Mental Health Telehealth)
        b. Laboratory services including the six required lab tests.
        c. Hospital services
        d. Any time that is non-RHC such as a spa and Botox that is not covered by Medicare, sports physicals, weight-loss services including semaglutide and similar type products.
        e. Technical components of radiology services including EKGs.

http://www.ruralhealthclinic.com/rhc-cost-reporting

Cost Report Checklist or Todo List - Calendar

RHC Cost Report Todo Listing for 12/31/2024

Cost Report Todo Listing

January, 2024

1. Review changes in Medicare RHC payment and cost reporting policies and make changes to the Chart of Accounts (typically Quickbooks) to record expenses of services that are not included in the AIR calculation.
2. Start keeping logs for Flu, Pnu, and Covid vaccinations (Patient Name, MBI, and date of injection)
3. For one week, have your providers keep up with their time and log it for cost reporting purposes.
4. Watch for a new rate letter from your MAC as the National Statutory rates increase on January 1 of each year.
5. Identify any related party transactions

April, 2024

1. Prepare and submit the Form 838 Credit Balance report for quarter ending 3/31/2024 for Medicare.
2. For one week, have your providers keep up with their time and log it for cost reporting purposes.

July, 2024

1. Prepare an interim Medicare Cost Report (and possibly a Medicaid cost report if applicable) estimating the cost per visit and compare the result to interim Medicare payment rate.
2. Prepare and submit the Form 838 Credit Balance report for quarter ending 6/30/2024 for Medicare.
3. Order Flu, Pnu, and Covid vaccines. Keep the invoices and record in a general ledger account. Make sure to use Flu, Pnu, and Covid Logs.
4. For one week, have your providers keep up with their time and log it for cost reporting purposes.

October, 2024

1. Prepare and submit the Form 838 Credit Balance report for quarter ending 9/30/2024 for Medicare.
2. Reach out to your cost report preparer or find one to prepare your 2024 cost report and ask them to be your Authorized Cost Report Preparer.
3. If the clinic does not have access to the IDM system, go ahead and start that process so you have access to the P S & R and can appoint an Authorized Cost Report Preparer.
4. If you have Medicare Bad Debts start reviewing your accounts receivable and start completing the Excel spreadsheets to claim Medicare bad debts for debts, you have ceased collection efforts and have written off.
5. For one week, have your providers keep up with their time and log it for cost reporting purposes.

December, 2024

1. Prepare a second interim cost report to determine your cost per visit as compared to the interim payments.
2. If the clinic is a corporation and plans on paying a bonus for owners determine the bonus amount and document in a meeting for payment within 75 days of year-end.
3. Finalize writing off any bad debts and completing the Excel spreadsheet before 12/31/2024.
4. Review the clinic's cash position and pay as many bills as possible to eliminate the need to accrue a lot of expenses.

January, 2025

1. Review checks paid and payroll paid in January 2025 and accrue expenses appropriately and reverse any prior year accruals.
2. Prepare and submit the Form 838 Credit Balance report for quarter ending 12/31/2024 for Medicare.
3. Begin accumulating information to submit for the cost report including provider time studies which should be done at least quarterly.

March, 2025

1. Liquidate any accrual to the owner of the RHC by March 15th.
2. Submit your cost report information to your cost report preparer by March 31, 2025 including a detailed general ledger and summary of payment to all outside contracts and what services were procured.

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These changes have resulted in:

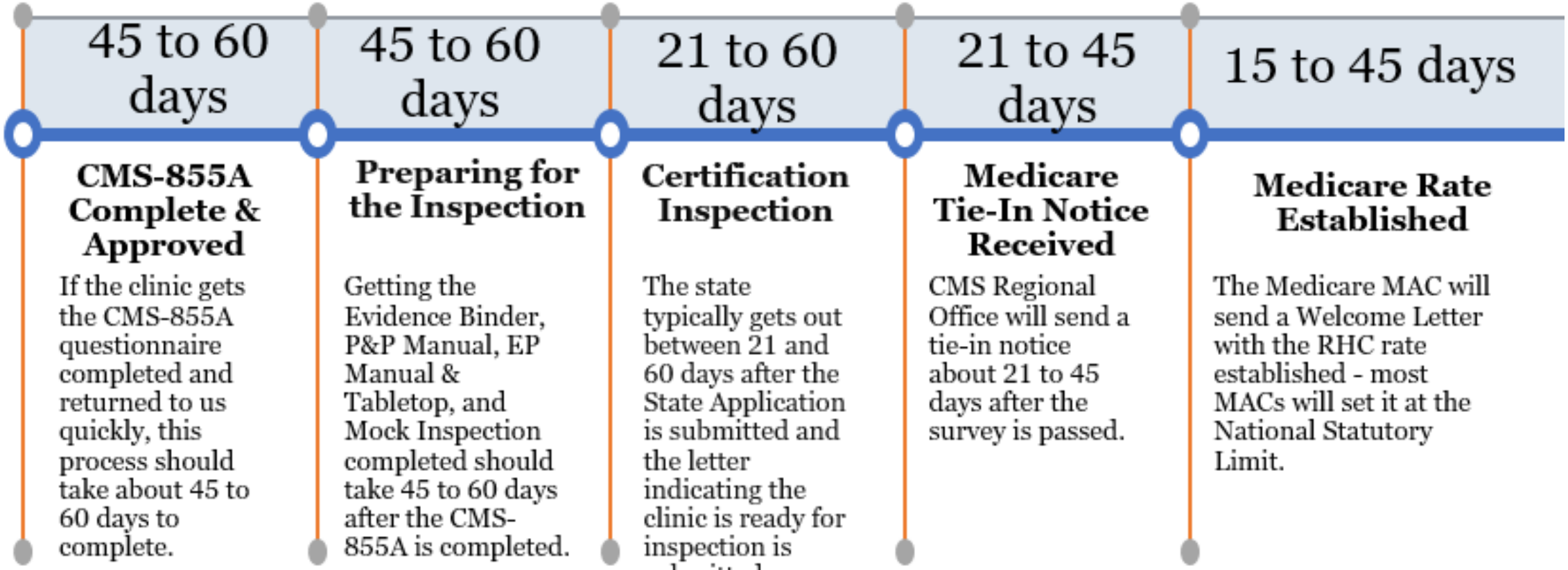
- Large payments from Medicare to RHCs for cost report settlements.
- Large paybacks by RHCs to Medicare for clinics whose costs did not keep up with National Statutory Limit increases or provider-based RHCs that’s costs outpaced their grandfathered rate
- Cost Reports taking more time and much more information required than in the past.

