

## RURAL HEALTH CLINIC

#### MEDICARE & MEDICAID ENROLLMENT

#### Ohio



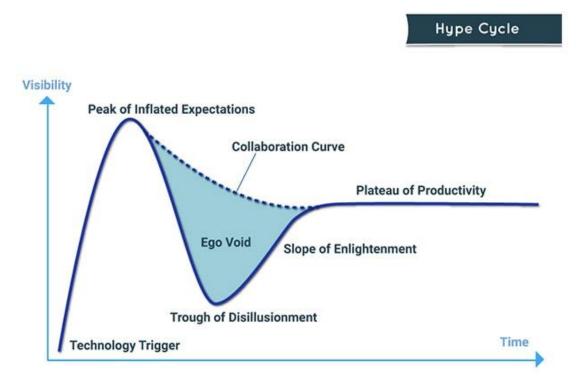
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## **Next Steps – After the RHC Survey**

#### Introduction

Whew, we passed the RHC inspection with flying colors (hopefully). Now what. Unfortunately, we are entering probably the most frustrating aspect of becoming of an RHC because you are expecting those buckets of RHC money flowing like manna from heaven. Unfortunately, the experience is more like the carrot being placed just out of reach of the mule. If you are familiar with Gartner Hype Cycle for new technology and RHCs face a similar cycle. Once the RHC passes the RHC inspection you are typically at the peak of inflated expectations, but the longer we wait for Medicaid enrollment to be complete the more we face the trough of disillusionment. For this reason, we recommend that RHCs have a line of credit to fund the lack of Medicaid cash flow during this long waiting period.





## Medicare

For independent RHCs the process of transitioning to RHC billing is typically less stressful than the Medicaid piece. This is because the Medicare Part B fee for service schedule and the Independent RHC reimbursement from Medicare are relatively close or the RHC rate

may be even lower than Medicare Part B fee for service. In fact, 388 RHCs have dropped out of the RHC program from 2012 to 2017 due to the low Medicare reimbursement rates. Hopefully, the RHC Modernization Act will be passed in 2019 or 2020 and it will increase the Medicare reimbursement cap eventually to \$115 per visit.

One of the first decisions an RHC needs

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JOHN DOE		
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123-45-6789-A	Ν	MALE
S ENTITLED TO	EFF	ECTIVE DATE
HOSPITAL	(PART A)	01-01-2018
MEDICAL	(PART B)	01-01-2018

to make is whether to hold Medicare claims after the survey date. Almost all independent RHCs elect to continue billing Medicare Part B fee for service until the clinic is ready to start billing as an RHC (We explain what that means shortly) while all provider-based (typically owned by a hospital) RHCs will hold Medicare claims on the survey date as the provider-based Medicare RHC. So to summarize:

- Independent RHCs should continue billing Medicare fee for service
- Provider-based RHCs should hold claims as of the RHC survey date

To start billing Medicare as a rural health clinic you need a billing system that can produce

a UB-04 (ANSI-837I) (Institutional). You should discuss this with your software vendor very early in the process to become a rural health clinic. We recommend Azalea Health (<u>https://www.azaleahealth.com/</u>) if you need to change vendors as they sponsor our seminars and are

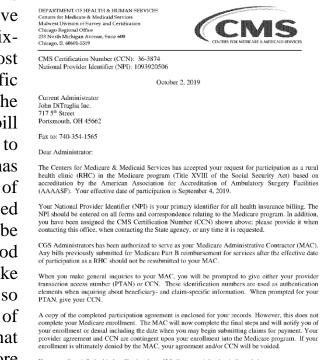


very good to work with the RHC community. <u>So the first thing the RHC needs to do</u> <u>before even considering becoming a rural health clinic if they are billing Medicare</u> <u>patients (this is not important for pediatric clinics) is to ensure their billing system</u> <u>can produce a UB-04.</u>



There are certain things that must be obtained from Medicare before the RHC can bill Medicare as a rural health clinic. The CMS regional office will email a letter assigning

your clinic a CCN number. This letter is typically one page and it indicates the effective date of participation in the RHC and the sixdigit CCN number that will be used with cost and ties to a report filings specific organizational or group NPI number. The RHC will use the group NPI number to bill Medicare. Typically, it takes 4 to 6 weeks to get this one-page letter after the survey has been completed. That will be 4 to 6 weeks of holding Medicare claims for provider based RHCs. Again, most independent RHCs will be billing Part B fee for service during this period of time. Some CMS Regional offices can take up to 6 months getting this letter out to you, so follow-up is imperative. There is a listing of CMS Regional rural health coordinators that can be called to ask for an update. Before calling please contact Mark Lynn or Dani Gilbert as we may have a contact that can speed the process. Here is the link to Regional **Coordinators:** 



If you are dissatisfied with the effective date of Medicare participation indicated above, you may request that the determination of the effective date be reconsidered. The request must be submitted in writing to this office within 60 days of the date you receive this notice. The request for reconsideration must state the issues or the findings of fact with which you disagree and the reasons for disagreement.

