

## HBS Update – March 1, 2010

Please find attached a 10 page PDF entitled Billing Policy and Procedures for Rural Health Clinics. It is a draft document that I am preparing for the upcoming RHC Update Seminars. It includes the following information that I think you will find helpful:

1. Listing of all the MACs and the states they cover,
2. RHC Billing Cheat Sheet, It also has information on two webinars by Highmark that will be going on March 2<sup>nd</sup> and March 5<sup>th</sup> (even if you don't have Highmark as your MAC, I would sign for this or at least get the PDFs, they are fantastic),
3. Links the documents to the old Riverbend LMRP which I placed on our website and you can now have access to some of the best documents ever produced on RHC billing.
4. Examples of negative reimbursement as it is being done by Cabaha. They are considering all deductibles as collected and they have implemented the proposed RHC rules limiting reimbursement to cost, which has been creating cash flow problems for many clinics.

Please remember this a draft document and it has a little work to be done; but, with the two seminars coming out next week; I wanted to get it in your hands; so that if you had someone who wanted to sign up for the Introduction to Medicare or the Medicare Secondary Payor Webinar, you would have a chance to. I also attached a seminar brochure; in case you want to attend any of our Update or Billing Seminars.

## Electronic Medical Records Stimulus Payments Conference Call

The NARHC and HRSA are sponsoring a conference call on Thursday, March 4<sup>th</sup> RHC at 4:00pm EASTERN. The topic of the call will be the “meaningful use” proposed standards for Rural Health Clinics to receive the EHR Incentive payments. The two speakers are from the Centers for Medicare and Medicaid Services, Center for Medicaid Management and are Jessica Kahn and Michelle Mills. They will go over the proposed standards for qualifying for the EHR incentive payments, timetables and other relevant issues. After their 45 minute presentation, the phone lines will be open for questions.

It is not necessary to sign up for this presentation, just dial-in to the number below and then enter the access code. Participation in this teleconference is free of charge.

Toll free: 1-866-237-3252

Conference passcode: 106029

Another interesting article on Electronic Medical Records stimulus payments is by Avalere Health Consultants that provide some numbers to the argument that bonus payments cover only a small portion of EHR Costs. According to the report the average EHR implementation cost for a physician is about \$32,000 plus about \$1,500 in monthly upkeep costs. A solo or small-group physician practice will spend an estimated \$124,000 over the five year period of 2011-2015 to adopt electronic health records and will receive up to \$44,000 (\$63,750 from Medicaid) in federal incentive payments, leaving a large bill for them to cover.

In addition the penalties are less than EHR costs for clinics that are paid on the Part B fee schedule (RHCs would not be as dramatically affected as their Part A payments would not be reduced). In Avalere's sample scenario, the starting penalty that a solo or small group practice physician faces for non-compliance would be \$5,100 a year—far less than the costs of implementing and maintaining an EHR system. If the penalty were raised by the Secretary to its maximum of 5%, the physician would see his/her annual Medicare payments reduced by \$8,500. Some physicians, therefore, may find it economically beneficial to pay the penalty rather than buy EHR the system. Here are the slides:

[http://www.avalerehealth.net/research/docs/hit\\_stimulus\\_spending\\_slides.pdf](http://www.avalerehealth.net/research/docs/hit_stimulus_spending_slides.pdf)

### **Status of 21.2% cut to the Medicare Part B Schedule**

Modern Physician is reporting that the 21% cuts will take place effective March 1, 2010 as quoted on Friday” “Doctors on March 1 will face a 21% cut to Medicare physician payments because of the Senate's inability to act on a temporary measure to halt the scheduled reduction.” However, it is my understanding that Medicare Administrative Contractors (MACs) have been notified to hold claims (they would have held them 14 days anyway) with a March 1<sup>st</sup> date of service as the Senate is considering action. As a rural health clinic, this will only affect services billed and paid on the Part B Fee Schedule. (Hospital, laboratory, and radiology for example).

### **RHC Cost Report Workpaper Notebook**

The RHC Cost Report Notebooks were mailed last week to all of our RHC Cost Report Clients and it included a 3 page letter that includes lots of the latest information on cost reporting and important electronic medical records information specific to RHCs. Go to the following link to read the letter if you are interested:

Healthcare Business Specialists  
Suite 214, 502 Shadow Parkway, Chattanooga, TN 37421

[2010 RHC Cost Report Cover Letter with RHC Notebooks](#)

Here is the complete 120 page book in a PDF format. If you want to order the Cost Report Workbook and CD with all of our Cost Reporting files and Documents the cost is \$100.00. Hard to beat this deal, though. Download it for free by following the link:

[2010 RHC Cost Report Workpaper Notebook \(120 Pages\)](#)

**Also, as a reminder, if your RHC rate is less than the maximum; we have been able to recover over \$500,000 in Medicare reimbursement from refiled cost reports.** We can take a look on a contingency basis (we only get paid; if we find anything); but, you need to act fast as once Medicare settles your cost report the opportunity is lost to refile a cost report that maximizes your Medicare and Medicaid reimbursement. We recently reviewed a report on RHC rates in Texas and 103 clinics are being paid less than the maximum and many of them substantially under the maximum rate of \$77.76 in 2010. Now is the opportunity to fix this. Just email us and we will tell you how.

I also attached a seminar brochure; in case you want to attend any of our Update or Billing Seminars. The RHC Billing Seminars will be in Robinson, Illinois on Thursday, June 16<sup>th</sup> and on Friday July 16<sup>th</sup> in Hilton Head, South Carolina. To unsubscribe; just email a not to “unsubscribe” and we will take you off the distribution list.

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