Kentucky Rural Health Conference
NARHC – Federal Policy Update

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Agenda

- RHC Medicare Payment Reform
- Federal COVID-19 Funding
- Telehealth
- RHC Modernization Act

RHC Medicare Payment Reform

As part of H.R. 133, the Consolidated Appropriations Act of 2021 (aka COVID Relief Package), Congress approved, and President Trump signed into law on Dec. 27th, 2020 the most comprehensive reforms of the Medicare RHC payment methodology since the mid-90s.

Comprehensive RHC Medicare Payment Reform ~ What does it do?

- Phases in increases in the Medicare upper payment limit (the cap) over 8 years.
- All new RHCs are subject to this upper payment limit.
- Grandfathers uncapped RHCs by establishing clinic specific upper limits based on their 2020 reimbursement rates plus medical inflation (MEI).

Increasing the Cap on RHC Reimbursement

- On April 1, 2021 the RHC upper payment limit increased from $87.52 to $100. The cap then increases each year as follows:

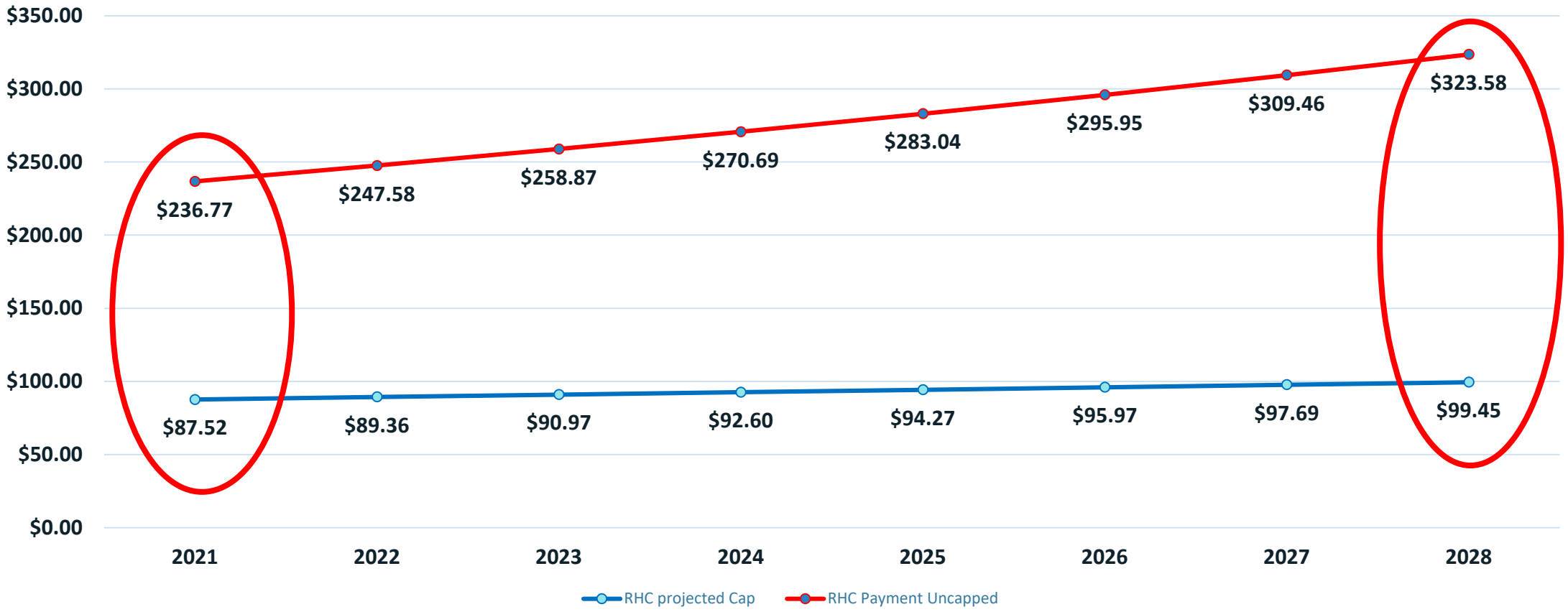
2022	$113.00
2023	$126.00
2024	$139.00
2025	$152.00
2026	$165.00
2027	$178.00
2028	$190.00

- After 2028, the cap will increase according to the Medicare Economic Index (MEI)

Why did NARHC support this?