Regulations at 42 CFR §489.18 require that providers notify CMS when there is a change of ownership. Therefore, you must notify this office promptly if there is a change in your legal status as owner of this

<u>https://www.cms.gov/Outreach-and-</u> Education/Outreach/OpenDoorForums/Downloads/CMSRuralHealthCoordinators.pdf



## **Medicare Rate Setting**

Once the CCN letter has been obtained by the RHC needs a reimbursement rate to bill Medicare. This rate is obtained from the Medicare Administrative Contractor (MAC). The most common MACs are CGS, Palmetto, Novitas, and Noridian. Each MAC has a different way of doing things.

The Medicare rates are set as follows:

- 1. Independent RHCs will in most cases receive the RHC cap for independent RHCs which is currently \$84.70 (2019). If the MAC sets the rate at below this, please let us know immediately and we will work to get the rate to \$84.70 before you start billing. CGS, the MAC for Ohio will set your rate at \$50, so please let us know and we will submit a projected cost report.
- 2. For Provider-based RHCs, the MAC will typically set the rate at the same \$84.70 rate, but do not use that rate. The average cost per visit for a provider-based RHC is \$216.56 in 2019. HBS will prepare a projected M-Series of the Hospital Cost Report asking for very close to the \$216 rate. We need some basic information including a department expense report and a visit report for the same period of time. We will then submit an annualized projected cost report to the MAC to help you establish your rate.

Once an RHC gets a CCN number and a rate set, there is one more step. Submitter ID.

#### **Submitter ID**

Additionally, an RHC will need a Submitter ID to submit electronic claims to the MAC. You will need help from your clearinghouse for your billing software or your outside billing company. If Palmetto is your MAC, the following is a link to their submitter ID information:

 $\underline{https://www.palmettogba.com/Palmetto/Providers.Nsf/files/EDI\_Enroll\_AB\_Pack.pdf/\$File/EDI\_Enroll\_AB\_Pack.pdf/$ 

While an RHC has to have a submitter ID to electronically submit claims, they also need access to the Common Working File to verify eligibility and correct rejected claims. Many of our clients use <u>Ability</u> to connect to Direct Data Entry. The entire process takes about 2 to 3 months to get all three of these things: **CCN Number, Rate, and Submitter ID.** Once you have those three things, you need just one more thing. **Knowledge.** 



## **RHC Medicare Billing Knowledge**

Healthcare Business Specialists does not do RHC billing, but we have educational seminars on the basics of Medicare RHC billing. We have recorded the last three sessions and provided the slide presentations below. Please listen to the recordings closely. Then listen to them again. After that, please contact Mark Lynn at Healthcare Business Specialists and provide us with a list of questions that you do not understand or need more clarification.

Here are the links to the recordings of the webinars.

- RHC Billing Recording of Webinar Session 1 on 12/4/2018
- <u>RHC Billing Recording of Webinar Session 2 on 12/5/2018</u>
- <u>RHC Billing Recording of Webinar Session 3 on 12/6/2018</u>

Here are the PDFs we used at each of the webinars if you want to follow along:

- RHC Billing Webinar Session 1 Presentation (PDF)
- RHC Billing Webinar Session 2 Presentation (PDF)
- RHC Billing Webinar Session 3 Presentation (PDF)

We also have a lot of resources to help you with billing including our Facebook Group, website, webinars, YouTube channel, and seminars on RHCs. We highly recommend joining our Facebook Group as we use this to notify the 850 members about our free webinars and educational offerings by other consultants or the NARHC.

- Facebook Group (https://www.facebook.com/groups/1503414633296362/
- Our website which is <u>http://www.ruralhealthclinic.com/</u>
- Youtube: <a href="https://www.youtube.com/channel/UCXW4pkwNzDXVTMFrFwMy2\_A">https://www.youtube.com/channel/UCXW4pkwNzDXVTMFrFwMy2\_A</a>
- RHC Billing: <u>http://www.ruralhealthclinic.com/rhc-billing/</u>

Recommendation: Do not start billing as a RHC in the first quarter of the year because Medicare has something called negative reimbursement in rural health clinics.



