

## Healthcare Business Specialists

502 Shadow Parkway  
Chattanooga, TN 37421

# HBS Update Newsletter

Here is some updated information from our website:  
[www.ruralhealthclinic.com](http://www.ruralhealthclinic.com)

## 2010 RHC Cost Reports

It is almost RHC cost report time again and we are close to sending out the RHC notebooks. If you can not wait to get started on the RHC Cost Report; here is our checklist for 2009 cost reports. The P S and R report may be a problem this year with the new IACS system. If you have a problem obtaining your P S and R by April 30<sup>th</sup>; let us know and we have contact at Cahaba that has been successful in obtaining the reports relatively quickly. Here is the checklist for 2010 and I added a link for some work we did on the comparison between provider-based RHC reimbursement and RBRVS payment. I have included our Medicare Cost Report Workpapers, Physician Compensation Tables and Tab Sheets or Summary pages that we use to summarize the data for Medicare in our standard Workpaper set that is presented to the Medicare Administrative Contractor (MAC). The updated information includes a section for the reporting of H1N1 Flu vaccine which is new this year.

[2010 RHC Update Workpapers including Physician compensation tables and new data summary sheets](#)

[2010 RHC Cost Report Checklist](#)

[2010 Visit Checklist for Cost Report](#)

[2010 P S and R and IACS Explanation](#)

[Provider-based Rural Health Clinic Example](#)

[www.ruralhealthclinic.com](http://www.ruralhealthclinic.com)

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### RHC Cost Reports and Contingency Reviews

If your rural health clinic is not above the Medicare reimbursement maximum of \$77.76 for 2010; then, you should consider having us prepare your cost report. Last year 100% of our clients were at or above the reimbursement cap and the cost reports were filed conservatively as we did not have a single cost adjustment in our cost reports. Our recent refilings and contingency work has indicated that a number of clinics are not getting the maximum reimbursement rates and it is not due to low costs. It is due to incorrectly prepared cost reports.

We have been working with Medicare and Medicaid cost reports since 1981 or 29 years of experience. That experience has proven results. HBS has recovered over \$500,000 in lost Medicare and Medicaid reimbursement by re-filing Medicare and Medicaid cost reports. We can look at the previous year's cost reports on a contingency basis and if we will only be paid if we find something. The fee is 25% of the Medicare increased reimbursement when it is credited to your account. If you are below the cap it just makes sense to have your cost report reviewed.

Even if we do not find increased reimbursement; we will send you a free benchmarking report comparing how your clinic compares to other clinics in physician compensation, charges per Medicare visit, reimbursement per Medicare visit, physician visits, NP visits, PA visits, Flu shot reimbursement, pneumococcal reimbursement, and other key operating variables of a rural health clinic. To get us started; email us at [la\\_vita\\_nouva@hotmail.com](mailto:la_vita_nouva@hotmail.com) or call us at (423) 243-6185.

### Classified Advertising

If you are interesting in selling your rural health clinic; we have a potential buyer in California. This physician is interested in any part of the country. Let us know; if you are interested in selling your clinic and we will get you in touch with him.

We have three clients that are interested in selling their clinics. Mostly, older physicians that is ready for retirement. The location of the clinics is Alabama, Georgia, and Ohio.

If you are looking for someone with healthcare experience in systems and implementation; here is a resume of a gentleman seeking employment. He has experience with HCA and HMS and would travel or relocate if necessary. Here is his resume, cell phone number is (931) 808-9542 and email address is [tvowell@edge.net](mailto:tvowell@edge.net).

[2010 Resume of Tim Vowell](#)

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If you want to be added to our newsletter mailing list; please email us your email address. Just write "Newsletter" and we will include you on our mailing list. Also, look for our mailer in the next few days as we sent out 3,200 pieces this week. If you want on our mailing list include your address with the Newsletter information and will be sure to include it. Our email address is [la\\_vita\\_nouva@hotmail.com](mailto:la_vita_nouva@hotmail.com).

The RHC Update Seminars are filling up fast. If you want an easy to use one page PDF file to register for the seminar here it is. Also, we have had several people ask about our refund policy and you get back 100% of your money if you cancel before the seminar or if you are dissatisfied in the seminar we guarantee your satisfaction with a money back guarantee.

[2010 RHC Update Seminar Registration Form](#)

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## MedMate Systems by Versacom

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MedMate Systems by Versacom.

at [www.medmate.com](http://www.medmate.com)

**or by calling Marie Newlin at (800) 486-7714**

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## RHC Update and Billing Seminars

Healthcare Business Specialists is pleased to announce that the RHC Spring Update seminars have been scheduled for 2010. The dates and locations are as follows: Indianapolis on April 23, 2010, Columbia, SC on April 30, 2010, and St. Louis, MO on May 7, 2010. The seminars will be a little different than in the past. We will start at 9:30 and run until noon. We will have a 1½ hour break for lunch which will be on your own from Noon to 1:30 pm. The seminar will then run from 1:30 to 4:00 pm. Food will not be served at the seminars, so bring a snack.

