

Rural Health Clinic Billing Policy and Procedure

Effective 1/1/2010

In an effort to maintain compliance with all Medicare and Medicaid billing regulations and avoid fraud and abuse and as an integral part of our ongoing compliance plan, our rural health clinic has developed this guidance in regards to the training of new billing personnel. Rural Health Clinics are a hybrid in that they must comply with both Medicare Part B and Medicare Part A regulations. Issues arise when those rules are not clear or when they are in conflict and which rule is applicable.

The key to deciding which way to bill a particular item is to follow “the golden rule” which is “he who has the gold makes the rules”. Likewise the clinic will follow billing guidance that each payer provides. For example we will follow Medicare Part A rules when applicable, Medicare Part B rules when applicable, Medicaid rules when applicable, and commercial insurance rules when applicable. Each payer has the right to interpret payment guidance as they see deemed fit. This statement does not limit our right to appeal any payment policies will feel are inappropriate; just our intent to abide by all billing guidance to the best of our ability.

Rural Health Clinics (RHC) has key differences between them and private physician office billing to Medicare. A few of the major differences are as follows:

1. RHCs bill using the UB-04 Insurance form instead of the 1500 for office, nursing home, and home visits.
2. RHCs are not required to use HCPCS codes (99213s, etc.) on most claims. The exceptions are any preventive health service was

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Medicare has frequency limitations, the HCPCS code is required or if there is Telemedicine involved.

3. RHCs are not subject to limiting charges. Therefore, if a patient is charged a \$40.00 coinsurance payment; a rural health clinic can collect the full \$40.00 while a physician office may most likely be limited in the amount they could collect from the patient.
4. RHCs are paid the same rate regardless of the level of HCPCS code. Medicare will limit reimbursement for independent RHCs to 80% of 77.76 in 2010 for every visit regardless if is coded as a 99212 or a 99215.
5. A 99211 office visit (nurse only) is not recognized as a billable event in a rural health clinic.

Local Coverage Decisions (LCDs)

Since there significant differences in billing between RHCs and private physician offices; our rural health clinic it is imperative that our employees be aware of those differences through training. One of the best ways to determine the payment policies of Medicare and their Medicare Administrative Contractor (MAC) is to review the Local Coverage Determinations (LCDs) provided by the MACs. Unfortunately, most of the MACs do not have any LCDs specific to rural health clinics and the best document pertaining to this subject was produced by Riverbend GBA (who is no longer a MAC). The information contained in the following slide presentation is still accurate as of 1/1/2010 and should be reviewed to get a feel for RHC billing:

[Riverbend Powerpoint Presentation on LCD Dated August, 2008](#)

[LMRP Document by Riverbend for Training Purposes](#)

Also, remember these documents are for training purposes; and always review any guidance that your MAC provides or the payer of the claim to determine your treatment of the claim. Here is a reimbursement summary for RHCs.

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**Independent RHC Reimbursement Table - Visits
RHC Services – 1/1/2010**

| <u>Type of Service</u> | <u>RHC Service</u> | <u>Insurance Form</u> | <u>Revenue Code</u> |
|--|--------------------|-----------------------|---------------------|
| Office Visit (not 99211-nurse only) | Yes | UB-04 | 0521 |
| NF (Level) 1 - Nursing Home LMRP – (1 routine every 60 days) | Yes | UB-04 | 0525 |
| SNF (Level II) Skilled NH LMRP – (1 routine every 30 days) Effective 1/1/2005 all are RHC | Yes | UB-04 | 0524 |
| New to Medicare Physical One physical during the 1 st 6 months a person has Medicare | Yes ¹ | UB-04 | 0521 |
| Pap Smear–Professional Comp. ² No Medical Necessity required | Yes | UB-04 | 0521 |
| Home Care Oversight | Yes ³ | None | NA |
| Home visits | Yes | UB-04 | 0522 |

| GENERAL BILLING GUIDELINES |
|---|
| The deductible is the same as Part B which increased to \$155 in 2010. |
| The co-insurance percentage is 20% of actual charges for RHC services. |
| The co-insurance percentage is 20% of Medicare allowable for Part B. |
| Professional Components are RHC services & included on the UB-04. |
| Technical Components are paid fee-for-service by Medicare Part B. |
| The maximum RHC cost per visit is \$77.76 in 2010 and 76.84 in 2009. |
| RHC services are reimbursed at 80% of cost up to a limit of \$77.76 in 2010. (Independent) |
| Non-RHC services (laboratory, technical comps, hospital visits) are paid Fee-for-Service. (Part B) |
| RHCs do not use HCPCS codes when billing RHC services to Part A; although they should use them when billing preventive services that have a frequency limitation and tele-health. |
| RHCs should review the MAC's Local Coverage Decisions (LCDs) and the bill type is 711. |

¹ The technical comp. of EKG or other diagnostic tests are billed to Part B.

