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Update

February 3, 2012

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Visit our website at www.ruralhealthclinic.com

[2012 RHC Billing and Cost Report Registration Form \(7 pages\).pdf](#)

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Healthcare Business Specialists

Specializing in RHC reimbursement

Suite 214 502 Shadow Parkway Chattanooga, TN 37421

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A Change in the RHC Cap for 2012

During the HRSA and NARHC sponsored Technical Assistance Teleconference on February 2, 2012, Bill Finerfrock, Executive Director of the NARHC, announced that the new cap for independent rural health clinics and those provider-based clinics with hospitals having more than 50 beds is \$78.54 which is an increase from \$78.07 for 2011. However, CMS had previously announced a rate of \$79.48 last month. They are in process of correcting an error in the calculation in this rate, so look for a formal announcement soon. If you missed the teleconference on 5010, you missed an excellent presentation by Janet Lytton on the very important subject of the 5010 transition and how to complete the UB-04 form. Here is a link to the slides from the HRSA website: [Slides](#)

5010 Transition – UB-04 Claims Requirement Cheat sheet

Here is a cheat sheet from for 5010 Claims Processing based upon the February 2nd, 2012 HRSA Technical Assistance phone call. This is a cheat sheet that includes all 81 Form Locators from the UB-04 and instructions on how each form Locator should be completed. Plus, at the end it has a reference guide with several great links that will help you with RHC billing.

[2012 5010 Transition UB-04 Claims Requirement Cheatsheet.pdf](#)

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A Report on Quality Incentives for RHCs

On January 23, a report entitled, QUALITY INCENTIVES FOR FEDERALLY QUALIFIED HEALTH CENTERS, RURAL HEALTH CLINICS AND FREE CLINICS: A REPORT TO CONGRESS was released. The report is 85 pages long and is prepared by George Washington University and addresses the problems/issues that RHCs have in participating in the Hi-Tech incentives and other issues. Here is the link:

http://healthit.hhs.gov/portal/server.pt/gateway/PTARGS_0_0_4383_1239_15610_43/http/wci-pubcontent/publish/onc/public_communities/p_t/resources_and_public_affairs/reports/reports_portlet/files/quality_incentives_final_report_1_23_12.pdf

The report is mentioned in this newspaper article about rural health clinics. Here is the link:

<http://www.timesdaily.com/stories/Filling-the-gap,186818>



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Negative Reimbursement

It is that time of year when negative reimbursement becomes a problem (well, it would if we could get some claims processed due to the 5010 transition) and Trailblazer produced a nice explanation of how negative reimbursement works. Here is the link and the example they provided.

<http://www.trailblazerhealth.com/Tools/Notices.aspx?ID=14751&DomainID=1>

Date: (1/12/2012)

Notice ID: [14751](#)

At the beginning of each Calendar Year (CY), Medicare beneficiaries must meet the Part B deductible for outpatient services. In order for Medicare to render payment, the patient must first satisfy the \$140 deductible. This can present a troubling issue for those unaware of the negative reimbursement policy that pertains to Rural Health Clinics (RHCs). If the billed amount on a claim is greater than the RHC's encounter rate **and** the patient still has an outstanding amount on his deductible, this will create a negative reimbursement as shown on the Medicare Remittance Advice (RA). The reason code that will appear on the RA will be 37206.

The example below illustrates a situation that would create a negative reimbursement:

Total Billed Amount	\$186
Provider Reimbursement Rate	\$64.78
Beneficiary's Remaining Deductible	\$100
Beneficiary's Coinsurance	\$17.20

The beneficiary's responsibility will be \$117.20 (\$100 deductible and \$17.20 coinsurance). Medicare's responsibility will show as -\$35.22 (reimbursement rate minus deductible).

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3-Day Rule for Rural Health Clinics

In the last newsletter, I indicated that I did not fully understand how the recent changes to the 3-day rule would affect RHCs. Thankfully, the 3-day window rules do not apply to RHCs. (no wonder I was confused). Anyway, here is the body of a letter that was sent from Trailblazer to Kathy Conway in Texas several years ago. Thanks for sharing this with us. It is very helpful.

“Thank you for your recent inquiry received by Trailblazer Health Enterprises®. Your Correspondence Control Number is 01101977500000.

We received your inquiry regarding the three day payment window for outpatient services treated as inpatient.

The three day payment window does not apply to a Rural Health Clinic (RHC). This rule only applies to outpatient services performed in a hospital three days prior to and including the date of an inpatient admission. A RHC clinic visit would not be subject to this rule.

