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Related CR Transmittal #: R796CP

Implementation Date: April 3, 2006

Announcement of Medicare Rural Health Clinics (RHCs) and Federally Qualified Health Centers (FQHCs) Payment Rate Increases

Note: This article was revised to contain Web addresses that conform to the new CMS web site and to show they are now MLN Matters articles. All other information remains the same.

Provider Types Affected

Providers billing Medicare fiscal intermediaries (FIs) for services to Medicare beneficiaries in RHCs and FQHCs

Provider Action Needed

This article is based on Change Request (CR) 4232, which informs your FI of the change in RHC and FQHC Payment Rates for calendar year (CY) 2006.

Background

The Centers for Medicare & Medicaid Services (CMS) must annually update the Rural Health Clinic (RHC) and Federally Qualified Health Center (FQHC) payment limits according to the rate of increase in the Medicare Economic Index (MEI), in accordance with the Social Security Act, Section 1833(f). Based on the rate of increase in the MEI, the 2006 payment rate for RHCs and FQHCs reflects a 2.8 percent increase over their 2005 payment limit.



Section 1833(f) of the Social Security Act can be found at http://www.ssa.gov/OP_Home/ssact/title18/1833.htm.

Changes in RHC and FQHC Payment Rates

Therefore, Change Request (CR) 4232 announces the following changes in RHC and FQHC payment rates:

Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents.

Rural Health Clinics (RHCs)

Effective January 01, 2006 through December 31, 2006 (i.e., CY 2006), the upper Medicare payment limit per visit is:

- \$72.76 for RHCs (increased from \$70.78).

Federally Qualified Health Centers (FQHCs) – Urban and Rural

Effective January 1, 2006 through December 31, 2006 (i.e., CY 2006) the maximum Medicare payment limit per visit is:

- \$112.96 for Urban FQHCs (increased from \$109.88); and
- \$97.13 for Rural FQHCs (increased from \$94.48).



The effective date of January 1, 2006, is necessary in order to update RHC and FQHC payment rates in accordance with the Social Security Act (Section 1833 (f)). To avoid unnecessary administrative burden, your intermediary will *not* retroactively adjust individual RHC/FQHC bills paid at previous upper payment limits. However, your intermediary retains the discretion to make adjustments to the interim payment rate (or a lump sum adjustment to total payments already made) to take into account any excess or deficiency in payments to date.

Implementation

The implementation date for the instruction is April 3, 2006.

Additional Information

For complete details, please see the official instruction issued to your intermediary regarding this change. That instruction may be viewed at <http://www.cms.hhs.gov/Transmittals/downloads/R796CP.pdf> on the CMS web site.

If you have any questions, please contact your intermediary at their toll-free number, which may be found at <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.pdf> on the CMS web site.

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