



# Rural Health Clinic (RHC)

## Computer Based Training

# Objectives

- **Know the definition of RHCs**
- **Understand the method of payment**
- **Understand what are and are not RHC services**
- **Understand type of bills and revenue codes**
- **Understand how to bill for laboratory, preventive and other RHC services**

# **What Are Rural Health Clinics (RHC)?**

- **Clinics located in areas designated as rural and medically underserved**
- **Eligible since 03/01/78**
- **Services to Medicare beneficiaries are covered with the date of the clinic's approval for participation**

# **Who Processes RHC Claims?**

- **The Fiscal Intermediary (FI) servicing the parent provider processes provider-based RHC claims**
  - **RHC claims are billed on Form CMS-1450 (UB-92)**
- **Physician directed clinics bill the Part B Carrier**

# **What Is the Method of Payment?**

- **All-inclusive rate for each visit**
  - **“Visit” is a face-to-face encounter**
  - **Encounters on the same day normally constitute a single visit**
- **Rate does not include services that are not RHC services**
- **The rate is subject to deductible and coinsurance requirements**

# How Are Payment Rates Calculated?

- **RHCs furnish data to their FI**
- **FIs calculate a cost-per-visit by:**
  - **Applying RHC productivity standards**
  - **Applying RHC payment cap**

# **What Is the Maximum Payment Per Visit?**

- Payment rate increased each year the first day of the year**
- Increased by the percentage increase in the Medicare Economic Index (MEI)**
- It is possible for different payment limits to apply during one reporting period**

# **Are There Any Exceptions to the Maximum Payment Limit?**

- **All RHCs based in hospitals with less than 50 beds**
- **RHCs based in hospitals with patient census not exceeding 40**
  - **Is a sole community hospital**
  - **located in an 8-level or 9-level nonmetropolitan county**
- **Bad debts or vaccine costs applied to the limit**

# **Deductible and Coinsurance**

- **Part B deductible applies**
  - **Deductible based on billed charges**
  - **Noncovered expenses do not count toward the deductible**
- **Part B coinsurance applies**
  - **RHCs will be paid 80% of the all-inclusive encounter payment rate**
  - **Patient is responsible for 20% of the charges after deductible is met**

# **What Are RHC Services?**

- **The following are RHC services:**
  - **Physicians' services**
  - **Nurse practitioners, physician assistants & certified nurse midwives services**
  - **Clinical psychologist and clinical social worker services**
  - **Services & supplies incident to services of physicians, nurse practitioners, physician assistants, certified nurse midwives, clinical psychologists, and clinical social workers**

# **What Are RHC Services? (Con't)**

- Otherwise covered drugs that are furnished by, and incident to, services of physicians and nonphysician practitioners**
- Services of registered dietitians or nutritional professionals for diabetes training services and medical nutrition therapy**
- Visiting nurse services to the homebound**
  - In areas where CMS has certified there exists a shortage of home health agency services**

# What Are Not RHC Services?

- **The following are not RHC services:**
  - **Laboratory services**
  - **Durable medical equipment**
  - **Ambulance services**
  - **Technical component of diagnostic tests**
  - **Technical component of specific preventive services**

# **What Are Not RHC Services? (Con't)**

- Prosthetic devices**
- Leg, arm, back and neck braces and artificial legs, arms and eyes, including replacements**

# **What Is the Definition of Physician Services?**

- **Services performed by a physician for a patient including:**
  - **Diagnosis**
  - **Therapy**
  - **Surgery**
  - **Consultation**

# **What Is Meant by Coverage of Services and Supplies?**

- **Items such as bandages, gauze, etc.**
- **Assistance by a nurse**
- **Drugs and biologicals that are not usually self-administered**
- **Drugs and biologicals that are specifically covered by Medicare law**

# RHC Type of Bill (TOBs)

- RHC TOBs are:
  - 710 = Non-payment/zero claim
  - 711 = Admit through discharge
  - 717 = Replacement of prior claim
  - 718 = Void/cancel prior claim

# RHC Revenue Codes

- **Rev Code:**
  - **0521- Clinic visit by member**
  - **0522- Home visit by RHC**
  - **0524- Visit by RHC practitioner to a member in a Skilled Nursing Facility (SNF) Part A stay**
  - **0525- Visit by RHC practitioner to a member in a SNF (not in a covered Part A stay) or NF or ICF MR or other residential facility**
  - **0527- RHC visiting Nurse services to a members home when in a home health shortage area**
  - **0528- Visit by RHC practitioner to other non RHC site**

# **Telehealth and Behavioral Health Services Revenue Codes**

- **Telemedicine**
  - **0780- Telemedicine, General Classification**
    - **HCPCS - Q3014**
- **Behavioral Health Treatments/Services**
  - **0900- Behavioral Health Treatments/Services,  
General Classification**

# What Are Other Billing Issues?

- **HCPCS coding not required**
  - **Exception: Telemedicine,  
Rev Code 0780, HCPCS Code Q3014**
- **Line item date of service (LIDOS)**
- **A “visit” is a unit of service**

# **RHC Required Laboratory Services**

- **RHCs must furnish the following:**
  - **Chemical examinations of urine by stick or tablet method or both**
  - **Hemoglobin or hematocrit**
  - **Blood Sugar**
  - **Examination of stool specimens for occult blood**
  - **Pregnancy tests**
  - **Primary culturing for transmittal to a certified laboratory (No CPT code available)**

