

CMS Manual System

Pub 100-04 Medicare Claims Processing

Transmittal 796

Department of Health &
Human Services (DHHS)

Centers for Medicare &
Medicaid Services (CMS)

Date: DECEMBER 30, 2005

Change Request 4232

SUBJECT: Announcement of Medicare Rural Health Clinics (RHCs) and Federally Qualified Health Centers (FQHCs) Payment Rate Increase

I. SUMMARY OF CHANGES: This Recurring Update Notification provides instructions for the calendar year 2006 RHC and FQHC Payment Rate Increase.

NEW/REVISED MATERIAL

EFFECTIVE DATE: January 1, 2006

IMPLEMENTATION DATE: April 3, 2006

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R = REVISED, N = NEW, D = DELETED – *Only One Per Row.*

R/N/D	Chapter / Section / Subsection / Title
N/A	N/A

III. FUNDING:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2006 operating budgets.

IV. ATTACHMENTS:

Recurring Update Notification

**Unless otherwise specified, the effective date is the date of service.*

Attachment – Recurring Update Notification

Pub. 100-04	Transmittal: 796	Date: December 30, 2005	Change Request 4232
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SUBJECT: Announcement of Medicare Rural Health Clinics (RHCs) and Federally Qualified Health Centers (FQHCs) Payment Rate Increases

I. GENERAL INFORMATION

A. Background: This Recurring Update Notification provides instructions for the calendar year (CY) 2006 Payment Rate Increases for RHC and FQHC services.

Change in RHC and FQHC Payment Rates

RHCs:

The RHC upper payment limit per visit is increased from \$70.78 to \$72.76 effective January 1, 2006, through December 31, 2006 (i.e., CY 2006). The 2006 rate reflects a 2.8 percent increase over the 2005 payment limit in accordance with the rate of increase in the Medicare Economic Index (MEI) as authorized by §1833 (f) of the Social Security Act.

FQHCs:

The FQHC upper payment limit per visit for urban FQHCs is increased from \$109.88 to \$112.96 effective January 1, 2006, through December 31, 2006 (i.e., CY 2006), and the maximum Medicare payment limit per visit for rural FQHCs is increased from \$94.48 to \$97.13 effective January 1, 2006, through December 31, 2006 (i.e., CY 2006). The 2006 FQHC rates reflect a 2.8 percent increase over the 2005 rates, in accordance with the rate of increase in the MEI.

The effective date of January 1, 2006, is necessary in order to update RHC and FQHC payment rates in accordance with §1833 (f) of the Social Security Act. To avoid unnecessary administrative burden, the intermediary shall not retroactively adjust individual RHC/FQHC bills paid at previous upper payment limits.

The intermediary does, however, retain the discretion to make adjustments to the interim payment rate or a lump sum adjustment to total payments already made to take into account any excess or deficiency in payments to date.

B. Policy: N/A

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement

"Should" denotes an optional requirement

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
4232.1	Intermediaries shall increase the RHC upper payment limit per visit to \$72.76 to reflect CY 2006 rate increase of 2.8 percent.	X								
4232.2	Intermediaries shall increase the FQHC upper payment limits per visit to reflect CY 2006 rate increase of 2.8 percent for urban (\$112.96) and rural (\$97.13) areas.	X								
4232.3	Intermediaries shall not retroactively adjust individual RHC/FQHCs bills paid at previous upper payment limits.	X								

III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		FI	RHHI	Car r i e r	DMERC	Shared System Maintainers				Other
						F I S S	MCS	VMS	CWF	
4232.4	A provider education article related to this instruction will be available at www.cms.hhs.gov/medlearn/matters shortly after the CR is released. You will receive notification of the article release via the established "medlearn matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within 1 week of the availability of the provider education article. In addition, the provider education article shall be included in your next	X								

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
	regularly scheduled bulletin and incorporated into any educational events on this topic. Contractors are free to supplement Medlearn Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.									

IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

V. SCHEDULE, CONTACTS, AND FUNDING

Effective Date*: January 1, 2006	No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2006 operating budgets.
Implementation Date: April 3, 2006	
Pre-Implementation Contact(s): Roechel Kujawa	

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