You may reference the Centers for Medicare & Medicaid Services Web site for the Medicare Claims Processing Manual, Publication 100-4, Chapter 3 and Section 40.3 at the below link:

www.cms.gov/manuals/downloads/clm104c03.pdf

If you have any questions regarding this issue, please contact our Customer Service Call Center toll-free at (866) 640-9202.

Sincerely,

Rhonda Whitley
Provider Service Specialist
Part A Customer Service
Trailblazer Health Enterprises, LLC
Provider Contact Center: (866) 640-9202”

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Status of Trailblazer Health Enterprises

In our last newsletter, I mentioned that Trailblazer Health Enterprises had lost their contract to process RHC claims in the Southwest. Martha Calfee, Audit & Healthcare Consulting Manager of Matheney Stees & Associates (email: MCalfee@MatheneyStees.com) here in Chattanooga provided me with an update:

Trailblazer Health Enterprises processes RHC claims in Jurisdiction 4 which is now part of Jurisdiction H when it was combined with Jurisdiction 7. The contract for Jurisdiction H was awarded to Highmark Medicare Services on 11/9/11. However, there have been protests filed on this award by Trailblazer Health Enterprises per the OIG website with a decision to be issued by March, 2012. It is most likely that the Jurisdiction 7 group - Arkansas, Louisiana, and Mississippi providers will be transitioned before the long-time Trailblazer Health Enterprises providers in Texas, NM, OK, and CO would be transitioned.

Aren't we glad that Section 911 of the Medicare Modernization Act got us into this mess of changing MACs just about as soon as they figure out what a rural health clinic is? You need a scorecard to figure out who the players are. Here is the latest scorecard, per the CMS website on Medicare contracting:

https://www.cms.gov/MedicareContractingReform/02_Spotlight.asp

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Rural Health Open Door Session and an issue with RHCs

On February 1, 2012, the NRHA hosted an Open Door Session for CMS that was on location in Washington, D.C. While I am sure it was wonderful for the people at the meeting it did cause some problems for those of us unable to attend in person due to some phone problems. I had a question and was disconnected before I could ask it, so I will use this forum to see if anyone in this audience can make a recommendation or provide some assistance. Here is the statement that I had planned to read.

“On November 3rd 2011, a Federal Register Notice updating the list of designated HPSAs was published. Any HPSA that was not on the list was officially withdrawn as of the publication of the list.

The publication of this list caused significant problems for potential RHCs that were in the process of becoming a RHC. There are clinics that were thought to be eligible for RHC status when they applied and then subsequent to the time the 855A was processed and approved by the MAC, the area no longer qualified for RHC status.

The clinics paid the MAC, \$505 to process the 855A, invested substantial capital and in some cases their life savings into a clinic that is only financially viable based upon RHC status. One of the clinics that I am referring to is in a Low-Income HPSA as of 2003 and a Medically Underserved Area that was updated in 1978; but, due to the Primary Care Office not updating the status of those underserved areas in the required timeframe of the last 4 years for RHC status, the clinic is not eligible for RHC status.

You may be shocked to hear this, but there is a lot of politics involved in these shortage area listings and requests to have the shortage area updated have fallen on deaf ears in our situation as have many others with similar requests in our state. My question is “Can these clinics seek some kind of relief since their 855A was approved before the area no longer qualifies was taken away and is there some way that clinics can be protected from this happening to them in the future?”

Anyone that knows how to help us with this problem, please let me know, or if you are a similar situation, I would like to know that as well.

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Ever wonder which clinics are certified as RHCs?

On January 9, 2012, CMS published an updated listing of the rural health clinics in the country. This list is useful if you want to call clinics in your area with a question or are putting together a meeting of RHC providers. The listing has the address and phone number of the clinics and could come in handy sometime. Surprisingly, Missouri has the most rural health clinics with 374 and there are approximately 3,800 in the U.S. with most being located in the South and Midwest.



