



## Rural Health Clinic



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## What's Changed?

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- CMS added new and expanded flexibilities during the COVID-19 Public Health Emergency (PHE)
- Beginning January 1, 2021, CMS added Principal Care Management (PCM) HCPCS codes G2064 and G2065 to HCPCS code G0511 payment rate calculation, and CMS annually updates it

You'll find substantive content updates in dark red font.

## Introduction

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A Rural Health Clinic (RHC) is a clinic located in a rural, underserved area with a shortage of primary care providers, personal health services, or both. Currently there are about 4,500 RHCs nationwide providing primary care and preventive health services in underserved rural areas.

## RHC Practitioners

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RHCs and their staff must comply with all licensure and certification laws and regulations. Medicare pays RHCs for qualified primary and preventive health services provided by RHC practitioners, including:

- Physicians
- Nurse Practitioners (NPs)
- Physician Assistants (PAs)
- Certified Nurse-Midwives (CNMs)
- Clinical Psychologists (CPs)
- Clinical Social Workers (CSWs)

## RHC Patient Services

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RHCs provide:

- Primary care and preventive services
- Services and supplies furnished incident to RHC practitioner services, such as taking blood pressure or administering shots
- Homebound visiting nurse services in CMS-certified home health agency shortages
- Some care management services
- Some [virtual communication services](#), such as communications-based technology and remote evaluation services

## RHC Certification

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To be certified as an RHC, a clinic must meet all state and federal requirements, including location, staffing, and health care services requirements. RHCs must also have a quality assessment and program improvement program.

## Location Requirements

An RHC must:

- Be located in an area defined by the U.S. Census Bureau as non-urbanized
- Be located in an area currently designated by the Health Resources and Services Administration (HRSA) within the last 4 years as 1 of these:
  - Primary Care Geographic Health Professional Shortage Area
  - Primary Care Population-Group Health Professional Shortage Area
  - Medically Underserved Area
  - Governor-designated and Secretary-certified Shortage Area

## Staffing Requirements

An RHC must:

- Employ an NP or PA (RHCs may contract with NPs, PAs, CNMs, CPs, and CSWs when the RHC employs at least 1 NP or PA)
- Have an NP, PA, or CNM working at least 50% of the time during operational hours
- Post operation days and hours

## Health Care Services Requirements

An RHC must:

- Directly provide routine diagnostic and laboratory services
- Have arrangements with 1 or more hospitals to provide medically necessary services unavailable at the RHC
- Have drugs and biologicals available to treat emergencies
- Provide these laboratory tests on site:
  - Stick or tablet chemical urine exam or both
  - Hemoglobin or hematocrit
  - Blood sugar
  - Occult blood stool specimens exam
  - Pregnancy tests
  - Primary culturing to send to a certified laboratory
- Not be primarily a mental disease treatment facility or a rehabilitation agency
- Not be a Federally Qualified Health Center (FQHC)

## RHC Payments

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Medicare pays RHCs a bundled payment, or All-Inclusive Rate (AIR), for qualified primary care and preventive health services provided by an RHC practitioner. The AIR is calculated by MACs, and must be below a maximum amount established by Congress. The maximum amount is updated every year based on the Medicare Economic Index percentage.

For certain preventive services like the Annual Wellness Visit and the Initial Preventive Physical Exam, Medicare pays the full AIR and patients don't pay anything. For most other services, Medicare [Part B deductible and coinsurance](#) rates apply. This means that once patients meet their Part B deductible, Medicare pays 80% of the AIR and the patient pays the remaining 20%.

## RHC Visits

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RHC visits must be:

- Medically necessary
- Medical or mental health visits, qualified preventive health visits, or face-to-face visits between the patient and an RHC practitioner
- A qualified RHC service needing an RHC practitioner

RHC visits **can** take place at:

- RHC
- Patient's home, including an assisted living facility
- Medicare-covered Part A skilled nursing facility
- Scene of an accident

RHC visits **can't** take place at:

- Inpatient or outpatient hospital department, including a critical access hospital
- Facility with specific requirements excluding RHC visits

## Multiple Visits on the Same Day

Visits with more than 1 RHC practitioner on the same day, or multiple visits with the same RHC practitioner on the same day, count as a single visit, **except** when:

- Patient returns to the RHC for diagnosis or treatment of an injury or illness that happened after the initial visit; for example, a patient sees their practitioner in the morning because they have flu symptoms, and later in the day they cut their finger and return to the RHC
- Patient has a qualified medical and mental health visit on the same day
- Patient has an Initial Preventive Physical Exam and a separate medical or mental health visit on the same day



## RHC Services

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### Care Management Services

RHCs may provide general care management services, such as:

- Transitional Care Management
- Chronic Care Management
- General Behavioral Health Integration
- Principal Care Management (PCM)

Medicare doesn't require the RHC face-to-face services requirement for care management services. Auxiliary personnel may provide them under general supervision.

Medicare pays RHCs for care management services using HCPCS code G0511 and G0512. RHCs can't bill care management services if another practitioner or facility billed them during the same time period. **Beginning January 1, 2021, CMS added PCM HCPCS codes G2064 and G2065 to HCPCS code G0511 payment rate calculation. CMS annually updates this payment rate based on the Physician Fee Schedule amounts.**

Find more information about billing care management services in the [Care Management Services in RHCs and FQHCs FAQs](#).

