



GEORGIA DEPARTMENT
OF COMMUNITY HEALTH

Rural Health Clinics 101



Presentation to: Georgia Charitable Care Network

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Mission

The Georgia Department of Community Health

We will provide Georgians with access to affordable, quality health care through effective planning, purchasing and oversight.

We are dedicated to A Healthy Georgia.

What is a Rural Health Clinic?

The Rural Health Clinic Services Act of 1977 (Public Law 95-210) was enacted to address an inadequate supply of physicians serving Medicare patients in rural areas and to increase the utilization of non-physician practitioners such as nurse practitioners and physician assistants in rural areas.

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*. RHCs are required to use a team approach of physicians and midlevel practitioners such as nurse practitioners, physician assistants, and certified nurse midwives to provide services.



Rural Health Clinic Structure Options

- RHCs may be for-profit or not-profit
- RHCs may be free-standing or provider-based
 - Provider-based RHCs are considered an integral part of a hospital, nursing home or home health agency that is already a Medicare certified provider.
 - Independent RHCs are generally stand-alone clinics.



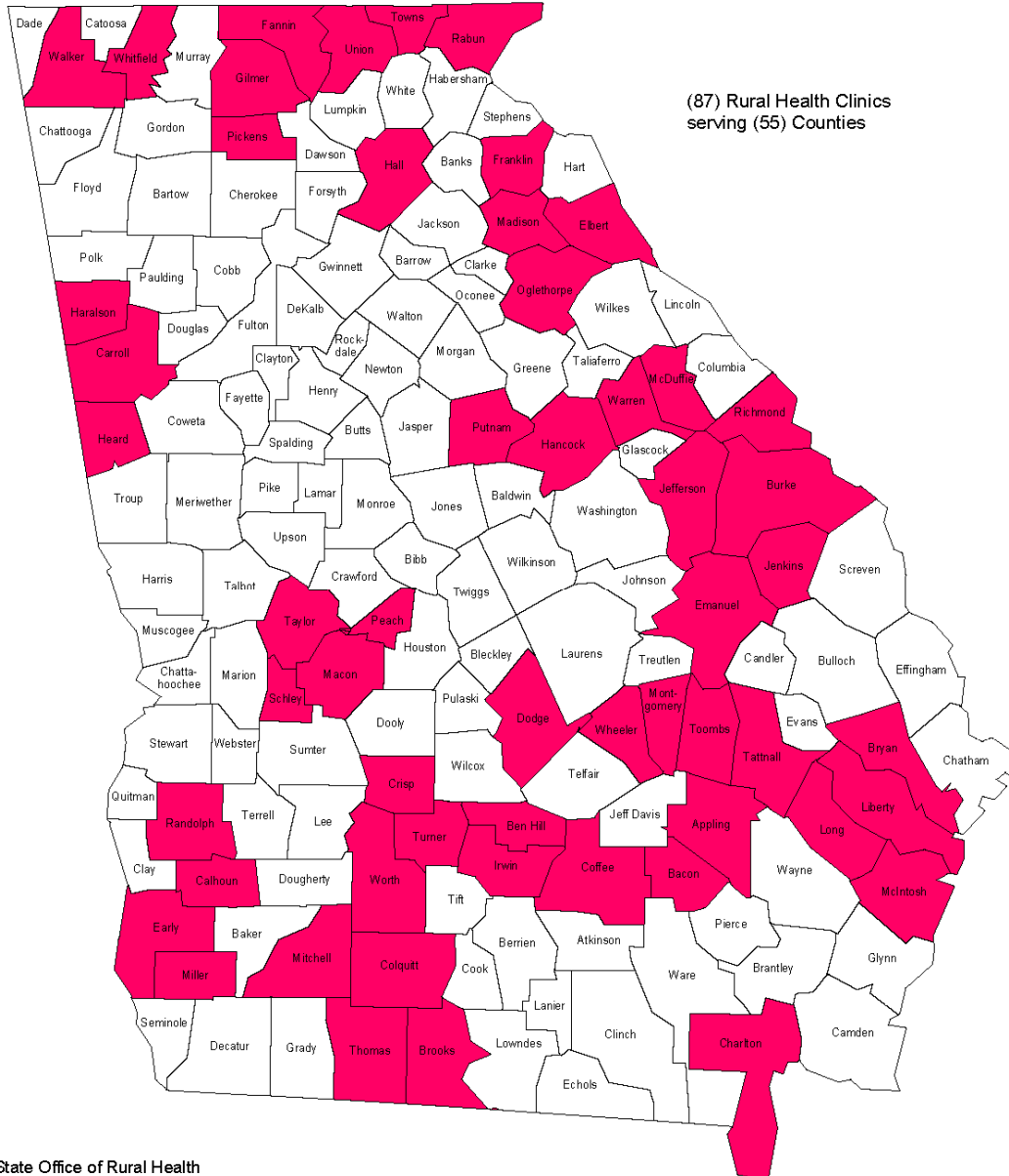
Rural Health Clinic Location

Clinic must be located in:

- A non-urbanized area, as defined by the U.S. Census Bureau **AND**
- An area currently designated by the Health Resources and Services Administration as one of the following types of Federally designated or certified shortage areas:
 - Primary Care Geographic Health Professional Shortage Area
 - Primary Care Population-Group HPSA
 - Medically Underserved Area
 - Governor-designated and Secretary-certified shortage area



State of Georgia Rural Health Clinics



State Office of Rural Health
502 South 7th Street
Cordele, GA 31015
Ph: 229-401-3090
Source: <http://167.193.144.216/>
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Rural Health Clinic Required Services

