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**CHAPTER 40: RURAL HEALTH CLINICS**

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**REIMBURSEMENT**

Reimbursement for rural health clinic (RHC) services is made for those primary care services provided to Medicaid recipients by enrolled RHC providers. These services are of the type normally provided as part of a primary care physician's practice as described in Section 40.1 – Covered Services. RHCs are reimbursed for Medicaid covered services under an all-inclusive Prospective Payment System (PPS) as specified under Section 1902(bb) of the Social Security Act.

Payments specified as the PPS rates are all inclusive of professional, technical and facility charges, including evaluation and management, routine surgical and therapeutic procedures and diagnostic testing (including laboratory/pathology and radiology) capable of being performed on site at the RHC and must be billed utilizing the facilities' provider ID and Tax Identification Number (TIN).

- Laboratory/pathology, radiology and medications administered are not separately reimbursable. To the extent that the provider has the capabilities to provide these services and has historically provided these services, the RHC shall continue to provide such services.
- The bundling of therapeutic and diagnostic testing services in the PPS rate is not meant to imply that the RHC shall vend or refer out such ancillary services to other providers merely for the purpose of maximizing reimbursement.

Services and supplies incidental to a service visit include those services commonly furnished in a physician's office and ordinarily rendered without charge or are included in the practice's bill, such as laboratory/pathology services, radiology services, ordinary medications, supplies used in a patient service visit. Services provided incidental to a service visit must be furnished by an employee and must be furnished under the direct supervision of an RHC health care practitioner, meaning the health care practitioner must be immediately available when necessary, even if by telephone.

Laboratory/pathology, radiological and other services ordered by the RHC staff, but provided by an organization independent of the RHC, must be billed by the provider of the service and not the RHC.

**NOTE:** Professional services performed in the RHC will be subject to recoupment if billed under a physician/practitioner's individual Medicaid number.

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**Rates****Determination of Rate**

Payments for Medicaid covered services will be made under a PPS and paid on a per visit basis.

For an RHC which enrolls and receives approval to operate, the facility's initial PPS per visit rate shall be determined through a comparison to other RHCs in the same town/city/parish. The scope of services shall be considered in determining which proximate RHC most closely approximates the new provider. If no RHCs are available in the proximity, comparison shall be made to the nearest RHC offering the same scope of service. The rate will be set to that of the RHC comparative to the new provider.

**Alternative Payment Methodologies**

Effective July 1, 2008, any provider-based RHC licensed as part of a small rural hospital as of July 1, 2007 may elect to be reimbursed at 110 percent of reasonable cost as reported from their latest filed cost report.

In accordance with Section 1902(bb)(6) of the Social Security Act, no interim or alternative payment methodologies will be imposed on an RHC without approval from the entity, and payment methodologies must result in payment to the clinic that is at least equal to the amount required to be paid to the clinic without the alternate payment methodology.

**Adjustment of Rate**

PPS rates are adjusted effective July 1 of the state fiscal year by the published Medicare Economic Index (MEI) as prescribed in Section 1902(bb)(3)(A) of the Social Security Act.

PPS rates are adjusted to take into account any change (increase or decrease) in the scope of services furnished by the RHC. A change in scope is an addition, removal or relocation of service sites, and the addition or deletion of specialty and non-primary services that were not included in the base line rate calculation.

**The RHC is responsible for notifying BHSF, in writing, of any increases or decreases in the scope.** If the change is for the inclusion of an additional service or deletion of an existing service/site, the RHC shall include the following in the notification:

- The current, approved organization budget and a budget for the addition or deletion of services/sites; and

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- An assessment of the impact on total visits and Medicaid visits associated with the change of scope of services.

A new interim rate will be established based upon the reasonable allowed cost contained in the budget information. The final PPS rate will be calculated using the first two years of audited Medicaid cost reports which include the change in scope.

**Out of State/Trade Area RHC**

An out-of-state RHC in the trade area will be reimbursed the lesser of the Louisiana state-wide average or the PPS rate assigned to that RHC in its state's location.

