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**CHAPTER 40: RURAL HEALTH CLINICS**

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**COVERED SERVICES**

A rural health clinic (RHC) agrees to provide those primary care services typically included as part of a physician's medical practice. Services and supplies that are furnished by RHC staff and are incident to the RHC professional service are considered part of the RHC service. An RHC can also provide services related to the diagnosis and treatment of mental illness, and, in certain instances, visiting nurse services.

The following RHC reimbursable services are referred to as core services:

- Physician services;
- Services and supplies incident to physician's services;
- Physician assistant services;
- Nurse practitioners and certified nurse midwife services;
- Services and supplies incident to the services of nurse practitioners, physician assistants, and certified nurse midwives;
- Visiting nurse services to the homebound;
- Clinical psychologist services;
- Clinical social worker services;
- Services and supplies incident to the services of clinical psychologists and clinical social workers; and
- Basic lab services.

**NOTE:** For reimbursement purposes, a service visit must be provided in order for a provider to be paid a Prospective Payment System (PPS) rate. (See Section 40.4 for more information about reimbursement)

**Physician Services**

Physician services are the professional services performed by a licensed physician for a recipient including diagnosis, therapy, surgery, and consultation.

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Physician services are covered if they are professional services performed by a physician at the clinic; or performed away from the clinic if the physician has an agreement with the clinic to be paid for the services. The services must be within in the scope of his/her profession under Louisiana law.

**Services and Supplies Incident to a Physician's Professional Services**

Services and supplies incident to a licensed physician's professional service are covered if the service or supply is furnished:

- In a physician's office;
- Either without charge or included in the clinic's bill;
- As an incidental, although integral, part of a physician's professional services;
- Under the direct, personal supervision of a physician; and
- By a member of the clinic's health care staff who is an employee of the clinic.

Only drugs and biologicals that cannot be self-administered are included within the scope of this benefit.

**Physician Assistant Services**

A physician assistant (PA) is eligible to enroll in Medicaid and must obtain a provider number and use it on the billing form when performing services or prescribing drugs. PA services are covered if:

- Furnished by a licensed PA who is employed by or receives compensation from the clinic and is enrolled in the Louisiana Medicaid Program;
- Identified by placing his/her provider number in the attending licensed physician space on the CMS 1500;
- Furnished under the medical supervision of a licensed physician. The physician supervision requirements are met if the conditions specified and any pertinent requirements of state law are satisfied;
- Furnished in accordance with medical orders for the care and treatment of a patient prepared by a physician;

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- Consistent with the type of service the PA is legally permitted to perform; and
- Services are covered by Medicaid.

**Nurse Practitioner and Certified Nurse Midwife Services**

Services are covered if:

- Furnished by a licensed nurse practitioner or certified nurse midwife who is employed by or receiving compensation from the clinic;
- Enrolled in Louisiana Medicaid;
- Identified by placing his/her provider number in the attending physician space on the CMS 1500;
- in collaborative practice with a licensed physician. The physician supervision requirement is met if the conditions specified and any pertinent requirements of State law are satisfied;
- Furnished in accordance with any medical orders for the care and treatment of a patient prepared by a physician;
- Performed by a licensed nurse practitioner or certified nurse mid-wife, who is legally permitted to provide this type of service; and
- Services are covered by Medicaid.

Nurse practitioners and certified nurse mid-wives are eligible to enroll in Medicaid and must obtain a provider number and use it on the billing form when performing services or prescribing medications.

**Services and Supplies Incident to Physician Assistant, Nurse Practitioner and Nurse Midwife Services**

Services and supplies incident to a nurse practitioner, nurse midwife or physician assistant services are covered if:

- Furnished in a licensed medical provider's office;
- Rendered either without charge or included in the clinic's bill;

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- Furnished as an incidental, although integral part of professional services furnished by nurse practitioner, PA or certified nurse midwife;
- Furnished under his/her direct, personal supervision. The direct personal supervision requirement is met only if the person is permitted to supervise these services under the written policies governing the clinic; and
- Furnished by a member of the clinic's health care staff who is an employee of the clinic.

Only drugs and biologicals that cannot be self-administered are included within the scope of this benefit.

