



What is a Certified Rural Health Clinic?

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I often get asked what I do. It's a difficult question to answer. But if you know what a Certified Rural Health Clinic (RHC) is and how it fits into the health care delivery system, you will know why I enjoy the challenges I face.

I will tackle this with a Top 10 list of important details of a RHC.

1. A Certified Rural Health Clinic must be located in a "Rural" area and must be in a Health Professional Shortage Area (HPSA) as designated by the Health Resources Services Administration. This designation may be a Geographic, Low Income or Governor's designation and must be updated every four years.
2. The financial benefit of becoming a RHC is the clinic's increased reimbursement for Medicaid and Medicare patient visits.
3. There are two types of RHC's, one an Independent/Freestanding RHC and another a Provider Based RHC which is owned by a hospital in most cases.
4. A RHC must employ a Physician Extender (NP, PA, CNM) who is available to see patients 50% of the time a RHC is open.
5. A RHC is paid an all-inclusive cost per visit rate. This cost per visit rate is calculated each year by filing a CMS form 222-92 RHC cost report.
6. The RHC all inclusive visit cap rate for Independent and Provider Based RHCs owned by hospitals with more than 50 beds is \$84.70 for 2019. Statutorily, Rural Health Clinics receive an increase in the all-inclusive cap rate equal to the Medicare Economic Index (MEI) each year. Your clinic specific rate will be based on the allowable costs on the cost report each year.



7. Provider Based RHCs owned by hospitals with less than 50 beds do not have an all-inclusive visits cap rate on their Medicare rate. These Provider Based RHC's are reimbursed their costs for their Medicare patient visits.
8. The all-inclusive visit rate for Medicaid in most states is equal to the Medicare cost per visit rate, however, in some states the cost per visit rate is higher than the Medicare rate, or lower, this is state specific.
9. All federal and state regulations must be followed. A Medical Director is required, when a physician extender is working alone. You must conduct a Program Annual Evaluation and a Medicare RHC cost report is completed each financial year.
10. It is not uncommon for the Medicaid RHC cost per visit rate to be \$40.00 per visit higher than the current Medicaid office visit fee for service reimbursement.

Because so many independent practices are being acquired by Hospitals, most RHC certifications are now Provider Based. This is what I would call the short list of benefits of the RHC program. I really can't stress enough the merit of attaining the expertise of a Rural Health Clinic professional in the preliminary financial analysis or the actual conversion of status. This process is overwhelming and you will need to have an advocate along the way to certification. In many cases the cost of hiring a professional advisor is offset by the professional saving in shortening the certification process.

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