**Notice of Rate Setting**

BHSF will send written notice to the clinic notifying the clinic of the reimbursement rate per encounter and the methodology used to establish the rate.

BHSF, or its contracted auditing agency, will reconcile the initial PPS rates for provider based RHCs to the final audited PPS rates and inform the clinic of the rate determination and any reconciling amounts owed or due to/from the clinic.

**Appeals**

RHCs requesting to appeal the established PPS rate must submit their request in writing (See Appendix A for contact information).

**Cost Report Submission**

RHCs are required to file a Medicaid annual cost report with appropriate addenda within five months of the clinic's fiscal year end. Failure to submit cost reports by the due date may result in a suspension of Medicaid payments. (See Appendix A for information on where to send cost reports).

A written request for an extension on submission of the cost report may be granted if received by the RHC Program Manager within 30 or more days prior to the due date. No extension will be granted unless the RHC provides evidence of extenuating circumstances beyond its control that have caused the report to be submitted late.

**Audits**

All cost reports are subject to audit, including desk audits and field audits.

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**Encounter Visits**

An RHC will be reimbursed for only one medical encounter (inclusive of mental health services) and one dental encounter per day when the visits take place with more than one health care practitioner or with the same health care practitioner on the same day at a single location. This will 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. Services and supplies that are furnished by RHC staff and incidental to an RHC professional service as commonly furnished in a physician's office and ordinarily rendered without charge or are included in the practice's bill, such as laboratory/pathology services, radiology services, ordinary medications and supplies used in a patient service visit are considered part of the RHC service.

An RHC shall only be reimbursed for fluoride varnish applications when they are performed on the same date of service as an office visit or preventative screening. Separate encounters for fluoride varnish application services are not permitted and the application of fluoride varnish does not constitute an encounter visit.

Medicaid reimbursement is limited to medically necessary services that are covered by the Medicaid State Plan and would be covered if furnished by a physician.

**Payment for Adjunct Services**

Reimbursement will be made for adjunct services in addition to the encounter rate paid for professional services when these services are rendered during the evening, weekend or holiday hours as outlined in the *Current Procedural Terminology* (CPT) manual under "Special Services, Procedures and Reports".

To facilitate recipient access to services during non-typical hours and to reduce the inappropriate use of the hospital emergency department, the reimbursement provided by use of the adjunct codes is intended to assist with covering the additional administrative costs associated with staffing during these times. Providers are not to alter their existing business hours for the purpose of maximizing reimbursement.

The reimbursement is a flat fee in addition to the reimbursement for the associated encounter. Reimbursements for adjunct services are only billable for services on weekends, state legal holidays, and between the hours of 5 p.m. and 8 a.m., Monday through Friday. Documentation must include the time the services were rendered.

**NOTE:** Payment is not allowed when the encounter is for dental services only.

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**Services with Alternative Payment Methodology**

RHCs will receive reimbursement outside of their prospective payment system rate for the below Medicaid covered services.

**Long Acting Reversible Contraceptives (LARCs)**

Reimbursement for these services will be the lesser of the Medicaid fee for service rate on file or the actual acquisition cost (AAC), for entities participating in the 340B program. The rates for LARCs are located on the Durable Medical Equipment fee schedule on [www.lamedicaid.com](http://www.lamedicaid.com).

RHC providers must submit the medical encounter and required detail line(s) for services provided to the recipient on the date of service according to current policy. The procedure code for the appropriate LARC insertion and LARC must be included in the detail lines of the claim. Detail lines for the LARC and LARC insertion cannot be the only detail lines on the claim or the claim will deny. The procedure code for the services listed will pay accordingly. All other detail lines on the claim will pay at zero.