² The Technical component is paid Fee-for-service and billed to Part B.

³Home care oversight is a RHC covered service; but, there is no face-to-face encounter.

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RHC Reimbursement Table - Ancillary Services
As of January 1, 2010

| <u>Type of Service</u> | <u>RHC Service</u> | <u>Insurance Form</u> | <u>Revenue Code</u> |
|--|--------------------|-----------------------|---------------------|
| Laboratory All laboratory tests effective January 1, 2001 (including the six required tests) | No | 1500 | NA |
| Radiology If the professional component of the X-Ray is read by a physician compensated by the RHC in the RHC during RHC hours the interpretation is bill able as follows: The technical component of an X-Ray is never a rural health clinic covered service and should be billed to the Medicare Part B carrier and the cost excluded from the cost report. | Yes | UB-04 | 0522 |
| | No | 1500 | NA |
| Injections Influenza vaccine | Log | None | NA |
| Pneumococcal Vaccine | Log | None | NA |
| All other injections ⁴ | Yes | UB-04 | 0522 |

⁴Injections like all other ancillary services is billable to the MAC on the UB-04 form may be charged on the UB-04 if they occur on the same day of the office visit or 30 days before or after a visit. They can not be billed to Medicare Part B or to Part A as an

Medicare Administrative Contractors (MACs)

In compliance with Section 911 of the Medicare Modernization Act of 2003, Medicare has contracted with insurance companies that can process both Medicare Part and Part B claims. It is important to determine who your MAC is and if you are an out of jurisdiction provider or not. Out of jurisdiction providers would bill Part B services to their local MAC; while their Part A claims would go to the Medicare prescribed MAC until the transition can be finalized. If you are within your jurisdiction; then all Medicare Part A and Part B claims would be filed to your local MAC.⁵ To see a presentation on the status of MACs go to the following link:

ftp://ftp.hrsa.gov/ruralhealth/3_24_2009Call.pdf

The benefit of this program is that with 15 different jurisdictions and 12 different MACs; training and resources are being constantly developed for rural health clinics and training of personnel. For example, here are a couple of Webinars that are scheduled in the near future from Highmark Medicare Services.

[New Provider - Introduction to Medicare Part A, March 5, 2010 1:00PM](#)

The New Provider webinar, which was postponed due to inclement weather on 2/10/2010, has now been rescheduled to March 5, 2010 at 1:00pm.

Are you new to Medicare Part A? Have you just started billing Medicare Part A claims and are feeling a little overwhelmed? Then this webinar is for you. You will have a better working knowledge of Medicare; know where to find resources and how to implement them in making your job more efficient. The handout material and online registration are now available.

⁵ In some cases I have noticed that the Part B services are provided by a different insurance company. In Illinois for example, the Part A MAC is National Government Services; yet, the Part B MAC is WPS according to their website.

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<https://www.highmarkmedicare.com/calendar/parta/webinar/pdf/web-handouts-021010.pdf>

[Teleconference: Medicare Secondary Payer \(MSP\) Claims Entry March 2, 2010 @ 1:00PM \(EST\)](#)

Join us on March 2, 2010, at 1:00PM for an informative teleconference to review the coverage guidelines and billing requirements when submitting MSP claims. The [handout material](#) is now available.

<https://www.highmarkmedicare.com/calendar/parta/pdf/tc-handouts-030210.pdf>

Table of Part A Medicare Administrative Contractors

As a part of our ongoing compliance; our rural health clinic will seek out guidance from the MACs whenever time allows. MACS are listed below:

| Name | Juris. | States | Website |
|--|----------|---|--|
| Highmark Medicare Services | 15 12 | Delaware (DE) District of Columbia (DC) Maryland (MD) New Jersey (NJ) Pennsylvania (PA) | www.highmarkmedicare.com |
| Trailblazer Health Enterprises | 4 | Texas Oklahoma New Mexico Colorado | www.trailblazerhealth.com |
| National Heritage Insurance Company | 14 2 | Maine, Mass., Vermont NH. Oregon, Washington, Idaho | www.medicarenhic.com |
| National Government | 13 8 | New York Rhode Island | www.ngsmedicare.com |