<https://www.cms.gov/MLNProducts/downloads/rhclistbyprovidername.pdf>

IACS Registration Tips

This is the time of year when RHCs must obtain the P S and R report from Medicare for cost reporting purposes. Here is a good two-page document to help you get started. We will have full instructions when our Cost Report Notebook is finished next week. This should get you started. If you want to start accumulating information, you can use the 2011 checklist for now. I provided a link to it as well:

https://www.cms.gov/psrr/downloads/Registration_Tips_FI_MAC.pdf

[2011 RHC Cost Report Checklist.pdf](#)

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RHC Seminar Registration is live for 2012

After a bit of a delay, the registration for the RHC Seminars is now open and live. We are doing the seminars a little differently this year to give you more options. With more options, there is more confusion, so if you have any questions just email them to Mark Lynn at la_vita_nouva@hotmail.com or call me at (423) 243-6185 (my cell phone) and I will try to answer any questions you have. Here is the RHC registration form that you can fax to me at (800) 268-5055 or scan and email to me. Here is the link:

[2012 RHC Billing and Cost Report Registration Form \(7 pages\).pdf](#)

There is an online registration form for each of eight seminar locations. If you have questions, or get confused when registering multiple people from the same clinic for different seminars, you may want to use the Registration form above and only use one per person. You can always, just email me if you have any questions.

[Birmingham, Alabama](#)

[Nashville, Tennessee](#)

[London, Kentucky](#)

[Indianapolis, IN](#)

[Savannah, Georgia](#)

[Columbia,SC](#)

[Little Rock, Arkansas](#)

[St.Louis, Missouri](#)

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2012 RHC Billing and Cost Reporting

Seminar Registration Form

The 2012 RHC Update seminars are going to be something a little different this year. We are going back to basics and spending the entire sessions on billing and cost reports. Over the last two years the Medicare Administrative Contractors (MACs) that are new to the rural health clinic program have been making being a rural health clinic difficult as few truly understand this program. Advice on billing and cost reporting from your MACs has been spotty at best and we want to fill that void with some detailed information on billing and cost reporting. Billing has been slowed by the 5010 transition and problems paying secondary claims and now we have a new 3-day rule to deal with. RHC billing is becoming more and more a problem every day.

RHC cost reports have become much more of a headache as well as the MACs have taken some aggressive positions regarding physician compensation. We have had several clinics get their Medicare reimbursement dropped by in excess of \$100,000 per year due to these changes in Medicare reimbursement. The cost report requirements are different for each MAC and even finding the right MAC to submit the forms to can be a monumental challenge. Also the IACS system which is used to obtain the P S and R report is a nightmare to navigate and the security issues can be daunting for rural health clinics. Additionally, an annual evaluation is a requirement for all rural health clinics each year. Knowing what needs to be done and how the evaluation is to be conducted is an important aspect of compliance in a rural health clinic.

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This year you have 4 different seminars to choose from. (not all of these are in every location.)

RHC Billing Seminar

The cost of this session is \$200.00 and includes the booklet/handouts and DVD.

9:00 to 9:55 What to do once you have become a rural health clinic - How to get started.

10:00 to 10:55 How rural health clinic billing differs from RBRVS billing and some basic concepts/

11:00 to 12:00 The Ten Most difficult Questions to answer regarding RHC billing.

Lunch is on your own.

Cost Reporting and Annual Evaluations

The cost of this session is \$200.00 and includes the booklet/handouts and DVD

1:00 to 1:55 What is the cost report, why it is important, what can go wrong, base year strategies, MACs, what is needed to complete a cost report.

2:00 to 2:55 Preparation of the cost report. Counting Visits. Physician compensation issues, Working with the MACs, Appeals, Preparing Workpapers, and a sample cost report.

3:00 to 3:55 Annual Evaluations. Why they are important? How to conduct one? When are they due?

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Patient-Centered Medical Homes and Rural Health Clinics

This presentation will be presented by Adele Allison, National Director of Government Affairs for SuccessEHS in Birmingham, Alabama.

The Cost of the session is \$125.00.

1:00 to 2:00 What is a Patient-Center Medical Home? Why become one? What about being a RHC?

2:00 to 3:00 Standards for becoming a PCMH. How to meet those standards?

CPT Coding for Rural Health Clinics

Carolyn Duncan, BS, CPC, CPC-H, of Health Care Consulting Services will be conducting a special session at the St. Louis seminar on CPT Coding from 1:00 PM to 3:00 PM. The cost of this session is \$100.00.

1:00 to 2:00 The basics of CPT Coding. Using the 95 or 97 guidelines? What is the difference between codes? What is a 99213 versus a 99214.

2:00 to 3:00 Why is coding important in rural health clinics? What about hospital coding? Common problems. The 3-day rule. What is a new visit?