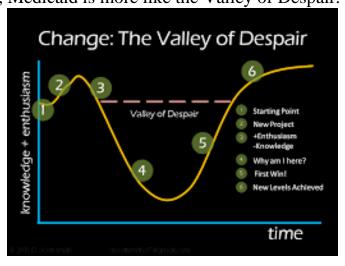


Experienced Knowledge



#### **Medicaid** – The Valley of Despair

Remember the trough of dissolution. Well, Medicaid is more like the Valley of Despair. It is extremely difficult for us as RHC consultants due to each state having different rules and regulations and one reason we tend to limit the states we work in. A lot of states make it difficult for you to enroll in the Medicaid program as an RHC due to the much higher rates paid to RHCs. Also, since you are holding claims on a large portion of your patient population, money becomes an issue. We will try to use local and state resources to help you the best we can.



#### **Ohio Medicaid**

Ohio enrollment as a rural health clinic can take a long time. Like Medicare, Medicaid will require the RHC to enroll with Medicaid and establish a rate. Ohio uses the Medicare Rate

as your interim rate which is why we will need to file a projected cost report with CGS and get the rate set as high as possible. If possible, it would great to get CGS to set the rate higher than the cap like Palmetto and Novitas do. We will file the cost report asking for the higher rate, but the rate will most likely be the Medicare cap which is currently \$84.70. Christopher Carson at Christopher.Carson@medicaid.ohio.gov is responsible for Medicaid rate setting in Ohio and we will make contact with Christopher about rate setting.



The final rate will be established by filing the Medicare Cost Report cost report for the first full fiscal year the clinic is a rural health clinic. Ohio Base Year cost reporting and other cost reporting resources on our website. Here are the links:



#### **BASE YEAR COST REPORTING**

Many State Medical Programs have a PPS Rate for Medicaid RHC visits and that PPS rate is based upon a Base Year Cost Report. It is important that all costs are captured during the base year and the accounting follows Medicare and Medicaid regulations. We have prepared several reports regarding cost reporting and base year reporting and you can find this information by clicking on the links below:

- Cost Reporting Accrual Basis Accounting (6-page PDF)
- <u>Slides from NARHC and HRSA Presentation by Mark Lynn on July 30, 2019</u>
- <u>Cost Reporting Rules for Depreciation, Startup costs, Physician Compensation,</u> <u>Accruals, and Organization Costs</u>

#### **Ohio Medicaid Enrollment and Billing Information**

In Ohio, Maureen Bates works with RHCs in Provider Enrollment. She deals with FQHCs and RHCs and her telephone number is (614) 752-3724 or you can e-mail her at <u>MAUREEN.BATES@medicaid.ohio.gov</u>.

In Ohio, Medicaid billing questions can be addressed to **MELISSA.LITTLE@medicaid.ohio.gov.** RHCs will need to bill Medicaid differently. After you are set up, we can discuss billing. For example, RHC report T codes on the first detail line of their claims (in MITS). Most RHC claims submitted to ODM will be for wraparound payments. More information on wraparound payments can be found in OAC and also in Answer Key #2 at:

https://medicaid.ohio.gov/Portals/0/Providers/MITS/Answer%20Keys/Answer\_Key\_02.pdf.

Medicaid Provider Enrollment information as well as contact information can be found at: <u>https://www.medicaid.ohio.gov/</u>. After the RHC is enrolled, Chris will be able to help you with rate setting. The RHC cannot get paid until a rate is set in Medicaid's claims processing system (MITS).

In Ohio, coverage and payment policy resides is in Ohio Administrative Code (OAC). OAC for RHCs is set forth in Chapter 5160-28 posted at: <u>http://codes.ohio.gov/oac/5160-28-01</u>. As set forth in OAC, RHCs must be certified as a rural health clinic under Medicare. I



know you are enrolling a pediatric facility as an RHC so I wanted to give you a heads up. I would start the enrollment process with Medicare asap.

In addition to HRSA, you may also need to work with the State Office of Rural Health, which resides at the Ohio Department of Health. My RHC contact for the Ohio Department of Health is Andy Griffin. His e-mail address is: <u>Anthony.Griffin@odh.ohio.gov</u>.

