

The logo for Rural Health Clinics is a circular emblem with a blue border and a gold inner ring. Inside the circle, the words "RURAL HEALTH CLINICS" are written in a serif font, with "RURAL" and "CLINICS" in blue and "HEALTH" in gold. The emblem is set against a decorative blue and white floral pattern.

RURAL  
HEALTH  
CLINICS

# NARHC News

## RHC Accreditation & Certification

*By Bill Finerfrock, NARHC Executive Director*

Since the inception of the RHC program in 1977, the only way for a facility to become a federally certified Rural Health Clinic was to go through the state survey and certification process. Although there was no cost to the facility for RHC certification if conducted by the state, state and federal budget constraints often led to lengthy delays in getting a surveyor out to the facility to conduct the on-site inspection. It was not uncommon in some states for clinics to be told it could be one-year from the request for certification before the state could send a surveyor.

Unlike all other Providers for whom Medicare Certification is required as a condition of participation (hospitals, nursing homes, home health agencies, etc.), Rural Health Clinics had no private option or alternative. Until Now!

As of March 23, 2012, the American Association for Accreditation of Ambulatory Surgery Facilities (Quad A) has been approved as a “deemed” entity for RHC certification. Here is a link to the CMS announcement: <http://www.gpo.gov/fdsys/pkg/FR-2012-03-23/pdf/2012-6331.pdf>

The Quad A RHC accreditation process is not just for new facilities seeking to enter the RHC program. Existing clinics can participate in the RHC accreditation program as a means of maintaining certification & ensuring on-going delivery of quality healthcare in your facility.

Any facility accredited by the new Quad A RHC Accreditation program will be automatically deemed to have met the RHC survey and certification standards of Medicare AND Medicaid. As a private accrediting organization, Quad A will charge a fee to cover the cost of the survey and certification and on-going quality assurance programs. However, the accreditation fee is an allowable cost on your RHC cost report.

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*RHC Certification continued from Pg. 1...*

Although much of the initial interest in RHC accreditation may be from facilities seeking to become certified as an RHC, existing RHCs should also consider obtaining RHC accreditation as a means of assuring on-going quality of care in your facility. To learn more about Quad A and their RHC accreditation program, go to: <http://rhccaccreditation.org/>

## Letter From The President

I hope this newsletter finds you well and having great success in your work. I truly understand the sacrifices you make everyday providing those essential services to our rural patients. You are the unsung heroes of health care. Thank you!

It looks like the summer will be interesting with the elections & the ever changing health care landscape. We at NARHC and your Executive Director Bill Finerfrock continue to advocate the issues that can affect you and your clinic. Please review Bill's comments in the newsletter. In our efforts to bring issues to our Federal legislators and State Medicaid offices we are actively collecting data on RHC issues, demographics, and the impact on proposed changes in the program. This data is vitally important to our ability to demonstrate that our position is founded upon sound information and not an emotional wish list.

We are currently working with two academic institutions that are collecting data and NARHC is in full support of these studies. The Universities of Central Florida and Maine are conducting research that NARHC feels is needed for our upcoming legislative efforts. NARHC is extremely protective of your privacy and will not share any of your membership information with anyone without vetting the purpose. Your participation in these up coming surveys and replies are essential in obtaining meaningful data.

Our upcoming meetings will be featuring discussions on a number of the expected changes in the way you do business. From the 5010 changes to ICD 10 and the future of ACO's and meaningful use, don't miss the opportunity to stay current with these very important updates. Remember to invite your RHC colleagues to join you in membership and to attend one of NARHC's excellent meetings.

The RHC Technical Assistant calls have been providing some great information and stimulating discussions. Be sure to visit our web site for upcoming events and the link to past topics. NARHC's purpose is to be the voice of the RHC community. We need your input and support. Questions and comments are always welcomed. Please feel free to contact any of your Board members or post your questions on the list serve. Thank you again for all you do and I will look forward to seeing you soon.

John Gill, PA-C, President  
NARHC

# Consultants' Corner

## Preparing For Your Cost Report

It's that time of year again; time to gather information for the 12/31/2011 cost report. Before you begin preparing the cost report, there are a few things you should have at your fingertips.