Disadvantages to RHCs

- **Must employ (W-2) a NP/PA/CNM at least 50% of the time.**
- **Compliance can be burdensome including additional Emergency Preparedness requirements.**
- **Annual Cost Reporting requirements from Medicare and Medicaid.**
- **Confusing rules on counting visits and services that qualify for the All-Inclusive Rate.**
- **RHCs typically lose money during their Medicaid base or PPS cost report year.**
- **The certification process takes forever.**
- **Most states do not certify new RHCs so you must pay AAAASF or TCT to become an RHC.**

RHC Conversion Timelines

Expect the process to take six to nine months before you start seeing RHC money.



Survey Resources

- For survey, certification, and licensure questions:
  - CMS State Survey Agency Directory
  - QUAD A
    Email: info@QUADA.org
    Telephone: 866.603.2067
  - The Compliance Team
    Email: khill@TheComplianceTeam.org
    Telephone: 215.654.9110

Billing Disadvantages to RHCs

- Revenue cycle will initially slow down with Medicaid enrollment
- Medicare Advantage plans do not pay RHC rates in most cases
- Must bill using a UB-04
- Split billing is confusing
- Secondary billing may not crossover.
- Patient co-insurance will increase due to no limiting charges in RHCs.
- Negative Reimbursement for deductibles.
- Annual Wellness Exams with an E and M do not qualify for additional reimbursement.
- Annual Wellness exams can not be performed solely by a nurse.
- CPT II codes for quality can not be reported on the UB-04.
- Complaints about receiving more than you charged (No lesser of cost or charges)

There are Nine Conditions of Participation

https://www.law.cornell.edu/cfr/text/42/part-491/subpart-A

- **491.4 Comply with Fed, State, & Local Laws**
- **491.5 Must meet location requirements**
- **491.6 Physical Plant and Environment**
- **491.7 Organizational Structure**
- **491.8 Staffing and Staff Responsibilities**
- **491.9 Provision of Services**
- **491.10 Patient Health Records**
- **491.11 Program Evaluation**
- **491.12 Emergency Preparedness**

Staffing Requirements

An RHC must:

- Employ an NP or PA. RHCs may contract with NPs, PAs, CNMs, CPs, and CSWs when the RHC employs at least 1 NP or PA.
- Have an NP, PA, or CNM working at least 50% of the time during operational hours.

Health Care Services Requirements

An RHC must:

- Directly provide routine diagnostic and lab services
- Have arrangements with 1 or more hospitals to provide medically necessary services the RHC doesn't provide
- Have drugs and biologicals available to treat emergencies
- Provide these lab tests on site:
  - Stick or tablet chemical urine exam or both
  - Hemoglobin or hematocrit
  - Blood sugar
  - Occult blood stool specimens exam
  - Pregnancy tests
  - Primary culturing to send to a certified lab
- Not be primarily a mental disease treatment facility or a rehabilitation agency
- Not be a Federally Qualified Health Center (FQHC)

- The future for RHCs has never been brighter for Independent RHCs with the higher Medicare Caps.

- Provider-based RHCs will be facing an adjustment period as they are subject to caps for the first time.

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Questions/ Thank you from the HBS Team

MEET OUR TEAM

Healthcare Business Specialists offers a variety of services designed to assist physician practices and RHCs in providing better primary medical services to underserved, rural residents by enhancing Medicare and Medicaid Reimbursement and staying compliant with Rural Health Clinic program requirements.

Through cost reporting preparation, program evaluations, RHC startups and conversions, Emergency Preparedness Compliance, CHOWs, RHC terminations, and feasibility studies, Healthcare Business Specialists is equipped to serve all your RHC needs.

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