- Services & supplies provided by physicians, family nurse practitioners (FNP), Physician Assistants (PA), Certified Nurse Midwife (CNM) or Clinical Social Workers (CSW)
- Medicare Part B covered drugs furnished by and incident to services of a RHC provider
- Visiting nurse services to the homebound in an area where CMS has certified that there is a shortage of Home Health Agencies

Rural Health Clinic Requirements

Rural Health Clinics must:

- Employ a NP or PA
- Have a NP, PA, or CNM working at the clinic at least 50 percent of the time the RHC operates
- Directly furnish routine diagnostic and laboratory services
- Have arrangements with one or more hospitals to furnish medically necessary services that are not available at the RHC
- Have available drugs and equipment necessary for the treatment of emergencies (first responder level)

Rural Health Clinic Lab Requirements

Furnish onsite all of the following laboratory tests:

- Chemical examination 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

For more information on Clinical Laboratory Improvement Amendments (CLIA) : <http://wwwn.cdc.gov/clia/Resources/WaivedTests/>

Rural Health Clinics Must:

Rural Health Clinics must also:

- Have an annual program evaluation
 - Internal self-evaluation of compliance and confirmation that policies & procedures are current and appropriate
- Post their days and hours of operation
- Not be a rehabilitation agency or a facility that is primarily for the treatment of mental illness
- Not be a Federally Qualified Health Center
- Meet other applicable State and Federal requirements

Rural Health Clinic Visits

RHC visits are medically necessary face-to-face encounters between the patient and a physician, NP, PA, CMN, or CSW during which RHC service is furnished.



Eligible Visit Locations

RHC visits may take place at the following:

- The RHC
 - May co-locate but must be separate and distinct; no co-mingling of staff or property
- The patient's residence
- An assisted living facility
- A Medicare-covered Part A Skilled Nursing Facility
- The scene of an accident

Rural Health Clinic Payments

The RHC per-visit payment limit is established by Congress and changes each year based on the percentage change in the Medicare Economic Index.

Medicare Current Upper Payment Limit is: \$79.17 for 2013

Medicaid statewide average:

Freestanding: \$73.30

Hospital-based: \$76.08

RHC's receive cost-based reimbursement for a defined set of core physician and certain non-physician outpatient services.

Patient Financial Responsibility

- The coinsurance for Medicare patients is 20 percent of the reasonable and customary charges except for the following services:
 - Outpatient mental health treatment services (note: behavioral health rehab facilities are not eligible for RHC status)
 - Certain preventive services
- Any insurance or Medicaid deductibles or co-pays
- A sliding scale is not required but there is nothing prohibiting you from providing one.

Cost Reports

- Independent RHC's must complete the Independent Rural Health Clinic and Freestanding Federally Qualified Health Center Cost Report to identify all incurred costs applicable to furnishing covered RHC services.
- Hospital-based RHC's must complete Hospital and Hospital Health Care Complex Cost Report to identify all incurred costs applicable to furnishing covered RHC services.



Annual Reconciliation

- At the end of the annual cost reporting period, RHC's submit a report including actual allowable costs and actual visits for RHC services. After reviewing report, allowable costs are divided by number of actual visits to determine final rate of reporting period.
- The Medicare Contractor (fiscal intermediary) determines the total payment due.



Implications

- Provides Cost-based reimbursement from Medicare & Medicaid
 - Based on Allowable Costs – those costs resulting from the provision of covered services that are reasonable, necessary, and efficient in the delivery of services.
 - Allowable costs include direct cost (salaries, supplies) of providing services and an allocated portion of overhead.
 - If a non-covered service is provided no related costs are allowed in the calculation

Implications

- Incentivizes the use of mid-level practitioners
 - Increases efficiency
 - Reduces costs
- Greater government oversight through the certification process & unannounced surveys
- Cost report settlement at year end may result in additional reimbursement or payback of overpayments

Main differences between Federally Qualified Health Centers (FQHC) & RHCs

- RHCs are not supplemented by federal grant funds
- RHCs do not receive federal malpractice protection
- RHCs are not required to have a governing board
- RHCs may be for profit and/or hospital-based
- RHCs must be non-urbanized
- RHCs must have a mid-level practitioner 50% of time the clinic is open
- RHCs are only required to provide primary care, basic labs & first responder capacity onsite



Next Steps if interested the RHC Model

Complete a Financial Analysis by a professional with extensive experience with RHCs which includes a review of a minimum of

- Allowable Costs
- Visits
- Reimbursement Rate Determination
- Payer Mix
- New Service Effect

Helpful Websites

- Georgia Department of Community Health, Office of Rural Health, Primary Office
 - <http://dch.georgia.gov/rural-health-clinics-rhc>
- Rural Assistance Center (RAC) – RHC information
 - www.raconline.org
- Am I rural
 - <http://ims2.missouri.edu/rac/amirural/>
 - www.census.gov



More Helpful Links

- HRSA Rural Health information page
 - <http://www.hrsa.gov/ruralhealth/>
- The RHC How To Manual
 - <http://www.hrsa.gov/ruralhealth/pdf/rhcmanual1.pdf>
- The CMS Rural Health information page
 - Billing guide and other info
 - <http://www.cms.gov/Center/Provider-Type/Rural-Health-Clinics-Center.html>

Georgia State Certification Agency

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Applications and Waivers

Department of Community Health
Health Care Facility Regulation Division

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404-657-1511



More Resources

The **Georgia Rural Health Association** serves as the Rural Health Clinic Association

Matt Caseman, Executive Director

www.grhainfo.org

478.552.3620

State Rural Health Clinic Conference

ICD-10 Training for Rural Health Clinics

Webinars for Rural Health Clinics

Contact Us

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