**Billing****Medical/Behavioral Encounters**

Medical/behavioral health services provided in RHCs are reimbursed as encounters. These encounter visits must be billed on a CMS-1500 using procedure code T1015. The encounter reimbursement includes all services provided to the recipient on that date of service and any services on a subsequent day incidental to the original encounter visit. In addition to the encounter code, it is necessary to indicate the specific services provided by entering the individual procedure code, description and zero or usual/customary charges for each service provided on subsequent lines.

When behavioral health services are the only services provided during an encounter, and are administered by a licensed clinical social worker or a clinical psychologist, the RHC provider identification number must be placed as both the billing and attending provider with the appropriate modifiers and detail line procedure codes on the claim.

A visit to pick up a prescription or a referral is not considered a billable encounter. Lab or x-ray services with no “face-to-face” encounter with a covered RHC provider do not constitute an RHC visit and will not be reimbursed separately as they are part of the original medical encounter which warranted these additional services.

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If a covered service is provided via an interactive audio and video telecommunications system (telemedicine), it must be identified on the claims form by appending the Health Insurance Portability and Accountability Act (HIPAA) 1996 complaint modifier “GT” to the appropriate procedure code.

For obstetrical services, providers must bill the encounter code T1015 with modifier TH and all services performed on that date of service.

**NOTE:** Professional services not covered through the Professional Services Program are not covered through the RHC Program.

**Behavioral Health/Psychiatric Services**

Louisiana Medicaid reimburses professional service providers for select procedure codes specific to psychiatric services delivered in the office or other outpatient facility setting. This policy is applicable to physician services in the Professional Services program and mental health services provided in an RHC.

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RHC providers should enter the appropriate psychiatric procedure codes as encounter detail lines when submitting claims for the following services:

- Psychiatric diagnostic or evaluative interview procedures;

**NOTE:** Procedure codes are reimbursable once per 365 days per attending provider.

- Psychiatric therapeutic procedures; and
- Psychological testing.

Psychological testing is reimbursable once per 365 days per attending provider. All applicable units of service related to this procedure code should be billed on one date of service and the units should not be divided among multiple dates of service or claim lines.

**NOTE:** Should nationally approved changes occur to CPT codes at a future date that relate to psychiatric services, providers are to follow the most accurate coding available for covered services for that particular date of service, unless otherwise directed.

**Physicians with a Psychiatric Specialty**

The RHC Medicaid ID number must be listed as the billing provider and the physician's individual Medicaid ID number must be listed as the attending provider on the claim for mental health services rendered by a physician with a psychiatric specialty.

**Nurse Practitioners or Clinical Nurse Specialists with a Psychiatric Specialty**

The RHC Medicaid ID number must be listed as the billing provider and the nurse practitioner or clinical nurse specialist's individual Medicaid ID number must be listed as the attending provider on the claim for mental health services rendered by a nurse practitioner or clinical nurse specialist.

**Licensed Clinical Social Workers**

The RHC Medicaid ID number is listed as the billing and attending provider on a claim for mental health services provided in an RHC by a licensed clinical social worker. If the service provided is one of the procedure codes listed above, the AJ modifier is appended to the procedure code in the detail line of the claim.

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**Clinical Psychologists**

The RHC Medicaid ID number must be listed as the billing and attending provider on the claim for mental health services provided in an RHC by a clinical psychologist. If the service provided is one of the procedure codes listed above, the AH modifier is appended to the procedure code in the detail line of the claim.

**Adjunct Services**

RHC adjunct services should be billed with the T1015 encounter code, the appropriate detail procedure, along with the adjunct service procedure code. The adjunct service procedure code may not be submitted as the only “detail line” for the encounter.

These adjunct codes are reimbursed in addition to the reimbursement for outpatient evaluation and management services when the services are rendered in settings other than hospital emergency departments:

- Between the hours of 5 p.m. and 8 a.m. Monday through Friday;
- On weekends between 12 a.m. Saturday through midnight on Sunday; and
- State proclaimed legal holidays, 12 a.m. through midnight.

Providers are instructed to bill usual and customary charges. (See Appendix A for information on accessing the fee schedule).