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The price of the seminar will be \$200.00 per person for the full day or \$100 if you just plan on attending a half day. We offer a \$25 discount for members of the same organization. The fee is \$200 for the first person from the same organization and \$175.00 for the second. We offer a referral bonus of \$25.00 to anyone who refers an attendee to the seminar. Just have the person write the name of the referring person in the promo code section of the registration form and we will pay the referral fee at the seminar. (You must be registered for the seminar to receive a referral fee.)

The printed material including full color slides is not a part of the fee and if you want to obtain the notebook the cost is \$100 per notebook. The notebook will include a diskette with all the presentations and additional information related to RHCs. Again, the notebook is an additional fee from the seminar fee and if you can not attend the seminar you can order the RHC Update Notebook or the Cost Report Notebook. Both are \$100.00. The seminar locations and dates are as follows:

Location	Dates	Seminar Type
Indianapolis, IN	April 23, 2010	RHC Update
Columbia, SC	April 30, 2010	RHC Update
St. Louis, MO	May 7, 2010	RHC Update
Robinson, IL	June, 2010	RHC Billing
Hilton Head, SC	July 16, 2010	RHC Billing

## 2010 P S and R Update

Here is some basic information about signing up with IACS which will provide the P S and R reports in the future. The CMS PS&R system is live and providers have started downloading and using the system.

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The new PS&R system is used for all cost reports ending January 31, 2009 and later. The FI/MAC's are no longer required to send providers PS&R data. Providers now have the ability to request and download their own PS&R Summary data. This is an enhancement over the prior system. Providers can request data when they want and how they want. The following CMS website contains helpful information <http://www.cms.hhs.gov/PSRR/> .

The first step is to be registered with IACS. Information regarding the IACS process is located on the CMS website at <http://www.cms.hhs.gov/IACS>. The IACS webpage contains descriptions of the processes and links to user guides that will assist with registration. HFS has not and cannot use this system so we will not be able to support you through this process. We have heard that the IACS website is helpful.

This .pdf also has great information. For support you will contact the IACS help desk, External User Services (EUS), at 866-484-8049 or [EUSupport@cgi.com](mailto:EUSupport@cgi.com).

[http://www.cms.hhs.gov/psrr/downloads/Registration\\_Tips\\_Providers.pdf](http://www.cms.hhs.gov/psrr/downloads/Registration_Tips_Providers.pdf)

It is our understanding that January 31, 2009 - June 30, 2009 FYE providers are currently registering for IACS. It is important that you start this process as soon as possible because the verification process may take weeks to complete. If you are in the 1/31/2009 - 6/30/2009 FYE group you have probably been given information about registering with IACS from your FI/MAC.

7/1/2009 - 8/31/2009 providers will begin registration on 8/1/2009.

9/1/2009 - 9/30/2009 providers will begin registration on 9/1/2009.

10/1/2009 - 1/30/2010 providers will begin registration on 10/1/2009.

If a provider is part of a chain, each provider within the chain must register separately.

Providers will access the web based PS&R using the following URL -

<https://psr-ui.cms.hhs.gov/psr-ui>

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Healthcare Business Specialists has not and will not be able to access this system. We have seen presentations and have looked through the attached manual at this link

[http://www.cms.hhs.gov/psrr/downloads/User\\_Manual\\_Providers.pdf](http://www.cms.hhs.gov/psrr/downloads/User_Manual_Providers.pdf).

For support on the PS&R system you should contact your FI/MAC contractor. More PS&R system related information:

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0747.pdf>

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0753.pdf>

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0754.pdf>

If all else fails, contact us and we have a contact in Cahaba that has been very successful in retrieving the P S and R information and we can get the information from him. Good Luck in downloading the P S and R report that is needed for us to complete your cost report timely and accurately.

### CMS increases RHC Maximum Rate to \$77.76

CMS announced a 1.2% increase in the Medicare Economic Index (MEI) translates into \$.92 increase (from \$76.84 to \$77.76) in the maximum allowable cost per visit for rural health clinics in 2010. An integral part of receiving the correct reimbursement on the cost report is to have the proper Medicare maximum allowable cost per visit in the cost report. The Medicare Deductible increases from \$135 to \$155 in 2010 or a 14.8% increase from 2009 and the Medicare Part B fee schedule is currently frozen at 2009 rates for the first two months of 2010. A 21% cut is projected effective March 1, 2010 unless Congress corrects the formula once again.

<i>Period of Time</i>	<i>Rate</i>	<i>Increase</i>
<i>1/1/2010 to 12/31/2010</i>	77.76	1.2%
<i>1/1/2009 to 12/31/2009</i>	76.84	1.6%
<i>1/1/2008 to 12/31/2008</i>	75.63	1.8%
<i>1/1/2007 to 12/31/2007</i>	74.29	2.8%
<i>1/1/2006 to 12/31/2006</i>	72.76	2.8%

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# Updated Physician Compensation Tables

With the announcement of the 1.2% increase in the Medicare Economic Index for 2010; we can update our physician compensation tables to include 2010. Table 1 and Table 2 are to be used to compute allowable physician compensation for physician owners in rural health clinics. According to Section 902.1 of the CMS Cost Reporting manual; “The allowance of compensation for services of sole proprietors and partners is the amount determined to be the reasonable value of the services rendered regardless of whether there is any actual distribution of the profits of the business.” We use these tables to compute the allowable compensation for physician owners when preparing RHC cost reports.

