

Distribution: Rural Health Clinic 02-02

Issued: January 29, 2002

Subject: Rural Health Clinic Services (RHC) Uniform Billing

Effective: March 1, 2002

Programs Affected: Medicaid

The purpose of the Uniform Billing Project (UBP) is to change how the Michigan Department of Community Health (MDCH) receives, processes, and pays Medicaid claims. This is a move toward complying with the Health Insurance Portability and Accountability Act (HIPAA) of 1996 and the published rules regarding health care transactions and code sets. This bulletin and manual pages update and supersede current policies and procedures.

The attached Chapter II manual page revisions are necessary for the UBP and the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act (BIPA) of 2000. BIPA eliminates full-cost and enacts a prospective payment system (PPS). Any language referring to full-cost was changed to reflect PPS.

Providers are encouraged to keep claims up-to-date in their systems. The current proprietary electronic format, and Medicaid unique paper claim forms (MSA-1600 and MSA-1653) will not be accepted for any claims received by MDCH on and after February 1, 2002. Any RHC professional service billed after February 1, 2002 must be converted to the HCFA 1500 paper professional claim form or the National Electronic Data Interchange Transaction Set Health Care Claim Professional 837 ASC X12N version 3051 or the Michigan Medicaid interim version 4010 (not HIPAA compliant).

February 1, 2002 marks the implementation of Current Procedural Terminology (CPT) and HCPCS Codes for RHC professional claims. Local codes are eliminated to the extent possible so coding is consistent with industry standards. Local procedure codes for RHCs will be end-dated upon implementation of this policy bulletin.

The changes related to the Uniform Billing Project for professional services are extensive and completely replace the previous non-standard billing instructions. As a reminder, the following are some of the changes that RHCs must note in the revision of the Practitioner Manual, Chapter IV (Billing and Reimbursement for Health Care Professionals) and Bulletins MSA 01-09 and MSA 01-23:

- The Federal Employer ID or Social Security number (FE# or SSN) must be reported on all claims and must match the number on the Medicaid Provider Enrollment file associated with the billing provider ID #.
- Two-digit place of service codes are required.
- Each service reported must be billed on an individual service line for the date of service. "Series billing" is not allowed.
- Information reported to other third party payers and to MDCH is reported using the same claim format and code structure.
- MDCH relies more on CPT definitions and Centers for Medicare and Medicaid Services (CMS) guidelines for claim adjudication for many types of services. These are also consistent with other payer's standards.

Manual Maintenance

Retain this bulletin for future reference.

Discard Chapter I, Section 2, pages 1-2; Section 3, pages 1-2, Section 4, pages 1-2; and Chapter II.

Insert Chapter I, Section 2, pages 1-2; Section 3, pages 1-2, and Chapter II.

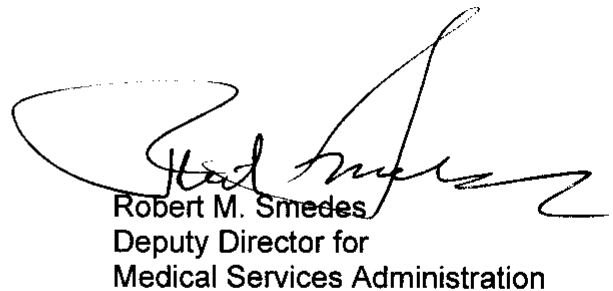
Questions

Any questions regarding this bulletin should be directed to: Provider Inquiry, Medical Services Administration, P.O. Box 30479, Lansing, Michigan 48909-7979, or e-mail at ProviderSupport@michigan.gov. When you submit an e-mail, be sure to include your name, affiliation, and a phone number so you may be contacted if necessary. Providers may phone toll free 1-800-292-2550.

