

# COVID-19 (Novel Coronavirus)



## Senate Bill 4405 Quick Analysis

March 20, 2020: A draft of the Senate Republicans Phase 3 stimulus proposal was released yesterday and in Section 4405 starting at page 176 there is a provision for RHCs to be paid as distant sites for telehealth during the state of National Emergency. The provision would pay RHCs some type of composite rate that would be like the way Chronic Care Management is paid. The rate would most likely be much less than the all-inclusive rate especially for provider based RHCs that are attached to a hospital with less than 50 beds. Here is the document if you would like to read the provisions in the proposed bill. Please note this is just a draft of a proposed bill and does not reflect where the final bill will end up or even if this provision stays in the final bill.

<https://www.documentcloud.org/documents/6815336-Senate-Republicans-Phase-3-stimulus-proposal.html>

### We would love the payment to be as follows

**Option 1:** RHCs would be paid at the All-Inclusive Rate (AIR) and the cost and visits to be included in the computation of the all-inclusive rate as expenses and visits that are a part of the AIR. This is what RHCs should be asking for when you talk to your Congressman.

### As the bill is currently written

**Option 2:** RHCs would receive a fee for service based up a composite of the current Telehealth payments in Medicare Part B Fee for Service Fee Schedule similar to the chronic care management payment per 20 minutes of time. In this situation the Telehealth costs and visits would be excluded from the all-inclusive rate calculation when the cost report is prepared. The time the physician, NP, or PA worked providing the telehealth visit would also be excluded on Worksheet B, Part 1 of the independent cost report (Form 222-17) and Worksheet M-2 of the Provider-based cost report (Form 2552-10) so as not to adversely affect the productivity screen calculation.

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We, of course, want it to be Option 1 as it is easier and, in most cases, will pay the RHC more than the Option 2 methodology as well as support hospitals in rural areas that were already in critical danger of closing before COVID-19.

CMS most likely we push for Option 2 as they are comfortable with that since they already do this for lab, technical components, hospital services, chronic care management. In fact, Telehealth is set up on the cost report in cost center 79 of the RHC cost report (Form 222-17) and treated this way currently. Here is an example from a cost report. This cost is not reimbursable in the calculation of the All-Inclusive rate and it does pull overhead from the allowable expense via a calculation on Worksheet B Part II reducing the AIR.

74.00	TOTAL OVERHEAD (sum of lines 59 and 81)		61,059	123,082	184,141	0	184,141	-50	184,091	74.00
<b>COST OTHER THAN RHC SERVICES</b>										
75.00	7500	PHARMACY	0	0	0	0	0	0	0	75.00
76.00	7600	DENTAL	0	0	0	0	0	0	0	76.00
77.00	7700	OPTOMETRY	0	0	0	0	0	0	0	77.00
78.00	7800	NON-ALLOWABLE GME PASS THROUGH COSTS	0	0	0	0	0	0	0	78.00
79.00	7900	TELEHEALTH	0	0	0	0	0	0	0	79.00
80.00	8000	CHRONIC CARE MANAGEMENT	0	0	0	0	0	0	0	80.00
81.00	8100	OTHER THAN RHC SRVCE COSTS (SPECIFY)	0	0	0	0	0	0	0	81.00
81.01	8101	OTHER THAN RHC: HOSPITAL	0	0	0	0	0	0	0	81.01
81.02	8102	OTHER THAN RHC: PRIVATE PRACTICE	0	0	0	0	0	0	0	81.02
81.03	8103	OTHER THAN RHC: LABORATORY	0	100	100	1,922	2,022	0	2,022	81.03
81.04	8104	OTHER THAN RHC: RADIOLOGY	0	0	0	0	0	0	0	81.04
86.00	SUBTOTAL-COST OTHER THAN RHC (sum of lines 75 through 81)		0	100	100	1,922	2,022	0	2,022	86.00
<b>NON-REIMBURSABLE COSTS</b>										

As you can see Option 1 is much better for RHCs and hospitals and we should be fighting hard to get Option 1 in the bill as there is a worry that this could set a precedent when permanent legislation for telehealth is considered. The other side to the story is, if Option 2 will get us some relief and safety now, let's take what we can get rather than nothing. I am rather agnostic as far as choosing sides, I just know we need something to stem the coming closing (flatten the curve) of RHCs and hospitals. It is ironic that the worry about overtaxing the healthcare system has created a vacuum where many hospitals and clinics are practically ghost towns. Many of these rural providers do not have the financial means to weather this storm as they were already teetering on the brink of closure. Please take the time to reach out to your representatives and express your views during this important weekend. Thank you for what you do and stay safe during this Global pandemic.