# What Are Other Laboratory Issues?

- RHCs may furnish lab services other than the required tests
- All lab services must be billed by the host provider
- Hospitals and Critical Access Hospitals (CAHs) are required to bill using 14x TOB
  - HCPCS codes are required

# Preventive Services

- Initial Preventive Physical Examination
- Screening pap smears
- Screening pelvic exams
- Prostate cancer screenings
- Cardiovascular Disease Screening
- Colorectal cancer screening tests
- Screening mammography
- Bone mass measurements
- Glaucoma screenings
- Diabetes Screening

For the above services:

- Professional components are part of the overall encounter
  - Charges are added to the encounter charges
  - HCPCS are not required
- Technical components are billed on other types of claims

# **Preventive Services (Con't)**

- **Mammograms & Prostate PSA  
Services:**

- **Do not have separate HCPCS codes for the professional and technical components**
- **Professional component is billed using revenue code 052x and no HCPCS coding**

# Preventive Services (Con't)

- RHCs do not separately report influenza or pneumococcal pneumonia vaccines
  - Charges not included in the encounter
  - Costs separately reimbursed at cost settlement
- RHCs do not separately bill for hepatitis vaccine
  - Charges included in the encounter
  - Costs are covered under the all-inclusive rate

# **RHC Services for Hospital Outpatient or Inpatients**

- **Payment may not be made for services provided to hospital patients**
- **If RHC does not compensate the practitioner, the practitioner may bill the Part B Carrier**

# **RHC Services for SNF Part A Residents**

- **Originally, RHC services were not excluded from SNF Consolidated Billing**
  - **Effective 01/01/05 the law was amended**
  - **RHC may now bill their FI for services furnished to SNF Part A residents**

# Resources

- **CMS Internet-Only Manual System**
  - [www.cms.hhs.gov/manuals/](http://www.cms.hhs.gov/manuals/)
    - Pub. 100-02, Chapter 13
    - Pub. 100-04, Chapters 9, 17, 18 & 25
- **CMS Rural Health Clinic Web site**
  - [www.cms.hhs.gov/center/rural.asp](http://www.cms.hhs.gov/center/rural.asp)
- **Rural Health Clinic Fact Sheet**
  - [www.cms.hhs.gov/MLNProducts/downloads/2006rhc.pdf](http://www.cms.hhs.gov/MLNProducts/downloads/2006rhc.pdf)
- **WPS Medicare Web site**
  - [www.wpsmedicare.com](http://www.wpsmedicare.com)

# Summary

- **Definitions of RHCs**
- **Method of payment**
- **What are RHC services and are not RHC services**
- **Billing issues**
- **Resources available**

**This presentation is intended to be used for educational purposes only. Medicare regulations and guidelines are to be used as the final authority.**

**Thank you, you have completed  
the CBT.**

**Would you like to take a 10 question  
knowledge check?**

Yes, let's get started.

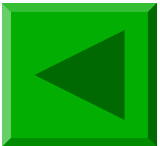
No, please take me back to  
WPS Medicare's Provider  
Homepage.

CMS Pub. 100-02, Ch. 13 and  
Pub. 100-04, Ch. 9 specifically  
address RHC issues.

True

False

**That is not correct, please try  
again.**



**This is true. While other manuals may contain RHC related information, these two manuals contain chapters specifically directed to RHC issues.**

The upper Medicare payment limit per visit is adjusted January 1st and July 1st of each year.

True

False

**This is false. The upper Medicare payment per visit is adjusted each January based on the Medicare Economic Index.**

Effective 07/01/06 the following revenue codes have been added:  
0524, 0525, 0527 and 0528.

True

False

**This is true. Please refer to slide  
16.**

Laboratory services provided by a RHC are billed by host provider, using the host's provider number and a 14x type of bill.

True

False

**This is true. The host provider, including CAHs, bill for the laboratory services and are reimbursed via the fee schedule.**

Costs for the influenza virus or pneumococcal pneumonia vaccines are separately billable in addition to the encounter.

True

False

**This is false. The costs for the influenza virus or pneumococcal pneumonia vaccines are included in the cost report and are not billed in addition to the encounter.**

When revenue code 0900  
(Behavioral Health  
Treatments/Services, General  
Classification) is used the  
outpatient mental health treatment  
limitation is not applicable.

True

False

**This is false. The outpatient  
mental health treatment  
limitation does apply to RHC  
services billed using  
revenue code 0900.**

Telehealth is not an RHC service.  
However, RHCs can bill for the  
telehealth originating site facility  
fee using revenue  
code 0780 with HCPCS code  
Q3014.

True

False

**This is true. Revenue code 0780 is used by the RHC to bill for the telehealth originating site facility fee and requires the use of HCPCS code Q3014.**

Some services, such as DME, ambulance and the technical component of preventive services, are not RHC services.

However, RHCs can bill for these services using the RHC provider number.

True

False

**This is false. The provider/supplier providing the service must bill for the service under their provider number.**

Effective 01/01/05 RHCs can bill their FI for services provided to a patient receiving Part A benefits in a SNF.

True

False

**This is true. Effective 01/01/05  
RHC services were excluded  
from the SNF consolidated  
billing provisions,  
and can be billed as RHC  
services.**

RHCs will be paid at 80% of the all-inclusive encounter rate. The patient is responsible for 20% of the all-inclusive encounter rate.

True

False

**This is false. The first sentence is true. However, the patient is responsible for 20% of charges, not 20% of the all-inclusive encounter rate.**

# Thank you, you have completed the Knowledge Check.

Would you like to take another CBT?

Yes, let's get started.

No, please take me back to  
WPS Medicare's Provider  
Homepage.