Approved



James K. Haveman, Jr.
Director



Robert M. Smedes
Deputy Director for
Medical Services Administration



MANUAL TITLE RURAL HEALTH CLINIC		CHAPTER I	SECTION 2	PAGE 1
CHAPTER TITLE GENERAL	SECTION TITLE MEDICAID ENROLLMENT		DATE RHC 02-02 03-01-02	

MEDICAID ENROLLMENT

The RHC must enroll in the Medicaid Program each employed or subcontracted RHC physician, dentist, optometrist, podiatrist, chiropractor, certified nurse practitioner (who has a collaborative agreement with a physician), and certified nurse-midwife in order for these providers to bill a prospective payment system on behalf of the RHC. This requirement also applies to any off-site location under contract to the RHC. As stated in the Michigan Department of Community Health (MDCH) Medicaid Practitioner Manual, each provider must have a completed and signed Medical Assistance Provider Enrollment Agreement (DCH-1625) on file with the Provider Enrollment Unit to be reimbursed for covered services rendered to Medicaid eligible beneficiaries.

The RHC must enroll in the Medicaid Program any new physician, dentist, optometrist, podiatrist, chiropractor, certified nurse practitioner (who has a collaborative agreement with a physician), certified nurse-midwife, or subcontractor joining the RHC by completing and submitting a Medical Assistance Provider Enrollment Agreement (DCH-1625) and attaching a copy of its Centers for Medicare and Medicaid Services (CMS) approval letter and Michigan Department of Community Health Reimbursement Confirmation Letter.

The RHC must give notice to the MDCH (to both the Provider Enrollment Unit and the Hospital & Health Plan Reimbursement Division) of any physician, dentist, optometrist, podiatrist, chiropractor, certified nurse practitioner (who has a collaborative agreement with a physician), certified nurse-midwife, or subcontractor who terminates employment with the RHC. This notice must be in letter listing the provider's name, 9-digit Medicaid provider identification number (2-digit provider type followed by 7-digit billing number), and termination date.

See Chapter II, Section 4, for non-enrolled providers (e.g., social workers, psychologists, etc.).

The MDCH's Provider Enrollment Unit does not issue a group provider identification number to the RHC. As described above, each eligible provider within the RHC must enroll as a Medicaid provider. Each service rendered by a provider in the RHC must be billed using that provider's identification number. An RHC with several CMS-approved locations must have provider identification numbers for each eligible provider at those locations. Provider enrollment inquiries may be directed to the Provider Enrollment Unit at (517) 335-5492.



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CHAPTER TITLE GENERAL	SECTION TITLE PROVIDER-BASED RURAL HEALTH CLINICS		DATE RHC 02-02 03-01-02	

PROVIDER-BASED RHC

When a hospital, nursing home, or home health agency owns and administers a RHC and the RHC is located in the hospital, nursing home, or home health agency, the following instructions apply:

1. The hospital must not bill for RHC services under its hospital identification number. Rather, RHC services must be billed only under the medical professional's provider type MD, DO, DDS, DPM, DC, OD, CNP, CNM, medical clinic, or dental clinic identification number. RHC services, including the overhead costs as an RHC, will be reimbursed only under the medical professional's 9-digit identification number (2-digit provider type followed by 7-digit billing number), and through use of the prospective payment system methodology.
2. The RHC that is an integral and subordinate part of a hospital, nursing home, or home health agency must be able to identify and separate the RHC's costs, encounters, and revenue from the non-RHC operations of the governing hospital, nursing home, or home health agency in accordance with 42 CFR Section 413.20 and Section 413.24. A prospective payment system per visit rate must be established and in use by the time the clinic begins billing as a certified RHC. If the hospital, nursing home, or home health agency is unable to meet these requirements to the satisfaction of MDCH, the RHC will be paid as a non-RHC provider (i.e., fee-for-service).
3. Medicaid providers furnishing services as RHC providers must be enrolled with the Medicaid Program as RHC providers. The RHC and the provider will be jointly and severally responsible for any overpayments resulting from incorrect billing.



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