- **Financial Statements** matching the cost reporting period. For most this will be 1/1/11 – 12/31/11. For new clinics in 2011, financial statements must reflect costs from the date of the clinic's certification to 12/31/11.
- **Hours of operation.** If the clinic has hours in which it operates as a non-RHC, the hours of operation must be split between RHC hours and non-RHC hours.
- **Visits by Provider Type.** Physician, Nurse Practitioner and Physician Assistant visits must be aggregated. If you have locum tenens physicians, they need to be separately accounted for on worksheet B-1 as they are not subject to the productivity standards.
- **FTE count by provider type.** (If you have a consultant preparing your cost report, they will often ask for hours worked by practitioner and calculate the FTE count for you.)
- Total clinical staff hours worked during the cost reporting period (for vaccine staff ratio).
- **Influenza and Pneumococcal vaccines** given in 2011 broken down into "Medicare" vaccines and "Total" vaccines.
- **Cost of Medical Supplies** for Influenza and Pneumococcal vaccines.
- **Related Party Cost Data.** If the clinic rents from a related party, you will need the tax returns or other cost data from the building owner to calculate the owners cost. Remember, related party rent is adjusted to cost of ownership on worksheet A-2-1.
- **Lab/X-Ray/EKG** carve out data.
- **PS&R** – This can be obtained through the CMS IACS system. (Good Luck!)
- **Bad Debt Log**
- **New for 2011: Preventative Charges for Medicare Beneficiaries**

Don't forget – cost reports must be submitted in electronic format (ECR File) on CMS approved vendor software via CD. A signed hard copy must also be submitted with an electronic "fingerprint" matching the electronic cost report.

## Tips to Avoid a Call from the Auditor

- **Send vaccine invoices** - Many clinics go ahead and send in the invoices to support the vaccine cost with their initial cost report submission. It can save you a request from the auditor later!
- **Miscellaneous Income** – Don't forget to **offset miscellaneous income** (such as rent revenue or interest income up to the amount of interest expense) on worksheet A-2.
- If you are claiming **bad debts**, make sure the **write off date is at least 120 days** after the date of first bill for Medicare Only patients. Dual-eligible (Medicare/Medicaid) beneficiaries' are eligible for write off without collection efforts to the patient.
- Send a CD version of your bad debt log.
- **Sign both** the signature page from the electronic copy and the signature page on the hard copy of the cost report.

Happy Cost Reporting!

**Julie Quinn, CPA**

Health Services Associates

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<http://hsagroup.net>



## Home Health Certs and Re-Certs

The RHC is in a unique position when it comes to signing the home health certification and re-certification forms many home health agencies lay on the provider's desk. Be careful in billing Medicare for these time-consuming "paperwork" tasks. Since the cost report for the RHC includes the cost of air conditioning, utilities, water, and basically all the space in the cube we call the clinic, any activities performed in that space while the clinic is functioning as a RHC, are part of the RHC Part A Medicare Cost Report. The clinic is reimbursed those costs through their all-inclusive encounter rate.

It is important to "carve out" non-RHC costs from your cost report. These can be adjustments (when the non-RHC costs are for activities outside the four walls of the clinic, i.e. provider rounds at the hospital) or reclassifications (for non-RHC costs incurred inside the clinic, i.e. lab costs). Use of the provider's office in the RHC to sign the forms for home health certifications and re-certifications when these services are provided without a MEDICALLY NECESSARY face to face visit with the patient, constitute non-billable services, since these claims are submitted to Medicare Part B. Anytime you submit a claim to Medicare Part B, the associated costs for those services rendered must be "carved out" of the clinic's cost report.

HOWEVER, it is important to remember the impact of the Balanced Budget Act of 1997. Just because the final regulations never came through, does not mean the Act itself no longer applies. For example, the co-mingling provision is being enforced by the Office of Inspector General. The billing of Part B for services rendered that use the RHC space, supplies and/or personnel during the time when the CLINIC ITSELF is operating as a RHC would be considered co-mingling and is not allowed.

Stipulating a lunch hour for the provision of this service does not necessarily exempt the clinic from the co-mingling accusation. If your posted hours of operation and the hours that you include costs for the RHC in your cost report are from 8 am to 5 pm, Monday through Friday, then you are including ALL the costs for that time in your cost report. If there is not a specific reclassification for non-RHC time, and if you do not have specific non-RHC hours posted on the door, in your policy manual and reported on the second page of the cost report, then you are not carving out those costs, and cannot bill Part B for anything done during the lunch hour or even "after hours".