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|---|----------------|---|--------------------------|
| Services | | Conn., Michigan Illinois | |
| Noridian Administrative Services | 3 6 | Alaska, Idaho, Minnesota, Oregon, Washington, Arizona, M North Dakota, South Dakota, Wyoming | www.noridianmedicare.com |
| Cahaba Government Benefits Admin | 10 | Tennessee Georgia Alabama | www.cahabagba.com |
| Pinnacle Medicare Services | 7 ⁶ | Arkansas Louisiana Mississippi | www.lamedicare.com |
| Palmetto Government Benefits Administrator | 1 11 | California Hawaii, Nevada, North Carolina, South Carolina, Virginia West Virginia | www.palmettogba.com |
| Wisconsin Physician Services | 5 | Iowa, Missouri Kansas Nebraska | www.wpsmedicare.com |
| First Coast Service Options | 9 | Florida, Puerto Rico, U.S. Virgin Islands | medicare.fcso.com |

⁶ This award is under protest and was awarded to Trailblazer Health Services and that award is now under protest.

Medicare University

In addition to the resources provided by the MACs, CMS provides online tutorials on Medicare billing, fraud and abuse, front office, preventive services, UB-04 completion, and a number of informative online tutorials. We have listed some of the most relevant offerings below:

- 3 [CMS Form 1500 \(08/05\) \(July 2008\)](#) [Online] (60 minutes)
- 4 [Diagnosis Coding: Using the ICD-9-CM \(December 2009\)](#) [Online] (75 minutes) ★
- 5 [Front Office Medicare \(Updated January 2008\)](#) [Online] (60 minutes)
- 7 [Medicare Fraud and Abuse \(April 2007\)](#) [Online] (85 minutes)
- 8 [Medicare Preventive Services Series Part 3 \(October 2009\)](#) [Online] (90 minutes) ★
- 9 [Medicare Preventive Services Series: Part 1 Adult Immunizations \(September 2007\)](#) [Online] (60 minutes)
- 10 [Medicare Preventive Services Series: Part 2 Women's Health \(Oct 2007\)](#) [Online] (90 minutes)
- 11 [PQRI and E-Prescribing \(September 2009\)](#) [Online] (60 minutes) ★
- 13 [Understanding the Remittance Advice for Professional Providers \(March 2009\)](#) [Online] (60 minutes) ★
- 14 [Uniform Billing \(UB\)-04 - \(July 2008\)](#) [Online] (114 minutes)
- 15 [World of Medicare \(January 2010\)](#) [Online] (60 minutes) ★

Medicare Secondary Payer (MSP)

Rural health clinics like other Medicare providers have a responsibility to protect both the Medicare Part A and Part B trust funds by seeking out alternative payment on every visit by beneficiaries. That responsibility is documented by completing the MSP form on every visit. (It does not have to be signed by the patient on every visit). A good sample form that can be completed electronically is as follows:

https://www.noridianmedicare.com/macj3a/claims/msp/msp_form.pdf

Negative Reimbursement

One of the biggest problems with rural health clinics and Part B providers is negative reimbursement at the beginning of the year. This problem is worse since the Medicare Part B deductible has increased to \$155 in 2010. An example of this problem is as follows:

| Description | Computation | Amount |
|---|--|---------------|
| RHC Charge | Per Chargemaster | \$200 |
| Collection from patient | Medicare Deductible - 2010 | \$155 |
| Medicare Rate | Determined by Cost Report. Maximum for independent RHC is \$77.76 In 2010. (provider-based may get more) | \$75 |
| Medicare Net Payment | 80% of \$75 | \$60 |
| Co-payment | 20% times \$200 | \$40 |
| Medicare computes what you should have received | Add \$60 + \$40 | \$100 |
| Medicare Withhold | Amount that Medicare computed as what should have been received minus collection of deductible | (\$55.00) |

For more examples of how reimbursement is calculated follow this link:

<http://www.trailblazerhealth.com/Publications/Job%20Aid/RHCReimbursementCalcs.pdf>

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One of the keys to not having negative reimbursement paybacks is to complete the UB-04 correctly including using the proper value, condition, and occurrence codes. Here are 18 different examples of how you should complete the UB-04 forms.

<http://www.trailblazerhealth.com/Publications/Job%20Aid/RHCUB04BillingExamples.pdf>

As evidenced by this document, our clinic does make every effort to comply with the very confusing and sometimes conflicting guidance that we receive. Our clinic has signed up to receive notifications from Part A and Part B from the MAC list-serve in an effort to be informed on any changes to reimbursement.