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Please complete the following registration information. Tell us about yourself (additional attendees from the same organization should use separate forms)

Name	
Clinic	
Address (1)	
Address (2)	
City, State, Zip	
Telephone	
Fax	
Email	

Tell us which seminar you want to attend with a checkmark

LOCATION	DATE	BILLING	COST REPORT	PATIENT CENTERED	CPT CODING	
Birmingham	March 29					
Nashville, TN	March 30					
London, KY	April 5th			XXXXXXXXXX		
Indianapolis	April 6th			XXXXXXXXXX		
Savannah, GA	April 19th					
Columbia, SC	April 20th					
Little Rock	April 26th			XXXXXXXXXX		
St. Louis	April 27th			XXXXXXXXXX		
Book & DVD	NA			XXXXXXXXXX		XXXXXXXXXX

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If you can not attend and would like the Books and DVD for the presentations, the Billing and Cost Reporting Books are available for \$100 each and \$150 for both. Just place a checkmark by the ones you want.

Tell us how are you going to Pay

How paying	What to Do	Please check how you are paying
Sending Check	Mail to: Check to: HBS Healthcare Business Specialists Suite 214, 502 Shadow Parkway Chattanooga, TN 37421	
Pay Pal	Email to la_vita_nouva@hotmail.com	
Mastercard, Visa, or Discover	Provide: Credit Card Number _____ Provide: Expiration Date: _____ Provide: Security Code _____	
Signature	Please sign for Credit Cards _____	

Once we receive your information either via the mail, fax, or internet registration, we will prepare an invoice and mark it paid, email it to you with a Confirmation number indicating that we have received your payment and have a spot for you at the seminar. If you order the Workbooks and DVD only, they will not ship until after April 15, 2012.

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Seminar Locations - 2012

The 2012 RHC Update Seminar for Birmingham, Alabama will be on Thursday, March 29, 2012 at the following address:

Embassy Suites Birmingham

2300 Woodcrest Place, Birmingham, Alabama, United States 35209
Tel: 1-205-879-7400 Fax: 1-205-870-4523

The 2012 RHC Update Seminar for Nashville, Tennessee will be on Friday, March 30, 2012 at the following address:

Embassy Suites Nashville Airport

10 Century Boulevard, Nashville, TN 37214

Telephone: (615) 871-0033

The 2012 RHC Update Seminar for London, Kentucky will be on Thursday, April 5, 2012 at the following address:

Country Inn & Suites By Carlson, London, KY

2035 West Highway 192, London KY 40741, USA

Reservations: +1 (800) 596-2375 **Telephone:** +1 (606) 878-9900

The RHC Update Seminar for Indianapolis will be held on Friday, April 6, 2012 at the following address:

MedMate Systems

By VersaCom, Inc.

1291 N. Airport Parkway

Greenwood, IN 46143

Telephone: (317) 865-8051

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Seminar Locations - 2012

The 2012 RHC Seminars for Savannah, Georgia will be held on April 19, 2012 at the Hyatt Regency Savannah.

Hyatt Regency Savannah

2 W. Bay Street,
Savannah, Georgia, USA 31401
Tel: +1 912 238 1234 Fax: +1 912 944 3678

The 2012 RHC Update Seminar for Columbia, South Carolina will be on Friday, April 20 at the following address:

Embassy Suites
200 Stone Ridge Drive
Columbia, SC 29210

Telephone: (803) 252-8700 or (800) 252-8700

The 2012 RHC Update Seminar for Little Rock, Arkansas will be on Thursday, April 26th at the following address:

Embassy Suites Little Rock

11301 Financial Centre Parkway, Little Rock, Arkansas, United States 72211
Tel: 1-501-312-9000 Fax: 1-501-312-9455

The 2012 RHC Update Seminar for St. Louis, Missouri will be held on April 27th at the following address:

Holiday Inn - Crown Plaza
11228 Lone Eagle Drive
St. Louis, MO 63044
Telephone: (314) 291-6700

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Thanks for reading this newsletter. I am working on the cost report Notebooks for 2012 and they are going out this week. If you would like for us to prepare your 2011 cost report, we still have some available, (but, not much), so let us know soon. Thanks for all your help during 2011 and we look forward to another very productive year in 2012.

Healthcare Business Specialists is a Chattanooga, Tennessee-based consulting firm which specializes in rural health clinic reimbursement and prepares rural health clinic cost reports, annual evaluations, provider re-enrollment, and RHC startups. Mark R. Lynn is trained as a certified public accountant and has over 30 years experience in the healthcare field with almost 25 years of experience devoted almost exclusively to rural health clinics. We have been conducting rural health clinic seminars for over 20 years.

[Annual Evaluations](#)

[Cost Reports](#)

[RHC Startups](#)

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