"After hours" does not in & of itself allow for any adjustments on the cost report. The main issue is that the provider of these services must not use RHC space (meaning that person would have to sign the forms at home or someplace other than the RHC), AND the provider must be able to prove they were compensated for this service from a source other than the RHC (or the cost of the time they spent doing that service is carved out of the cost report with specific detail proving what that carve out was for). Additionally, CMS has been taking a very close look at the whole home health issue in relation to how they are paying for this basically paperwork function. Be very careful to make sure the time requirements are followed on each claim so that you can prove sufficient time was taken in the certification process, as per the latest Part B rules. If you bill for this, make sure you have a policy in your manual as to where this service is provided & how the provider is compensated.

Medicare is now requiring a face-to-face encounter with the patient before the initial home health certification can be billed. However, the Part B definition of a face-to-face encounter is not necessarily the same as Part A. Remember, in the RHC there must be medical necessity documented in the patient's chart for the encounter to be billable. Just saying "completed the home health certification" won't be enough to justify the RHC encounter as billable. The provider must document medical necessity, i.e. the need to have the patient physically present in your RHC, and receiving services provided by the RHC medical provider that are medically necessary at the time you provide them to the patient.

*Continued on Pg. 5...*

Home Health Certs continued from pg. 4...

So, can you bill Part B for the certification AND bill Part A for the encounter? My opinion is no. The time, space, provider cost, etc. for filling out that paperwork is included in the all-inclusive encounter rate you get paid for the encounter with the patient. Billing Part B for the paperwork would be considered "double-dipping" or getting paid from both Part A and Part B for the same service. Bill the medically-necessary encounter as a RHC visit. Don't bill Part B for the paperwork. Again, proceed with caution when billing home health certifications and re-certifications.

**Jim Estes, President**

Horizon Services, Inc.

dba Healthcare Horizon Services, Inc.

[www.healthcarehorizon.com](http://www.healthcarehorizon.com)

## Join Us in Reno, Nevada!

### NARHC 2012 Fall Institute

October 24-26, 2012

(Wed.-Fri.)

at the **Atlantis Casino Resort Spa**

3800 S. Virginia St., Reno, NV 89502

Room rates begin at \$79/night! To make reservations call 800-723-6500 and mention our group code "s-NARHC" for the best rates

Online Conference  
Registration will be  
available at  
[www.narhc.org](http://www.narhc.org)  
in July

### Call for

## White Papers & Speakers

### NARHC Upcoming Conferences

NARHC is always looking for new topic ideas of importance to RHCs and knowledgeable, experienced speakers.

To be considered for the Fall 2012 Institute, completed Speaker Application forms must be received by April 30.

Contact Rhondi at [meetings@narhc.org](mailto:meetings@narhc.org) for an application or call 866-306-1961.

## WANTED:

10-12 NARHC Members  
to serve on a...

**Planning Committee**  
for the 2012 NARHC Fall  
Institute in Reno, NV

*Get involved.*

We meet by phone, monthly,  
for 2-3 times.

Email [meetings@narhc.org](mailto:meetings@narhc.org)



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- CMS855a Revalidation & CMS855a Form Completion For All Types of Changes
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**2012 NARHC Spring Institute  
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A Flash Drive contains the Agenda, Presentations, Participant's List & Sponsor information from this conference. The Flash Drive will be mailed out once payment is received. You may elect instead to be given the Pass Code to access PowerPoints immediately on the NARHC website [www.narhc.org](http://www.narhc.org) at the events tab. Contact NARHC at 866-306-1961 if you have any questions.

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Return form via: Email: [rdavis@hsagroup.net](mailto:rdavis@hsagroup.net), Fax 866-311-9606,  
 or Mail to: NARHC, 2 E. Main St., Fremont, MI, 49412

**THANK YOU!**



## Revalidations

Section 6401 (a) of the Affordable Care Act established a requirement for all enrolled providers and suppliers to revalidate their enrollment information under new enrollment screening criteria. This revalidation effort applies to those providers and suppliers **that were enrolled prior to March 25, 2011**. Newly enrolled providers and suppliers that submitted their enrollment applications to CMS on or after March 25, 2011, are not impacted.

