

---

**CHAPTER 40: RURAL HEALTH CLINICS**

---

**SECTION 40.0: OVERVIEW****PAGE(S) 1**

---

### **OVERVIEW**

The Rural Health Clinic (RHC) program was established through the Rural Health Clinic Act of 1977 to address an inadequate supply of primary health care providers who serve Medicare and Medicaid beneficiaries in rural areas. The program provides qualifying clinics located in rural and medically underserved communities with a prospective reimbursement methodology described under Section 1902(bb) of the Social Security Act.

RHCs may be either provider-based clinics or independent clinics. The provider-based RHC is considered an integral part of a rural hospital, nursing home or home health agency that is a Medicare certified provider. An independent RHC is any other clinic which meets the requirement to be classified as a RHC and is owned and operated by any entity as long as it is not operated as a rehabilitation agency or a facility primarily for care and treatment of mental diseases.

The purpose of this chapter is to set forth the conditions and requirements that RHCs must meet in order to qualify for reimbursement under the Louisiana Medicaid program. The manual is intended to make available to Medicaid providers of RHC services a ready reference for information and procedural material needed for the prompt and accurate filing of claims for services furnished to Medicaid recipients.

The Department of Health and Hospitals, Bureau of Health Services Financing (BHSF), Program Operations Section is responsible for assuring provider compliance with these regulations.