Please see next page for Table 1

Physician Compensation (Time)

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## Table 1

### Guideline for Reasonableness of Physician Owners Salary at Rural Health Clinics (Time)

This table can be used to determine the allowable compensation for physician administrative time in an RHC. In 1996, the Medicare Intermediary converted to a per visit method of computing allowable physician compensation; however, it does not account for administrative time that a physician owner may provide in the operation of a medical practice. The purpose of this table is to compute the allowable physician compensation related to that administrative time.

YEAR	SALARY <sup>[2]</sup>	MEI <sup>[3]</sup>	CAP <sup>[4]</sup>
1985	91,258		
1986	95,000		
1987	98,800		
1988	103,443		
1989	108,564		
1990	113,937		
1991	119,577		
1992	125,496		
1993	131,709		
1994	138,229		
1995	145,071		
1996	152,252		
1997	155,602	2.0%	57.77
1998	159,025	2.2%	59.04
1999	162,682	2.3%	60.40
2000	166,587	2.4%	61.85
2001	170,085	2.1%	63.14
2002	174,507	2.6%	64.78
2003	179,742	3.0%	66.72
2004	184,955	2.9%	68.65
2005	190,689	3.1%	70.78
2006	196,600	2.8%	72.76
2007	200,729	2.1%	74.29
2008	204,342	1.8%	75.63
2009	207,611	1.6%	76.84
2010	211,763	1.2%	77.76

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### Table 2

## Guideline for Reasonableness of Physician Owners Salary at Rural Health Clinics (Visits)

In 1996 the Medicare RHC intermediary converted to a per visit method of computing allowable physician compensation. The purpose of this table is to determine the allowable cost per visit to be multiplied by the number of encounters that the physician/provider owner provided during the fiscal year.

Allowable Physician Compensation Per Visit						
<u>Year</u>	<u>RHC Cap</u>	<u>Increase</u>	<u>South</u>	<u>East</u>	<u>North</u>	<u>West</u>
1996	\$56.64	--	\$29.72	\$31.88	\$30.04	\$32.04
1997	57.77	2.0%	30.31	32.52	30.64	32.68
1998	59.04	2.2%	30.98	33.23	31.31	33.40
1999	60.40	2.3%	31.69	34.00	32.03	34.17
2000	61.85	2.4%	32.45	34.81	32.80	34.99
2001	63.14	2.1%	33.13	35.54	33.49	35.72
<b>2002</b>	64.78	2.6%	33.99	36.47	34.36	36.65
<b>2003</b>	66.72	3.0%	35.01	37.56	35.39	37.75
<b>2004</b>	68.65	2.9%	36.03	38.65	36.42	38.85
<b>2005</b>	70.78	3.1%	37.14	39.85	37.55	40.05
<b>2006</b>	72.76	2.8%	38.18	40.97	38.60	41.17
<b>2007</b>	74.29	2.1%	38.98	41.83	39.41	42.03
<b>2008</b>	75.63	1.8%	39.68	42.58	40.12	42.79
<b>2009</b>	76.84	1.6%	40.31	43.26	40.76	43.47
<b>2010</b>	77.76	1.2%	40.79	43.78	41.25	43.99

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# 2010 - Cost Report Visit Count Checklist

RHC visits are defined by Medicare as a face to face encounter between the patient and a physician, physician assistant, nurse practitioner, nurse midwife, specialized nurse practitioner, clinical psychologist, or clinical social worker during which an RHC/FQHC service is rendered by the appropriate professional. (scope of practice).

<u>Type of Service</u>	<u>Count as a Visit for Cost Report</u>	<u>Visit Count</u>
<b>Office Visit</b>	Yes	
<b>Hospital Visit/Emergency Room/Obs</b>	No	
<b>Home Visit</b> If the home visit occurs outside the RHC hours <b><i>and</i></b> you exclude the cost of the service on the cost report you may bill as follows:  If the home visit cost is included in RHC cost report as an allowable cost, the visit is a RHC visit (doesn't matter when the visit occurs)	No  Yes	
<b>Hospital Swing-Bed (SNF)</b>	Yes	
<b>Skilled Nursing Home Visits (SNF)</b>	Yes	
<b>NF (Level) 1 - Nursing Home Visit</b>	Yes	
<b>Welcome to Medicare Physicals</b>	Yes	
<b>Physicals (Not Welcome to Medicare)</b>	Yes	
<b>EPSDT/Well Baby Visits</b>	Yes <sup>1</sup>	
<b>Nurse Only Visits (99211)</b>	No	
<b>No Charge/Sliding Fee Schedule</b>	Yes	
<b>Home Care Oversight</b>	No	

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<sup>1</sup> Non-covered Medicare services should be included in the total visit counts; however, for some states such as North Carolina require that the RHC not count the visits and reclassify the expense to a non-allowable cost center. You should be aware of State Cost Reporting requirements when completing the cost report.