**Visiting Nurse Services**

Part time or intermittent visiting nurse care and related supplies are covered if:

- The clinic is located in an area designated by CMS as a home health agency shortage area;
- The services are rendered to a homebound individual. For purposes of visiting nurse services, "homebound" means a Medicaid recipient who is permanently or temporarily confined to his or her place of residence because of a medical or health condition. The individual may be considered homebound if he or she leaves the place of residence infrequently. For this purpose, "place of residence" does not include a hospital or skilled nursing facility;
- The services are furnished by a licensed registered nurse or licensed practical nurse or a licensed vocational nurse, who is employed by or received compensation for the services from the clinic; and
- The services are furnished under a written plan of treatment.

**Plan of Treatment**

The plan of treatment must be established and reviewed at least every 60 days by a supervising physician of the clinic or established by a physician, nurse, practitioner, physician assistant or certified nurse midwife, or specialized nurse practitioner and reviewed and approved at least every 60 days by a supervising physician. The plan must be signed by the nurse practitioner, physician assistant, certified nurse midwife or the supervising physician of the clinic.

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The plan of treatment must relate visiting nurse services to the recipient's condition. The plan must specify the following:

- Types of services required and a prognosis for changes in the recipient's condition;
- Diagnosis and a description of the recipient's functional limitations resulting from the illness or injury;
- Type and frequency of nursing services needed;
- Special diets;
- Activities permitted;
- Rehabilitation and therapy services;
- Medical social services;
- Home health aide services; and
- Necessary medical supplies.

All changes in orders for controlled substances drugs must be signed by the licensed physician.

**Clinical Psychologist Services**

Clinical psychologist services refers to services performed by a licensed clinical psychologist for diagnosis and treatment of mental illness which the clinical psychologist is legally authorized to perform under State licensure as would otherwise be covered if furnished by a physician or as an incident to a physician's service.

**Clinical Social Worker Services**

Clinical social worker services refers to services performed by a licensed clinical social worker for diagnosis and treatment of mental illness which the clinical social worker is legally authorized to perform under state licensure and such services as would otherwise be covered if furnished by a physician or as an incident to a physician's professional service.

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**Services and Supplies Incident to the Services of Clinical Psychologists and Clinical Social Workers**

Services are covered if furnished:

- In a physician's office;
- Either without charge or included in the clinic's bill;
- As an incidental, although integral part of professional services furnished by licensed nurse practitioner, licensed PA or certified nurse midwife;
- Under his/her direct, personal supervision. The direct personal supervision requirement is met only if the person is permitted to supervise these services under the written policies governing the clinic; and
- By a member of the clinic's health care staff who is an employee of the clinic.

Only drugs and biologicals that cannot be self-administered are included within the scope of this benefit.

**Basic Lab Services**

An RHC is required to provide the following minimum lab services on site:

- Chemical examinations of urine by stick or tablet methods, or both;
- Hemoglobin or hematocrit;
- Blood sugar;
- Examination of stool specimens for occult blood;
- Pregnancy tests; and
- Primary culturing for transmittal to a certified laboratory.

If the RHC performs only these six tests, the RHC may obtain a waiver certificate from the regional Clinical Laboratory Improvement Act (CLIA) office.

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If an RHC provides more than the basic lab services on site, it must comply with CLIA requirements for the lab services actually delivered.

**Other Ambulatory Services**

Other ambulatory services that may be provided by a RHC include non-primary care services covered by the Louisiana Medicaid State plan, but not included in the RHC's core services. These services may be provided by the RHC if the RHC meets the same standards as other enrolled providers of those services. Examples include:

- Early and Periodic Screening, Diagnosis and Treatment (EPSDT) services for recipients under the age of 21;
- Vision care services (for recipients under the age of 21);
- Speech and language services (for recipients under the age of 21);
- Hearing services (for recipients under the age of 21);
- Dental services;
- Podiatry services;
- Pregnancy-related services;
- Perinatal case management;
- Chiropractic services;
- Nutrition counseling as part of an encounter;
- Family planning services; and
- Physical and occupational therapy services.

The above services are governed by Medicaid policies and procedures specific to each program. The policies and procedures for the RHC services program do not apply to these "other" ambulatory services. Billing must be submitted according to the policies and procedures for each program. Service visits will be reimbursed at the all-inclusive PPS rate per visit. (See Section 40.4 for more information about reimbursement)

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**Diabetes Self-Management Training**

Diabetes self-management training (DSMT) is provided to recipients diagnosed with diabetes. These services are comprised of one hour of individual instruction and nine hours of group instruction on diabetes self-management. Recipients shall receive up to ten hours of services during the first 12-month period beginning with the initial training date. After the first 12-month period has ended, recipients shall only be eligible for two hours of individual instruction on diabetes self-management per calendar year.