Finally, since most individuals in Ohio are covered by Medicaid managed care plans (MCPs), you will need to work with the MCPs. MCP information can be found at: <u>https://medicaid.ohio.gov/provider/ManagedCare</u>.

#### Direct Deposit

To receive payments via direct deposit, please complete the <u>Direct Deposit Authorization</u> <u>Agreement</u>, which can be found by clicking on the "**Medicaid Provider**" tab.

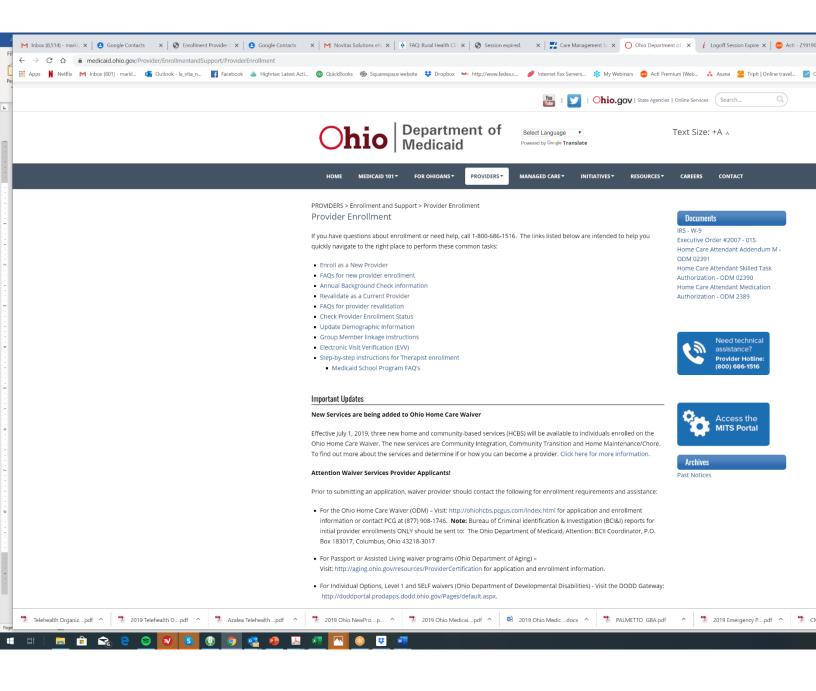
For additional information please contact:

Provider Enrollment Unit P.O. Box 1461 Columbus, Ohio 43216-1461

We have included a number of screenshots so you can see the type of information provided:

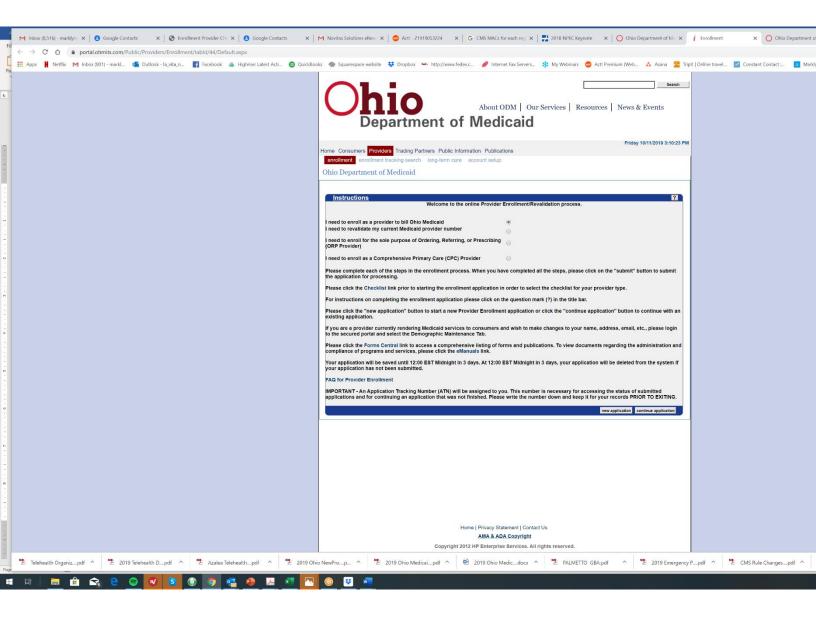


#### https://medicaid.ohio.gov/Provider/EnrollmentandSupport/ProviderEnrollment





#### https://portal.ohmits.com/Public/Providers/Enrollment/tabId/44/Default.aspx





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