- Capped RHCs were struggling with Medicare reimbursement well below costs ~ the benefits of raising this cap to $190 by 2028 are obvious
- RHCs had a “site-neutral” problem that was getting noticed more and more as the disparity grew
- President Trump’s last budget proposed a single PPS reimbursement system for all RHCs

Current Law Capped and Average Uncapped RHCs



What is a Site-Neutral Policy?

- "Site-neutral" policies reimburse providers the same amount of money for the same service across facility types.
- In 2015, Congress passed a site-neutral policy to off-campus Hospital Outpatient Departments with the goal of equalizing reimbursement between HOPDs and offices that bill on the physician fee schedule.
- HHS expanded this policy to all office visits in off-campus HOPDs, grandfathered or not…
- AHA has sued HHS regarding the expanded policy…case is headed to supreme court

Trump 2021 Budget Proposal

- Modernize Payment for Rural Health Clinics
- CMS has been limited to annual updates to the cap on Medicare payments to many rural health clinics based on increases in the Medicare Economic Index for many years, raising concerns that payments are inadequate. Rural health clinics subject to the cap are disproportionately likely to close compared to other clinics. **This proposal establishes a new Medicare prospective payment system for rural health clinics with annual updates based on a market basket derived from cost report data and rebased periodically, similar to the recently-implemented payment system for Federally Qualified Health Centers. This new payment system would ensure equitable payment for these health clinics and help rural communities maintain access to these crucial services.** [$1.8 billion in savings over 10 years]
  - Budget in Brief

Trump Administration Budget Estimate for RHC PPS/Site Neutral Policy

(in millions)

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total 2021 - 2030
Establish a single PPS payment rate for all RHCs	- $20	- $60	- $80	- $110	- $160	- $200	- $230	- $290	- $ 290	- $350	**- $ 1,790**

The Trump Administration estimated that adoption of this single rate PPS policy would save the government, **$1.8 Billion** over 10 years.

NARHC Involvement

- We had been working with Congress for years to get the cap raised
- Our proposal was very clear that the grandfathering provision should cover all existing uncapped RHCs, and all under-construction RHCs…
- This was largely but not fully achieved
- Rural Health Clinic Modernization Policy Explained – NARHC.org

Grandfathering Fix Passed in April

- A key tenet of the policy was (and is) that no RHC sees a reduction in reimbursement
- Mostly achieved but not fully achieved due to a drafting error in the legislation (2019 instead of 2020)
- Congress passed and the President signed a fix correcting the date in April 2021
  - Legislative Fix also allowed entities that had submitted their application before 12/31/2020 to be grandfathered-in
- We are still pursuing a solution for entities that were "mid-build" but had not yet submitted their application
  - Collaborating on grassroots efforts with impacted clinics
- Upper Limit Payment Begins Today – NARHC.org

2022 Physician Fee Schedule Proposed Rule Released

- Proposed regulatory changes
  - Solidifying definitions for grandfathered RHCs
    - Cost report period “ending in 2020” will be used
    - Interim v. final rate is not entirely clear
  - Change of ownership and relocation impacts on grandfathering status
    - Not addressed in the rule…we will need guidance from CMS
  - Consolidated cost report impact
    - CMS proposing not to allow new RHCs to file consolidated cost reports
    - NARHC will be opposing this and asking them to revise

2022 Physician Fee Schedule Proposed Rule Released

- Re-defines what constitutes a mental health visit to include telehealth visits
  - Consolidated Appropriations Act of 2021 extended telehealth (just for mental health) beyond the end of the PHE for PPS providers.
  - This proposal would allow RHCs to bill for these mental health telehealth services (including audio-only) as normal RHC encounters!
  - We support this proposal and believe this will help us achieve our full telehealth policy goals.

NARHC Telehealth Goals

HEALTH CARE

Virtual care becomes a common cause in a divided Congress

Lawmakers are lining up to decide what Medicare will pay for after the pandemic is over, with sponsors of a leading Senate plan confident they have the votes to include it in a must-pass piece of legislation this year.

