CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 11130	**Date: November 19, 2021**
	Change Request 12489

NOTE: This Transmittal is no longer sensitive and is being re-communicated December 7, 2021. The Transmittal Number, date of Transmittal and all other information remains the same. This instruction may now be posted to the Internet.

SUBJECT: Update to Rural Health Clinic (RHC) All Inclusive Rate (AIR) Payment Limit for Calendar Year (CY) 2022

I. SUMMARY OF CHANGES: This recurring update notification updates the CY 2022 payment limit for Rural Health Clinics (RHCs) in chapter 9, section 20.6.1 - "Rural Health Clinics" of the Claims Processing Manual.

EFFECTIVE DATE: January 1, 2022
**Unless otherwise specified, the effective date is the date of service.*
IMPLEMENTATION DATE: January 3, 2022

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:

For Medicare Administrative Contractors (MACs):
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

Recurring Update Notification

Attachment - Recurring Update Notification

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SUBJECT: Update to Rural Health Clinic (RHC) All Inclusive Rate (AIR) Payment Limit for Calendar Year (CY) 2022

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I. GENERAL INFORMATION

A. Background: As authorized by section 1833(f) of the Social Security Act (the Act), Medicare Part B payment to RHCs is 80 percent of the All-Inclusive Rate (AIR), subject to a payment limit for medically necessary medical, and qualified preventive face-to-face visits with a practitioner and a Medicare beneficiary for RHC services.

In accordance with section 1833(f)(2) of the Act, beginning April 1, 2021, RHCs receive an increase in their payment limit per visit over an 8-year period, with a prescribed amount for each year from 2021 through 2028. Then, in subsequent years, the limit is updated by the percentage increase in the Medicare Economic Index (MEI) applicable to primary care services furnished as of the first day of that year.

In addition, beginning April 1, 2021, provider-based RHCs that meet the qualifications in section 1833(f)(3)(B) of the Act, are entitled to special payment rules that establish a payment limit based on the specified provider-based RHC's per visit payment amount (or AIR) instead of the national statutory payment limit.

Change Request (CR) 12185 implemented the increase in the RHC statutory payment limit per visit and established the specified provider-based RHC payment limits per visit, which went in effect on April 1, 2021. Note: the term "specified" is used synonymously with the term "grandfathered" for this Change Request and CR 12185.

B. Policy: For CY 2022:

1. Independent RHCs and provider-based RHCs in a hospital with 50 or more beds

The RHC payment limit per visit for CY 2022 is $113.00.

2. Specified (that is, grandfathered) provider-based RHCs with an April 1, 2021 established payment limit

For specified provider-based RHCs that continue to meet the qualifications in section 1833(f)(3)(B) of the Act, the payment limit per visit for CY 2022 is an amount equal to the greater of:

1. the payment limit per visit established beginning April 1, 2021, increased by the percentage increase in MEI applicable to primary care services furnished as of the first day of CY 2022 (that is, 2.1 percent*), or
2. the RHC national statutory payment limit per visit for CY 2022 (that is, $113 per visit).

*Based on historical data through second quarter 2021, the CY 2022 MEI is 2.1 percent.

3. Specified provider-based RHCs that did not have an April 1, 2021 established payment limit

In accordance with section (f)(3)(A) of the Act, specified provider-based RHCs that did not have a per visit payment amount (or AIR) established for services furnished in CY 2020 will have a payment limit per visit based on their AIR and established at an amount equal to the greater of:

1. the per visit payment amount applicable to the provider-based RHCs for services furnished in 2021, or
2. the RHC national statutory payment limit per visit for CY 2022 (that is, $113 per visit).

To avoid unnecessary administrative burden, contractors shall not retroactively adjust individual RHC bills paid at a previous payment limit. However, contractors 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.

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
12489.1	Contractors shall increase the RHC payment limit per visit for independent RHCs and provider-based RHCs in a hospital with 50 or more beds to $113.00 to reflect CY 2022 rate.	X								
12489.2	Contractors shall increase the specified provider-based RHC payment limit per visit as described in section B.2. of this Change Request.	X								
12489.3	Contractors shall identify specified provider-based RHCs as described in section B.2.a of CR 12185.	X								
12489.3.1	Contractors shall establish the payment limit per visit for specified provider-based RHCs as described in section B.3 of this Change Request.	X								
12489.4	Contractors shall not retroactively adjust individual RHC bills paid at previous upper payment limits. However, contractors 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.	X								

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			DME MAC	CEDI
		A	B	HHH		
12489.5	Medicare Learning Network® (MLN): CMS will market provider education content through the MLN Connects® newsletter shortly after CMS releases the CR. MACs shall follow IOM Pub. No. 100-09 Chapter 6, Section 50.2.4.1 instructions for distributing the MLN Connects newsletter information to providers and link to relevant information on your website. You may supplement MLN content with your local information after we release the MLN Connects newsletter. Subscribe to the "MLN Connects" listserv to get MLN content notifications. You don't need to separately track and report MLN content releases when you distribute MLN Connects newsletter content per the manual section referenced above.	X				

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): Glenn McGuirk, 410-786-5723 or Glenn.McGuirk@cms.hhs.gov , Lisa Parker, 410-786-4949 or Lisa.Parker1@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):
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ATTACHMENTS: 0