

Bulletin Number: MSA 20-20

Distribution: Rural Health Clinics, Medicaid Health Plans, Integrated Care Organizations, Prepaid Inpatient Health Plans

Issued: May 1, 2020

Subject: Rural Health Clinic Reimbursement Methodology

Effective: June 1, 2020

Programs Affected: Medicaid, MIChild, Healthy Michigan Plan

Background

Rural Health Clinic (RHC) reimbursement conforms to Section 1902(bb) of the Social Security Act (the Act). As set forth in Section 1902(bb), all RHCs that provide services defined in 1905[a][2][B] after June 1, 2020 are reimbursed under either a prospective payment system (PPS) or an alternative payment methodology (APM) as selected by the RHC for Medicaid, MIChild, and Healthy Michigan Plan beneficiaries.

PPS Reimbursement Methodology

An RHC that is not reimbursed under an APM will have eligible qualifying visits reconciled to the Medicaid PPS rate as described in the Rural Health Clinics chapter of the Michigan Department of Health and Human Service (MDHHS) Medicaid Provider Manual. Under the PPS, an RHC will be reimbursed on a per visit basis. The per visit payment was based on the average of the RHCs reasonable costs of providing Medicaid services during Fiscal Year (FY) 1999 and FY 2000. The baseline per visit amount is adjusted annually using the Medicare Economic Index (MEI) as designated in Section 1902(bb)(3)(A). The Medicaid Provider Manual can be accessed on the MDHHS website at www.michigan.gov/medicaidproviders >> Policy, Letters & Forms.

Alternate Payment Methodology

Effective for dates of service on or after June 1, 2020, RHCs may agree in writing, through a Memorandum of Understanding (MOU), to be reimbursed under the APM as described in Attachment 4.19-B, Rural Health Clinic Services, subsection 5(b) of the Michigan Medicaid State Plan.

RHCs providing selected procedures in the RHC setting will be reimbursed pursuant to the payment methodology described under Attachment 4.19-B, Individual Practitioner Services section, of the Michigan Medicaid State Plan. Selected procedures include:

- Endometrial Ablation (all methods)
- Hysteroscopy and Colposcopy
- Post-Partum Care
- Insertion and Removal of Non-Biodegradable Drug Delivery Implant

All other procedures performed at the RHC that are considered qualifying visits will be reimbursed at the PPS rate.

RHC providers are expected to practice in accordance with the accepted standards of care and professional guidelines applicable to medical and behavioral health services and comply with all applicable policies published in the MDHHS Medicaid Provider Manual. Inappropriate payments identified in post-payment review are subject to recoupment. The RHC has the full responsibility to maintain proper and complete documentation to verify the services provided.

MOUs will be distributed to all RHCs for review and signature. Once the signature process is complete, MOUs must be mailed back to the address provided with the MOU. The signed agreement does not supersede any corresponding policy in the MDHHS Medicaid Provider Manual but documents the clinics' acceptance of the terms outlined in the Michigan Medicaid State Plan. The MDHHS Hospital and Clinic Reimbursement Division and Grants Division will retain a copy of the signed MOU in their files. If an RHC does not sign the MOU, reimbursement defaults to that which is described in the PPS base rate methodology of the Act. Newly created RHCs will be permitted to choose between the PPS or APM during the rate setting process.

Reimbursement for Drugs and Biologicals

Regardless of an MOU, all RHCs providing Advisory Committee on Immunization Practice recommended vaccines for individuals age 19 years and older, physician administered drugs, and long acting reversible contraceptives in the RHC setting will be reimbursed according to the methodology described under Attachment 4.19-B, Drug Product Reimbursement of the Medicaid State Plan. The Medicaid State Plan can be accessed on the MDHHS website at www.michigan.gov/mdhhs >> Assistance Programs >> Medicaid >>Program Resources.

Excluded Technical Payments

Per Bulletins MSA 17-10 and MSA 17-24, if a code from the "Clinic – Excluded Technical Payments" is billed by an independent RHC, the Community Health Automated Medicaid Processing System (CHAMPS) will pay the applicable procedure code rate. Claims must include modifier "TC." Payment will be listed on the associated code line. The Medicaid policy bulletins can be accessed on the MDHHS website at www.michigan.gov/medicaidproviders >> Policy, Letters & Forms.

Allowable Places of Service

Services provided to beneficiaries within the four walls of the RHC are allowable for reimbursement under the PPS. Off-site services provided by employed practitioners of the RHC to beneficiaries temporarily homebound or in any assisted living or skilled nursing facility

because of a medical condition that prevents the beneficiary from traveling to the RHC are also allowable for reimbursement under the PPS.

If a practitioner employed by an RHC provides services at an inpatient hospital, the service must be billed under the individual practitioner's Medicaid provider number and not under the RHC Billing NPI. In this situation, the individual practitioner will be reimbursed the appropriate Medicaid fee screen rate. Services performed in an inpatient hospital setting are not included in the PPS. The costs associated with these services must be excluded from the RHC's Medicaid Reconciliation Report.

Clinic Reimbursement and Reconciliation

RHCs with fully executed MOUs on file with MDHHS will have Fee-for-Service claims reimbursed according to the APM and excluded from clinic cost settlement. Furthermore, Medicaid Health Plan encounter claims will be reimbursed according to the APM and excluded from clinic cost settlement. If an executed MOU is not on file with MDHHS, RHCs will default to the PPS base rate methodology of the Act. Claim adjudication and cost settlement related to the updated RHC reimbursement methodology will be initiated by the applicable MDHHS division.

Manual Maintenance

Retain this bulletin until the information is incorporated into the Michigan Medicaid Provider Manual.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Health and Human Services, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mailed to ProviderSupport@michigan.gov. When you submit an e-mail, be sure to include your name, affiliation, NPI number, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

Approved



Kate Massey, Director
Medical Services Administration