- Permanent Medicare Policy that allows us to bill for telehealth visits **normally**
  - Normal Coding, Normal Reimbursement, Normal Cost Reporting Rules
- 3 bills are already introduced that will achieve our goals…but there are also bills on telehealth that will lock us into bad systems…
- Expectation is that many other pieces of legislation on telehealth will be introduced before the end of PHE
  - Senator Schatz – CONNECT for Health
  - Representative Williams – Ensuring Telehealth Expansion
  - Representative Thompson – HEALTH Act

Telehealth Policy – Bigger Picture

- Short Term – telehealth policy expires at the end of PHE, what does Congress do?
- Medium Term – what aspects of telehealth policy are made permanent? Do private payers opt to cover telehealth visits fully? How is audio-only handled?
- Long Term – does telehealth fundamentally alter what it means to have "access" to healthcare? Will RHCs be able to compete with offices in cities with sophisticated telehealth equipment and services?

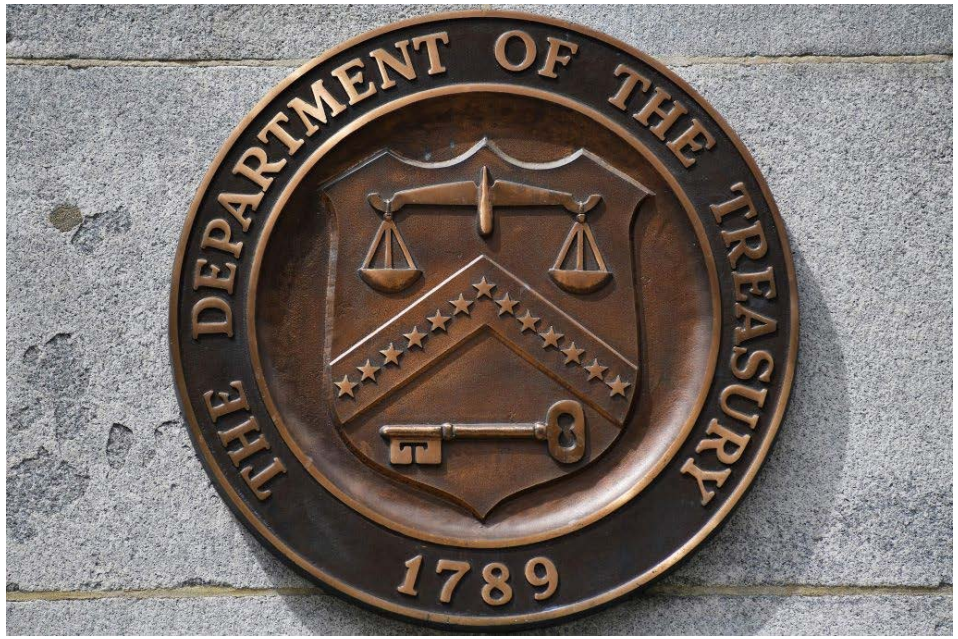
Telehealth Policy – Latest Updates

- G2025 for all telehealth VISITS
  - Pays $99.45 in 2021
  - CMS updated list of telehealth services on 3/9/21
- G0071 for Virtual Communications Services
  - Pays $23.73 in 2021
- Principal Care Management added to CCM code G0511
- Telehealth visits ≠ digital e-visits, virtual communications ≠ remote patient monitoring

“Telehealth” what does that mean?

Name of Service	Description	RHC-specific billing code	2021 Payment Amount
Telehealth Visit	Replacement for in-office visits, simply delivered via telecommunications device, CMS lists every code eligible online (entire suite of E/M is included)	G2025	$99.45
Virtual Care Communications	PFS Codes: 99421, 99422, 99423, G2010, G2012 Online digital evaluation and management services are non-face-to-face, patient-initiated, digital communications using a secure patient portal.	G0071	$23.73
Care Management	PFS Codes: 99484, 99487, 99490, 99491, G2064, G2065 20 minutes of care management services per month to patients with at least 1 chronic condition.	G0511	$66-$67 (estimated)
Psychiatric Collaborative Care model	At least 70 minutes in the first calendar month, and at least 60 minutes in subsequent calendar months of psychiatric CoCM services, furnished by an RHC practitioner or Behavioral Health Care Manager under general supervision.	G0512	$141.83 (2020 rate)
Remote Physiologic Monitoring	PFS Codes: 99453, 99454, 99457, 99458 Remote monitoring of physiologic parameters	N/A	N/A

