



# Basic Rural Health Clinic Billing

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# Overview

- ➔ This presentation will discuss the basic elements of RHC billing.
- ➔ The following areas will be discussed:
  - The RHC Encounters and Medical Necessity
  - Rural Health Services
  - Non-RHC Services
  - Preventive Services
  - Basic claim submission requirements
  - Online RHC Resources



# FI - Fiscal Intermediary

- This is your RHC administrator/payor.
- The FI:
  - administers new, existing, and terminating RHCs;
  - processes and settles the cost report;
  - sets the RHC encounter rate;
  - adjudicates RHC claims;
  - determines RHC billing and coverage issues.
- FI is also used to refer to provider-based parent entity payor.



## Medicare Part B (FFS)

- Medicare fee-for-service carrier
- Processes fee-for-service claims
- Consolidating to Medicare Administrative Contractors (MAC)



# MAC Transition

- Many fiscal intermediaries are changing to assigned MACs.
- Existing, Independent RHCs *should* be the last to transition, but new ones may be assigned to different MACs.
- Some discussion that RGBA will not transition until 2011.



## Never assume...

In general, RHC billing rules are very similar from payor to payor, but...

Always check with your own FI or Medicare Part B payor for their individual payment policies.



## State Law and Medicaid

- State medical practice laws, collaborative requirements, and Medicaid programs vary widely.
- Always check with state agencies and Medicaid offices before making any assumptions.



## Provider-Based vs. Independent

- ▶ Independent RHCs are clinics that do not qualify for provider-based status. Claims are billed to your FI or MAC.
- ▶ Provider-based RHCs are out-patient departments of a parent entity, normally a hospital. Claims are billed to the parent entity's fiscal intermediary.





# Rural Health Clinic Billing 101\*

It's all about the encounter!

Riverbend RHC LCD 4874 - Go to [www.rgbagov.com](http://www.rgbagov.com)  
and search 'RHC' or '4874'

Trailblazers RHC Manual – Go to [Trailblazershealth.com](http://Trailblazershealth.com)  
and search 'Rural Health Clinic'



# The RHC Encounter is:

...providing evaluation and management services at a skill level that requires the assessment, clinical reasoning, and judgment of a qualified RHC practitioner (i.e. the metaphorical "laying on of hands"). The condition of the patient must warrant the specialized skills of the qualified RHC practitioner.

Medical necessity is required for Medicare services to be reimbursable.

(Riverbend RHC LCD 4874)



# Medical Necessity

The following examples are *not* medically necessary:

- A visit solely for administration of an injection (e.g. B-12, allergy);
- Dressing changes;
- Lab results or tests;
- Writing or re-filling prescriptions.



# Qualified RHC Providers

An RHC encounter can be billed for the following providers:

- Physicians;
- Nurse Practitioners, Physician Assistants, and Certified Nurse Midwives;
- Clinical Psychologists (PhD);
- Clinical Social Workers (CSW or LCSW).



# Rural Health Services

- Physicians' services;
- Services and supplies incident to a physician's service;
- Services of nurse practitioners (NP), physician assistants (PA), and certified nurse midwives (CNM);
- Services and supplies incident to the services of nurse practitioners and physician assistants (including services furnished by nurse midwives);

(Medicare Benefit Policy Manual Chapter 13)



# Rural Health Services (Continued)

- Visiting nurse (VN) services to the homebound;
- Clinical psychologist (CP) and clinical social worker services (CSW);
- Services of registered dietitians or nutritional professionals for diabetes training services and medical nutrition therapy;
- Otherwise covered drugs that are furnished by, and incident to, services of physicians and non-physician practitioners of the RHC/FQHC .

(Medicare Benefit Policy Manual Chapter 13)



# RHC Service Locations

- Rural Health Clinic services can be provided at:
  - the clinic (or center);
  - a nursing home (SNF beds included);
  - the patient's place of residence;
  - elsewhere (i.e. the scene of an accident – seriously!)



