



MLN Matters



Information for Medicare Fee-for-Service Health Care Professionals

Related Change Request (CR) #: 3575

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MMA - Announcement of Medicare Rural Health Clinics (RHCs) and Federally Qualified Health Centers (FQHCs) Payment Rate Increase – Skilled Nursing Facility (SNF) Consolidated Billing (CB) As It Applies to Services Provided by RHCs and FQHCs

Note: This article was revised to contain Web addresses that conform to the new CMS website and to show they are now MLN Matters articles. All other information remains the same.

Provider Types Affected

Rural Health Clinics (RHCs) and Federally Qualified Health Centers (FQHCs)

Provider Action Needed

RHCs and FQHCs should be aware of the CY 2005 Payment Rate Increase, an amendment to SNF CB that enables RHCs and FQHCs to bill for certain services furnished in the SNF setting.

Background

This article and related CR 3575 provide details regarding the CY 2005 Payment Rate Increase for RHC and FQHC services, as well as for the coverage and payment of RHC/FQHC visits furnished within the SNF setting.

RHCs & FQHCs Upper Payment Limits for 2005

Effective for services provided on or after January 1, 2005 for CY 2005, the following upper payment limits (UPLs) per visit apply:

- The RHC UPL is increased from \$68.65 to \$70.78,
- The Urban FQHC UPL is increased from \$106.58 to \$109.88, and
- The Rural FQHC UPL is increased from \$91.64 to \$94.48.

Disclaimer

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These RHC and FOHC rates reflect a 3.1 percent increase over the 2004 payment limit in accordance with the rate of increase in the Medicare Economic Index (MEI) as authorized by the Social Security Act (SSA) (Section 1833(f)).

RHC/FOHC Visits Within the SNF Setting:

The Balanced Budget Act (BBA) of 1997 (Section 4432) amended the statute to add consolidated billing for SNFs in the SSA (Section 1862 (a) (18)). Similar to the hospital bundling provision in the SSA (Section 1862(a)(14)), this provision bundled all Part B services furnished to SNF patients into the SNF Prospective Payment System, except those services specifically excluded by law.

RHC services were not among the excepted services. Consequently, when a SNF resident received RHC or FOHC services during a covered Part A stay, the services were bundled into the SNF's comprehensive per diem payment for the covered stay itself, and were not separately billable as RHC or FOHC services to the Fiscal Intermediary (FI). This meant that, rather than submitting a separate bill to the FI for these services, the RHC or FOHC looked to the SNF for its payment.

However, the Medicare Prescription Drug Improvement and Modernization Act of 2003 (MMA), Public Law 108-173, (Section 410) amended the BBA (Section 4432) to specify that when an SNF Part A patient receives the services of a physician from an RHC or FOHC, those services are not subject to SNF CB just because the services were furnished under the auspices of the RHC or FOHC. Note that this also applies to services provided by other types of practitioners that the law identifies as being excluded from SNF CB.

In accordance with the MMA (Section 410), services that are included within the scope of RHC and FOHC services and are also described in the SSA (Clause (ii) of Section 1888(e)(2)(A)) are excluded from the SNF CB provision. These services are limited to physician, physician's assistant, and nurse practitioner services. Only this subset of RHC/FOHC services may be covered and paid through the RHC/FOHC benefit when furnished to RHC/FOHC patients in a covered Part A, SNF stay.

The MMA amendment enables such RHC and FOHC services to retain their separate identity as excluded "practitioner" services. As such, these RHC and FOHC services are separately billable to the FI when furnished to an SNF resident during a covered Part A stay, effective with services furnished on or after January 1, 2005.

Implementation

The implementation date for this instruction is January 3, 2005.

Additional Information

For complete details, please see the official instruction issued to your intermediary regarding this change. That instruction may be viewed at <http://www.cms.hhs.gov/Transmittals/Downloads/R390CP.pdf> on the CMS website.

If you have any questions, please contact your intermediary at their toll-free number, which may be found at <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

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