Federal Spending in Response to COVID



- Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (Phase 1) $8.3 billion
- Families First Coronavirus Response Act (Phase 2) $225 billion
- CARES Act (Phase 3) $2.2 trillion
- Paycheck Protection Program and Health Care Enhancement Act (Phase 3.5) $483 billion
- Consolidated Appropriations Act of 2021 (COVID Relief Package) $920 billion stimulus + $1.4 trillion normal funding of government
- American Rescue Plan - $1.9 Trillion in stimulus
- **Over $5 trillion total**

Relevant Allocations for RHCs

- Paycheck Protection Program (PPP)
- Provider Relief Fund (PRF)
- RHC COVID-19 Testing Fund
- American Rescue Plan (ARP)
- RHC COVID-19 Testing and Mitigation Fund
- RHC COVID-19 Vaccine Confidence Grants

Tranche	Date	Amount	Purpose	Reporting
Phase 1 General Distribution	April 10, 2020	6.2% of 2019 Medicare Reimbursement	Lost Revenue and Unreimbursed COVID Expenses	Provider Relief Fund Portal
Phase 2 General Distribution	April 24, 2020	2% of 2018 revenue minus phase 1 distribution	Lost Revenue and Unreimbursed COVID Expenses	Provider Relief Fund Portal
Phase 3 General Distribution	December 15, 2020	Variable	Lost Revenue and Unreimbursed COVID Expenses	Provider Relief Fund Portal
Rural Targeted Allocation	May 6, 2020	$103k + 3.6% operating expenses (Ind), Graduated Base Payment + 1.97% of operating expenses (PB)	Lost Revenue and Unreimbursed COVID Expenses	Provider Relief Fund Portal
RHC COVID-19 Testing Fund	May 20, 2020 + later dates	$49,461.42 per RHC	Unreimbursed COVID testing expenses	www.RHCcovidreporting.com
RHC COVID-19 Testing and Mitigation Fund	June 10, 2021	$100,000 per RHC	Unreimbursed COVID testing and mitigation expenses	www.RHCcovidreporting.com
RHC Vaccine Hesitancy Grants	July 22, 2021	$100 million divided by qualified applicants evenly $49,529.00	Vaccine hesitancy work	Probably through the grants.gov or HRSA system
American Rescue Plan	TBD – Will have to apply	TBD	Lost Revenue and Unreimbursed Covid Expenses	TBD
ARP – Agriculture Grants	TBD – Will have to apply	TBD	COVID or Expand Services/Telehealth	TBD

Keep Funding or Return Funding?

- Speed prioritized over clarity of rules
- Unreimbursed Expenses
  - Payment MAY NOT be used to reimburse any expense or loss that
    - Has been reimbursed from another source; or
    - Another source is obligated to reimburse
- Lost Revenue as Defined here
- RHCs must seek reimbursement when possible

RHC Modernization Reintroduction

- Align RHC scope of practice with state scope of practice for NPs/PAs;
- Removes the requirement to have lab services onsite;
- Allows RHCs the option to contract with PAs/NPs (instead of requiring direct employment) to meet RHC staffing requirements; and
- Allows states to develop their own methodology for a “rural” area for the purposes of establishing RHCs.

Other Relevant Legislation for RHCs

- S. 1833 - Ensuring Access to Primary Care for Women & Children
  - Increasing Medicaid rate floor
- S. 201 - Improving Access to Health Care in Rural and Underserved Areas Act
  - Continuing medical education grant funding
- S. 924 - Rural America Health Corps Act
  - Increasing loan repayment for National Health Service Corps placement
- S. 1863 - Guaranteeing Healthcare Access to Personnel Who Served Act
  - Revisiting access standards for veterans

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