Only one of these adjunct codes may be submitted by a billing provider per day. Providers are to select the code that most accurately reflects their situation. Adjunct codes are reported with another code or codes describing the service related to that recipient’s visit or encounter. For example:

- If the existing office hours are Monday-Friday 8 a.m. – 5 p.m. and the physician treats the recipient in the office at 7 p.m., then the provider may report the appropriate basic service (Evaluation/Management (E/M) visit code or encounter) and adjunct code.
- If a recipient is seen in the office on Saturday during existing office hours, the provider may report the appropriate basic service (E/M visit code or encounter) and adjunct code.



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Documentation in the medical record relative to this reimbursement must include the time that the services were rendered. Should there be a post payment review of claims, providers may be asked to submit documentation regarding the existing office hours during the timeframe being reviewed.

RHC providers will receive fee-for-service reimbursement for the adjunct services codes separate from, but in addition to, the PPS reimbursement for the associated encounter (T1015).

- For RHC providers whose services meet the guidelines outlined in this policy:
  - The encounter and required detail line(s) for services provided to the recipient on a date of service should be reported as directed in current RHC policy.
  - If appropriate, the adjunct services code may also be reported as a detail line, but it may not be submitted as the only “detail line” for an encounter.
  - The adjunct code will be reimbursed fee-for-service in addition to the payment for the encounter.
- The adjunct codes are not reimbursable for dental encounters.

Payments to all providers are subject to post payment review and recovery of overpayments.

**Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Screening Services**

EPSDT screening services must be billed using the 837P Professional format using encounter code T1015 with modifier EP.

It will be necessary to indicate the specific screening services provided by entering the individual procedure code for each service rendered on the appropriate line. If a registered nurse performs the screening, the appropriate procedure code must be entered followed by the modifier TD.

If immunizations are given at the time of the screening, those codes continue to be billed on the CMS-1500, along with encounter code T1015 and modifier EP. All claims billed using the T1015 and modifier EP must include supporting detail procedures. Only a physician doing a screening should bill with no modifier.

**Dental Encounters**

All dental services must be billed on the 2006 ADA claim form using the encounter code D0999. In addition to the encounter code, providers must list the specific dental services provided by entering the procedure code for each service rendered on subsequent lines. The provider should also include zero or usual/customary charges for each service provided.

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The Recipient Eligibility Verification System (REVS) or the Medicaid Eligibility Verification System (MEVS) should be used to obtain recipient eligibility information. Providers should keep hardcopy proof of eligibility from MEVS on file. Medicaid eligibility verification is also available on the web. (See Appendix A for web information).

**NOTE:** The dental encounter, D0999, may be billed on the same date of services as the encounter codes T1015, T1015 TH (OB encounter), and/or T1015 EP (EPSDT screening).

**Medicare/Medicaid Dual Eligible Billing**

Medicaid pays the Medicare co-insurance, up to the Medicaid established encounter rate, for recipients who are eligible for Medicare and Medicaid. Providers should first file claims with the regional Medicare fiscal intermediary/carrier, ensuring the recipient's Medicaid ID number is included on the Medicare claim form, before filing with Medicaid.

After the Medicare claim has been processed, then Medicaid should be billed. Providers must bill these claims on the UB92/UB04 and include the Medicare Explanation of Benefits, a copy of the Medicare claims and put the Medicaid provider number and Medicaid ID number in the appropriate form locators. (See Appendix A for information on where to send the claim).

**NOTE:** This is the only instance where Louisiana Medicaid may be billed using the UB92/UB04 for RHC services. Straight Medicaid claims must be processed on the CMS-1500 claim form.

**Outpatient Services**

For all services rendered at the RHC, in a nursing home or during home visits, the RHC provider identification number must be used as the billing provider number in the appropriate place on the CMS 1500 claim form.

**Inpatient Services**

Physician inpatient services are billed through the physician's individual provider number as the billing provider. Physicians are not allowed to bill through their RHC group number for inpatient services.