# Incident-to Services

- Incident-to services get bundled with the RHC encounter.
- Services that do not occur on the same date as the encounter can be bundled if they occur 30 days before or after.
- The affect on payment is an increase in the charge, and therefore in the co-insurance.
- The cost for these services are included in the cost report, but are not separately payable on claims.





# Examples of incident-to services

- Injections
- Dressing Changes
- Prescription Services
- Blood Pressure Monitoring



# How to Bundle Services

Example: An office visit for \$70.00 and an injection for \$20.00 is provided by the physician, NP, PA, or CNM.

One line item for \$90.00 will be submitted to Medicare. The patient will be responsible for \$18.00 (20% co-insurance).



# Influenza, Pneumococcal Injections

- Flu and pneumonia shots are covered under the RHC program. These are the only injections that are separately payable.
- These are not billed on a claim, but are submitted on the cost report.
- They are paid with the clinic's annual cost report reconciliation.



# Non-Rural Health Services

Non-Rural Health Services can be billed to the fee-for-service carrier (or hospital FI).

These services include:

- Diagnostic testing - X-Ray, EKG, etc.
- Laboratory services
- Professional services rendered in the hospital



## Diagnostic Testing and Lab: Independent

- The professional component for X-Ray, EKG, and other diagnostic testing is bundled with the RHC encounter.
- The technical component of these tests are billed to the Medicare Part B carrier using the fee-for-service provider number.
- All lab services are also billed to the Part B carrier.



## Diagnostic Testing and Lab: Provider-Based

- The professional component for X-Ray, EKG, and other diagnostic testing is bundled with the RHC encounter.
- The technical components for X-Ray, EKG, ultrasounds, etc. are billed to the FI using the parent entity's provider number.
- Lab services are also billed to the FI using the parent entity's provider number.



# Lab Services: Provider-Based

- ➔ If a lab test is actually performed in the clinic, a TOB 141 is submitted using the parent's provider number.
- ➔ If the lab is drawn in the clinic and processed at the hospital, a TOB 141 is submitted using the parent's provider number.
- ➔ If the lab is drawn *and processed* at the hospital, a TOB 851 is submitted using the parent's provider number.



# CMS Quick Reference Guide

- See the following chart for a quick reference on RHC billing.
- This is also posted on [www.northamericanhms.com](http://www.northamericanhms.com).

[www.cms.hhs.gov/MLNProducts/downloads/RuralChart.pdf](http://www.cms.hhs.gov/MLNProducts/downloads/RuralChart.pdf)





## 99211 Office Visits

- E/M code 99211 is commonly used for nursing visits, (injection administration, etc.), even though physicians sometimes bill them.
- For RHC purposes, these are NOT considered encounters.



## More on 99211

- If a service is a 99211 and performed by a nurse, it does not qualify as an encounter.
- If it was performed by a physician (or NP):
  - A: it is probably under-coded;
  - B: the service does not require the expertise of a physician.



# Hospital Services

- Physician services at the hospital are billed to the Medicare Carrier for fee-for-service reimbursement.
- If the parent-entity is a Critical Access Hospital (CAH) using option II billing – out-patient hospital services are billed to the parent's FI.



# Preventive Services

- Medicare Preventive Services are partially payable as encounters.
- Preventive Services include:
  - Welcome to Medicare Physical
  - Screening Pap/ Pelvic Exam
  - Cardiovascular Screening



# Welcome to Medicare Physical

- The professional component for covered preventive services are payable as an RHC encounter.
  - Diagnostic tests will be billed to the Part B carrier or Hospital FI.
  - Only payable once per lifetime.
  - Deductible and Co-Insurance apply.



## Other Preventive Services

- ➔ The professional component for the biennial screening pap/pelvic exam can be billed as an encounter. The labs will be billed to the carrier or hospital FI.
- ➔ All diagnostic tests for the cardiovascular screening are billed to the Part B carrier or Hospital FI.
- ➔ Encounters with *routine diagnoses* are not payable.



