RHC Regulatory & Reimbursement Changes for 2021

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PRESENTER: Glenn Grigsby, CPA

Contact Information
ggrisgby@bkd.com
502.963.0804

www.bkd.com

- Almost 20 years experience in health care finance & reimbursement consulting
- Member of BKD's Community Health Centers Center of Excellence
- Assists FQHCs & RHCs with Medicare & Medicaid cost reports, PPS rate establishment & scope changes
- Frequent presenter at state primary care conferences addressing Medicare & Medicaid reimbursement issues

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DISCLOSURE

The information contained within this session was used as a visual aid for informational purposes only. This content was not designed to be utilized without the verbal portion of the presentation.

Accordingly, information included within these slides, in some cases, are only partial lists of requirements, recommendations, etc. & should not be considered comprehensive. Additionally, reimbursement laws, regulations & policies are subject to change

Providers should consult with their respective insurers, including Medicare contractors for specific information on proper coding & billing.

These materials are being issued with the understanding they must not be considered legal, financial, coding or billing advice.

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Today's Discussion

- What we will discuss:
  - RHCs role during COVID
  - HRSA & DHHS RHC Funding
  - Current status of PHE & Medicare sequester suspension
  - Consolidated Appropriations Act & New RHC Payment limits
  - Changes to the Medicare cost report
  - 2022 MPFS Proposed Rule

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Polling Question #1-

According to data.HRSA.gov, how many rural health clinics are in Kentucky?

1) 57
2) 70
3) 153
4) 278
5) I don't know

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RHCs During COVID

- Many of our RHCs were at the forefront & continue to play an integral role in testing & vaccination efforts
- Some RHCs were quicker to react than others during the transition to telemedicine
- Most RHCs have seen face-to-face volume come back to pre-COVID levels & in some cases have seen volume increases
- CMS views RHCs & FQHC favorably as HRSA & DHHS have allocated dollars to RHCs
  - Reporting requirements continue to evolve

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RHCs COVID Funding Sources (HRSA)

- RHC Testing & Mitigation Program
  - Automatically awarded June 2021
  - Must be spent between 1/1/21 & 12/31/22
  - $100,000
  - Must be used for testing, mitigation & related expenses
- RHC Vaccine Confidence Program
  - Must have applied by 6/23/21
  - $50,000 (anticipated for one year)
  - Improve vaccine confidence through education etc.
- RHC COVID-19 Testing Program
  - Automatically awarded May 2020
  - Must be spent by 12/31/21
  - $49,461

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RHCs COVID Funding Sources (DHHS)

- Provider Relief Fund
  - Phase 1 General Distribution
    - April 10, 2020
    - 6.2% of 2019 Medicare reimbursement
  - Phase 2 General Distribution
    - 2% of 2019 Net Patient Revenue minus Phase 1 distribution
  - Phase 3 General Distributions
    - December 15, 2020
    - Amount variable but must have applied to receive
  - Rural Targeted Allocation
    - May 6, 2020
    - $103,000 plus 3.6% operating expenses (per site)

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Regulatory/Reimbursement Current Status

- Public Health Emergency (PHE)
  - Last extended on April 15, 2021 & currently set to expire July 20, 2021, however
  - PHE can only be extended 90 days at a time
  - President Biden expected to extend to end of calendar year 2021
  - Waivers issued that will expire at the end of PHE
    - Medicare telehealth billing as distant site
    - 50% mid-level staffing requirement
    - Physician supervision state requirements
    - HPSA/MUA waivers for temporary locations
  - CMS also extended cost report deadlines
    - 12/31/20 cost report originally due 5/31/21 is due 7/31/21
    - All cost report year ends after 12/31/20 due on normal due dates (150 days after year end)

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Polling Question #2-

Which of the following is not a CMS waiver set to expire on 07/20/2021?

1) Telehealth billing as distant site
2) 50% mid-level requirement
3) RN's ability to bill as an eligible provider
4) HPSA/MUA location requirements
5) Not sure

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Regulatory/Reimbursement Current Status

- Sequestration Adjustment
  - 2% reduction on Medicare payments going back to 2013
  - CARES Act – sequester was paused until 12/31/20
  - Consolidated Appropriations Act – extended sequester delay to 4/1/21
  - Latest policy extended sequester delay to 12/31/21

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Consolidated Appropriations Act (CAA) of 2021

- Updated 12/27/20 & correction issued 4/14/21
- Restructure payment limits beginning 4/1/21
  - 8-year increase to all-inclusive rate from 2021-2028
  - New AIRs also apply to new RHCs enrolled with Medicare after 12/31/20
  - New payment limits
    - 4/1/21 - $100
    - 1/1/22 - $113
    - 1/1/23 - $126
    - 1/1/24 - $139
    - 1/1/25 - $152
    - 1/1/26 - $165
    - 1/1/27 - $178
    - 1/1/28 - $190

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Polling Question #3-

What is the current RHC Medicare payment limit effective 04/01/2021?