**Fluoride Varnish Applications**

Coverage shall be provided for fluoride varnish applications performed in the RHC to recipients from under 21 years of age based on medical necessity. Fluoride varnish applications will be reimbursed when performed in the RHC by:

- The appropriate dental providers;
- Physicians;
- Physician assistants;
- Nurse practitioners;
- Registered nurses; or
- Licensed practical nurses; or
- Certified medical assistants.

All participating staff must review the Smiles for Life training module for fluoride varnish and successfully pass the post assessment. All staff involved in the varnish application must be deemed as competent to perform the service by the RHC and be practicing within the licensed practitioner's scope of practice.

**Services Not Covered**

- Injections ordered incident to a previous face-to-face encounter (these injections would be incident to the initial encounter and part of the PPS reimbursement of the initial encounter which warranted the injection);
- Medications provided by a pharmacy that is not part of the RHC;



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- Weight or blood pressure check only;
- Services for which medical necessity is not clearly established;
- Information provided to a patient over the telephone;
- Cosmetic surgery;
- A visit for the sole purpose of a patient obtaining a prescription when the need for the prescription has already been determined;
- Canceled visits or for appointments not kept;
- Foot care such as routine soaking and application of topical medication;
- Transsexual surgery or a procedure which is performed as part of the process of preparing an individual for transsexual surgery, such as hormone therapy and electrolysis; and
- Tattoo removal.

**Encounter**

A medical encounter (inclusive of mental health and DSMT services) is defined as a face-to-face visit with a physician, physician assistant, nurse practitioner, certified nurse midwife, visiting nurse, clinical psychologist, clinical social worker or any other State plan approved ambulatory provider during which an RHC core or other ambulatory service is rendered. Multiple medical encounters with more than one health care practitioner or with the same health care practitioner, which take place on the same day at a single location, constitute a single visit, except for cases in which the recipient, subsequent to the first encounter, suffers illness or injury requiring additional diagnosis or treatment.

A dental encounter is defined as a face-to-face visit with a dentist where dental services are rendered. Multiple dental encounters with more than one health care practitioner or with the same health care practitioner, which take place on the same day at a single location, constitute a single visit except for cases in which the recipient, subsequent to the first encounter, suffers illness or injury requiring additional diagnosis or treatment.

**Service Limits**

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Only one medical encounter (inclusive of mental health and DSMT services) per day per recipient and one dental encounter per day may be billed per recipient except in cases in which the recipient, subsequent to the first encounter, suffers illness or injury requiring additional diagnosis or treatment. Services shall not be arbitrarily delayed or split in order to bill additional encounters.

There are no annual limits placed on the number of rural health clinic visits (encounters) payable by the Medicaid program for eligible recipients.

Separate encounters for DSMT services are not permitted and the delivery of DSMT services alone does not constitute an encounter visit.

**Exclusions**

Medicaid policy does not provide for payment of follow-up visits occurring on the same date as a previously billed visit, consultation, emergency room care or hospital admission date.

Any services “incident to” an encounter **are not** billable. These include, but are not limited to the following:

- Injections (allergy, antibiotic, steroids, etc.);
- Laboratory tests performed on site, Peak Flow and Spirometry, Respiratory Flow Volume Loop, EKG testing and interpretation, and x-rays;
- Immunizations;
- Hearing/Vision screenings; and
- Filling and/or obtaining prescriptions.

**Service Delivery**

Upon presentation at the clinic, a full mental, physical and dental assessment shall be performed that includes a written plan for each identified problem noted in the history and physical exam. Any health problems identified must be addressed to the highest degree possible. Encounters for recipients under the age of 21 shall include all the aspects of a well-child screening visit unless:

- The provider determines that the child’s medical condition at the time of the visit contraindicates the well-child screening as inadvisable; or

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- The child's medical record reflects that he or she is up to date on the well-child screenings in accordance with the Medicaid periodicity schedule.

The medical encounter level of service must include **at a minimum**:

- An expanded, problem-focused history (chief complaint, brief history of present illness, problem pertinent system review).
- An expanded, problem-focused exam (limited exam of the affected body area or organ system and other symptomatic or related organ systems).

This would be low level complexity of medical decision making (limited number of diagnoses, limited complexity of data to review, the risk of complications and management options- low).

A new patient medical encounter level of service is to include the following:

- A detailed history (chief complaint, history of present illness, problem pertinent system review, pertinent past, family, social history).
- A detailed exam with low-to moderate complexity decision making.