**Between now and March 23, 2015, MACs will send out notices on a regular basis to begin the revalidation process for each provider and supplier. Providers and suppliers must wait to submit the revalidation only after being asked by their MAC to do so.**

Please note that 42 CFR 424.515(d) provides CMS the authority to conduct these off-cycle revalidations. Attached is a sample revalidation letter and MAC contact information.

### Were you sent a revalidation request?

Check out this link [http://www.cms.gov/MedicareProviderSupEnroll/11\\_Revalidations.asp](http://www.cms.gov/MedicareProviderSupEnroll/11_Revalidations.asp) in the "Downloads" section, for a list of all providers and suppliers who have been mailed a revalidation notice. The files are broken down by the month in which the revalidation request was mailed. CMS will add lists on a bimonthly basis. If you are listed, and have not received the request, please contact your Medicare contractor (contact information attached). Lists of providers sent notices to revalidate their Medicare enrollment may be found on the CMS website at: [http://www.CMS.gov/MedicareProviderSupEnroll/11\\_Revalidations.asp](http://www.CMS.gov/MedicareProviderSupEnroll/11_Revalidations.asp) and in the links below. Information on revalidation letters sent in February is posted in late March. CMS is working to make this info. available in Internet-based PECOS (Provider Enrollment, Chain, & Ownership System) in mid April.

[Revalidations Mailed September through October 2011](#)

[Revalidations Mailed November through December 2011](#)

[Revalidations Mailed January 2012](#)

### Would you like to learn more?

Check out this link [http://www.CMS.gov/MedicareProviderSupEnroll/11\\_Revalidations.asp](http://www.CMS.gov/MedicareProviderSupEnroll/11_Revalidations.asp) in the "Related Links Inside CMS" section you to find the transcript of the October 27, 2011 National Provider Call about the revalidation of Medicare Enrollment. You will also find helpful articles about the revalidation process, enrollment provisions of the Affordable Care Act and how to pay your enrollment application fee.

**The current application fee for 2012 is \$523.00. Revalidations are required to be filed every 5 years. As a consequence for not revalidating timely, Medicare will begin to withhold your payments until the revalidating process is complete.**

## ADVERTISING OPPORTUNITIES

### **NARHC NEWS** (Newsletter)

- Spring issue: (Deadline: Feb. 15) Mid-March distribution
- Summer issue: (Deadline: June 15) Mid-July distribution
- Fall issue: (Deadline: Aug. 15) Mid-September distribution
- Winter issue: (Deadline Dec. 15) Mid-January distribution

**Ad Rates:** Quarter page ad (6-1/2 x 2") **\$250** per issue (this is banner shaped) or **\$750** per year (3-4 issues)

### **WEBSITE** ([www.narhc.org](http://www.narhc.org))

Logo linked to consultant or vendor's homepage with two-line description of services. Additional lines may be purchased. There are approximately 3,000 visitors to this site monthly. These numbers are growing as the website gains more dynamic content, a key goal for NARHC.

#### **Quarterly Rates:**

- Logo & description (two lines) - \$250 per quarter (3 months),
- Additional lines - \$100/line

#### **Annual Rates:**

- Logo and description (two lines) - \$900 annually
- Additional lines - \$200 per line

### **CONFERENCE SPONSORSHIPS OR EXHIBITORS:**

NARHC hosts two conferences per year throughout the United States. Conferences are 2½ days in length and participants can earn CEU/CME credits. Exhibitors exhibit just the first 2 days. The following rates are subject to change and reflect the rates charged at the most recent conference.

**SPONSORSHIPS:** Gold \$1500. Silver \$1250. Bronze \$1000

Sponsors depending on level receive: Conference Registration, Food & Beverages, Advertisement, Participants List, Poster & Banner Marketing, and a 6' Draped & Skirted Table.

**EXHIBITORS:** Conference Exhibitor \$875

### **UPCOMING CONFERENCE:**

#### **FALL 2012 Institute...**

Atlantis Casino Resort Spa  
3800 S. Virginia St.  
Reno, NV 89502

**Oct. 24-26, 2012 (Wed.-Fri.)**

Contact NARHC at 866-306-1961 or email [meetings@narhc.org](mailto:meetings@narhc.org) for more information.

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