1) $86.92
2) $50.00
3) $150.00
4) $100.00
5) Not sure

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Consolidated Appropriations Act (CAA) of 2021

- Special provisions for provider-based RHC attached to hospitals < 50 beds
- RHC physicians can receive AIR for hospice attending physician services on or after 1/1/22 while working for the RHC

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Polling Question #4-

Is it possible to owe money back to the government after filing Medicare cost report?

1) Yes
2) No
3) Not sure
4) What is a cost report?

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Cost report implications of new payment limits

- Although the new AIR provisions of the CAA are a huge win for the RHC community, RHC must keep in mind that cost report settlement & future AIRs are the **lower** of allowable costs of providing services or the established limit
- Example: The allowable cost per visit on the 12/31/21 Medicare cost report = $90
  - Provider will owe back for 4/1/21-12/31/21 when the AIR was $100
- RHC should monitor costs throughout the year to make sure all expenses are appropriately captured on the cost report

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Other cost report changes

- RHC Medicare cost report form 222-17 updated to Transmittal 2 4/30/21 includes the following changes:
  - New line created on Worksheet A to separate cost of COVID vaccine & monoclonal antibodies
  - New column on Worksheet B-1 to calculate costs of administering COVID vaccines & monoclonal activity
  - Sequester adjustment changed to account for periods before & after 5/1/20
  - Added a third column to Worksheet C to separate Medicare visits & payments after 4/1/21
  - RHCs continue to capture costs related to Chronic Care Management & telehealth services & exclude telehealth visits from the cost report

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Worksheet B-1

COMPUTATION OF PNEUMOCOCCAL AND INFLUENZA VACCINE COST

Worksheet B-1

Title XVIII Clinic

		PNEUMOCOCCAL VACCINES	INFLUENZA VACCINES	COVID-19 VACCINES	MONOCLONAL ANTIBODY PRODUCTS	
		1.00	2.00	2.01	2.02	
1.00	Health Care Staff Cost (Worksheet A, column 7, line 14)	1,456,219	1,456,219	0	0	1.00
2.00	Ratio of injection/infusion staff time to total health care staff time	0.003679	0.004548	0.000000	0.000000	2.00
3.00	Infections/infusions health care staff cost (line 1 multiplied by line 2)	5,357	6,623	0	0	3.00
4.00	Infections/infusions and related medical supplies cost (from Worksheet A, column 7, lines 30, 31, 31.10 and 31.11, respectively)	29,577	17,134	0	0	4.00
5.00	Direct cost of injection/infusion (sum of lines 3 and 4)	34,934	23,757	0	0	5.00
6.00	Total direct cost of the RHC (from Worksheet A, column 7, line 39)	1,780,845	1,780,845	0	0	6.00
7.00	Total facility overhead (from Worksheet A, column 7, line 74)	865,427	865,427	0	0	7.00
8.00	Ratio of injection/infusion direct cost to total direct cost (line 5 divided by line 6)	0.019617	0.013340	0.000000	0.000000	8.00
9.00	Overhead cost - injections/infusions (line 7 multiplied by line 8)	16,977	11,545	0	0	9.00
10.00	Total injection/infusion cost and administration (sum of lines 5 and 9)	**51,911**	**35,302**	**0**	**0**	10.00
11.00	Total number of injections/infusions (from provider records)	665	822	0	0	11.00
12.00	Cost per injection/infusion (line 10 divided by line 11)	78.06	42.95	0.00	0.00	12.00
13.00	Number of injections/infusions administered to Medicare Beneficiaries	0	96	0	0	13.00
13.01	Number of COVID-19 injections/infusions administered to MA enrollees			0	0	13.01
14.00	Medicare cost of injections/infusions and administration (line 12 multiplied by the sum of lines 13 and 13.01, as applicable)	0	4,123	0	0	14.00
15.00	Total cost of injections/infusions administration (sum of columns 1, 2, 2.01 and 2.02, line 10) Transfer to Worksheet C, Part I, line 2	**87,213**				15.00
16.00	Total Medicare cost of injections/infusions and administration (sum of columns 1, 2, 2.01, and 2.02, line 14) Transfer to Worksheet C, Part II, line 23	**4,123**				16.00

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2022 Medicare Physician Fee Schedule Proposed Rule

Expanding Telehealth & Other Telecommunications Technologies for Behavioral & Mental Health Care

- In the proposed rule, CMS is reinforcing its commitment to expanding access to behavioral health care & reducing barriers to treatment. CMS is proposing to implement recently enacted legislation that removes certain statutory restrictions to allow patients in any geographic location & in their homes access to telehealth services for diagnosis, evaluation, & treatment of mental health disorders. Along with this change, CMS is proposing to expand access to mental health services for rural & vulnerable populations by allowing, for the first time, Medicare to pay for mental health visits when they are provided by Rural Health Clinics (RHCs) & Federally Qualified Health Centers (FQHCs) to include visits furnished through interactive telecommunications technology. This proposal would expand access to Medicare beneficiaries, especially those living in rural & other underserved areas.

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Questions?

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Thank You!

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CPAs & Advisors
Everyone needs a trusted advisor. Who's yours?

Glenn Grigsby, CPA
Managing Director

502.963.0804
ggrigsby@bkd.com

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