### Flu, Pneumococcal, & COVID-19 Shots

Medicare pays for flu, pneumococcal, and **COVID-19** shots and their administration at 100% of reasonable cost. RHCs report the shots and their administration costs on a separate cost report worksheet. Don't report these costs on your RHC billing claims.

An RHC can't bill a visit when the practitioner only sees a patient to administer a shot. Instead, the RHC includes shots and their administration on the annual cost report and Medicare reimburses them at cost settlement. Patients pay no Part B deductible or coinsurance for these services.

### Hepatitis B Shot Administration & Payment

The bundled payment, or AIR, for an RHC visit includes hepatitis B shot and its administration costs. This means you can't bill the shot or its administration separately from the visit, and you can't bill for a visit if shot administration is the only service you provided. However, you can include it on a separate line item when you submit the visit's bill, which ensures the patient pays no deductible or coinsurance. If the shot was the only service you provided, you can add it on a separate line item for the next visit.

## Telehealth Services Payment

RHCs can be an “originating site” for telehealth services. An originating site is the location where an eligible patient gets telehealth services. A patient must go to an originating site for services located in a county outside a Metropolitan Statistical Area or in a rural Health Professional Shortage Area in a rural census tract. RHCs serving as telehealth originating sites get an originating site facility fee. You may include the originating site facility fee charges on the claim.

RHCs aren’t authorized to serve as a “distant sites”, **except during the COVID-19 Public Health Emergency (PHE)** (see [COVID-19 Flexibilities](#)). A distant site is where the practitioner is located during the telehealth service. You can’t bill the visit’s cost or include it on the cost report.

This means patients can go to the RHC to get telehealth services provided by practitioners located in other areas of the state or country, but practitioners in the RHC can’t provide telehealth services, **except during the COVID-19 PHE**.

## Virtual Communication Services

Medicare pays for virtual communication services when an RHC practitioner meets certain requirements, including:

- Practitioner provides at least 5 minutes of billable RHC communication technology-based or remote evaluation service
- Patient had at least 1 face-to-face billable visit within previous year
- Virtual visit isn’t related to service provided within last 7 days
- Virtual visit doesn’t lead to in-person RHC service within the next 24 hours or at next appointment

When an RHC practitioner provides a patient virtual communications service, we don’t require the RHC face-to-face requirements and apply the [coinsurance and deductible](#).

You must submit HCPCS code G2012 (communication technology-based services), and HCPCS code G2010 (remote evaluation services) to virtual communication services claims, when you include virtual communication HCPCS G0071 code on the claim, alone or with other payable services.

Find more information in the [Virtual Communication Services FAQs](#).

## COVID-19 Flexibilities

Find more information on new and expanded COVID-19 RHC flexibilities during the PHE in [MLN Matters® Article SE20016](#).



## Cost Reports

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RHCs must file an annual cost report. Use [Form CMS-222-17](#) to determine your payment rate and reconcile interim payments. Include graduate medical education adjustments, bad debt, shots, and their administration payments.

- Independent RHCs must complete [Health Clinic Form \(CMS-222-1992\)](#), Independent Rural Health Clinic and Freestanding Federally Qualified Health Center (HCLINIC) Cost Report.
- Hospital-based RHCs must complete [Hospital Form \(CMS-2552-2010\)](#), Worksheet M, Hospital and Hospital Health Care Complex Cost Report.
- Provider-based RHCs must complete the appropriate worksheet for RHC services within the parent provider's cost report.

Find more cost reports and forms in the [Provider Reimbursement Manual – Part 2](#).

## Annual Reconciliation

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At the end of the annual cost reporting period, RHCs submit a report to their MACs. The report includes total allowable costs, total RHC service visits, and other required reporting period information. After reviewing the report, MACs determine a final period rate by dividing allowable costs by the number of actual visits.

MACs determine the total payment due and the amount necessary to reconcile payments made during the period with the total payment due. They review interim and final payment rates for productivity, reasonableness, and payment limitations.

If you have questions, [contact your MAC](#).

## Resources

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- Learn about covered services, visits, payment policies, and other information in [Medicare Benefit Policy Manual, Chapter 13](#)
- Learn how Medicare processes RHC claims in [Medicare Claims Processing Manual, Chapter 9](#)
- Learn how CMS evaluates state survey and certification efforts in [State Operations Manual, Chapter 8](#)
- Learn about RHC certification requirements in [Medicare State Operations Manual, Chapter 2, Appendix G](#)
- Learn about [CMS's Rural Health Strategy and other initiatives](#)
- Find updates, educational resources, and other helpful provider tools by searching the [resource directory for Medicare Rural Health Clinics](#)

- Learn about being certified as a Medicare RHC supplier by reviewing [applicable laws, regulations, and compliance information](#)
- Learn how RHC providers did on performance surveys by searching [Survey and Certification's Quality, Certification and Oversight Reports \(QCOR\)](#)

## Other Helpful Websites

- [American Hospital Association Rural Health Services](#)
- [National Association of Rural Health Clinics](#)
- [National Rural Health Association](#)
- [Rural Health Information Hub](#)

## Regional Office Rural Health Coordinators

Get contact information for [CMS Regional Office Rural Health Coordinators](#) who offer technical, policy, and operational help on rural health issues.

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