# Diabetic and Nutrition Counseling

- These are incident-to the physician or mid-level services.
- These **CANNOT** be billed to the Medicare Part B carrier and are not an encounter.
- The costs for these services are included in the cost report.



# Mental Health Services

- Mental Health Services performed by a qualified provider are billed using revenue code 900.
- Diagnostic services are paid as an encounter.
- Therapeutic services are subject to a 62.5% payment limitation.





# Claim Submission

- All claims are billed on a UB-04.
- Actual charges should be submitted, *not* the RHC encounter rate.
- Co-insurance and deductible amounts are applied based on the *charge*.
- A medically-necessary diagnosis required.
- Only one encounter per day is billable.



## Claim Submission (Continued)

- Visits with more than one RHC professional on the same day are one encounter.
- Some payors allow an RHC encounter and a hospital admission on the same day. Others don't.
- Theoretically, two encounters on the same day but for different diagnoses are payable.
- An RHC encounter and a mental health visit on the same day are payable.



# Revenue Codes

The following revenue codes are used on UB04 claims:

- 0521 - Clinic Visit at RHC by qualified provider;
- 0522 - Home visit by RHC provider;
- 0524 - Visit by RHC provider to a Part A SNF bed;
- 0525 - Visit by RHC provider to a SNF, NF or other residential facility (non-Part A);
- 0527 - Visiting Nurse service in home health shortage area
- 0528 - Visit by RHC provider to other non-RHC site (scene of an accident)



# MSP Questionnaire

RHCs must have a mechanism for documenting that there is no payer primary to Medicare *at each visit*. A completed MSP questionnaire must be on file for each patient – either hard copy or electronic file.

See [www.cms.hhs.gov/manuals/downloads/msp105c03.pdf](http://www.cms.hhs.gov/manuals/downloads/msp105c03.pdf)



## DDE – Direct Data Entry

The Direct Data Entry system is one of the most critical tools available for RHC claims management.

The DDE system is a Medicare system available to Part A providers. It is a claim management and patient eligibility tool for Medicare patients.



## DDE Tools

- Work returned claims electronically.
- Access to the Common Working File for beneficiary eligibility and benefits.
- Correct and enter claims online.
- Review status of suspended, pended, and paid claims.



# RHC Resources

NARHC List-Serve – just remember, it's public and you can't discuss setting fees.

Riverbend - [www.rgbagov.com](http://www.rgbagov.com)

Riverbend LCD - <http://www.rgbagov.com/publications/lcd/lcd-files/4874.html>\*

\* Make sure and check with your own FI before implementing policies based on this document.!!



# RHC Resources (Cont'd)

Trailblazers Web Site – [www.trailblazershealth.com](http://www.trailblazershealth.com)

Trailblazers Rural Health Clinic Manual -

[www.trailblazerhealth.com/Publications/Training%20Manual/rhcmanual.pdf](http://www.trailblazerhealth.com/Publications/Training%20Manual/rhcmanual.pdf)





# CMS Resources

Main Site – [www.cms.hhs.gov](http://www.cms.hhs.gov)

Online Manuals -

[www.cms.hhs.gov/Manuals/IOM/list.asp?listpage=1](http://www.cms.hhs.gov/Manuals/IOM/list.asp?listpage=1)

CMS Rural Health Center –

[www.cms.hhs.gov/center/rural.asp](http://www.cms.hhs.gov/center/rural.asp)



# More CMS Resources

Medicare Claims Processing Manual – UB04 Completion

[www.cms.hhs.gov/manuals/downloads/clm104c25.pdf](http://www.cms.hhs.gov/manuals/downloads/clm104c25.pdf)

Medicare Claims Processing Manual – Chapter 9  
RHC/FQHC Coverage Issues

[www.cms.hhs.gov/manuals/downloads/clm104c09.pdf](http://www.cms.hhs.gov/manuals/downloads/clm104c09.pdf)

MedLearn Catalog

[www.cms.hhs.gov/MLNProducts/downloads/MLNCatalog.pdf](http://www.cms.hhs.gov/MLNProducts/downloads/MLNCatalog.pdf)



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