

# Welcome to the Rural Health Clinic Technical Assistance Webinar

This webinar is brought to you by the National Association of Rural Health Clinics and is supported by cooperative agreement UG6RH28684 from the Federal Office of Rural Health Policy, Health Resources and Services Administration (HRSA). It is intended to serve as a technical assistance resource based on the experience and expertise of independent consultants and guest speakers.

*The contents of this webinar are solely the responsibility of the authors and do not necessarily represent the official views of HRSA.*





**NATIONAL ASSOCIATION OF  
RURAL HEALTH CLINICS**

# Medicare RHC Cost Reporting in 2020

# NARHC Cost Report Topics

- Cost Reporting Basics
- RHC Telehealth Reporting
- FTE Calculations and Visit Reporting
- RHC Productivity Waiver Requests
- HHS Provider Relief Fund Payments
- Filing Deadlines for Cost Reports



# Meet the Speakers



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RHC

# Cost Report Basics

First the basics...How is the RHC rate calculated?

RHC COSTS / RHC

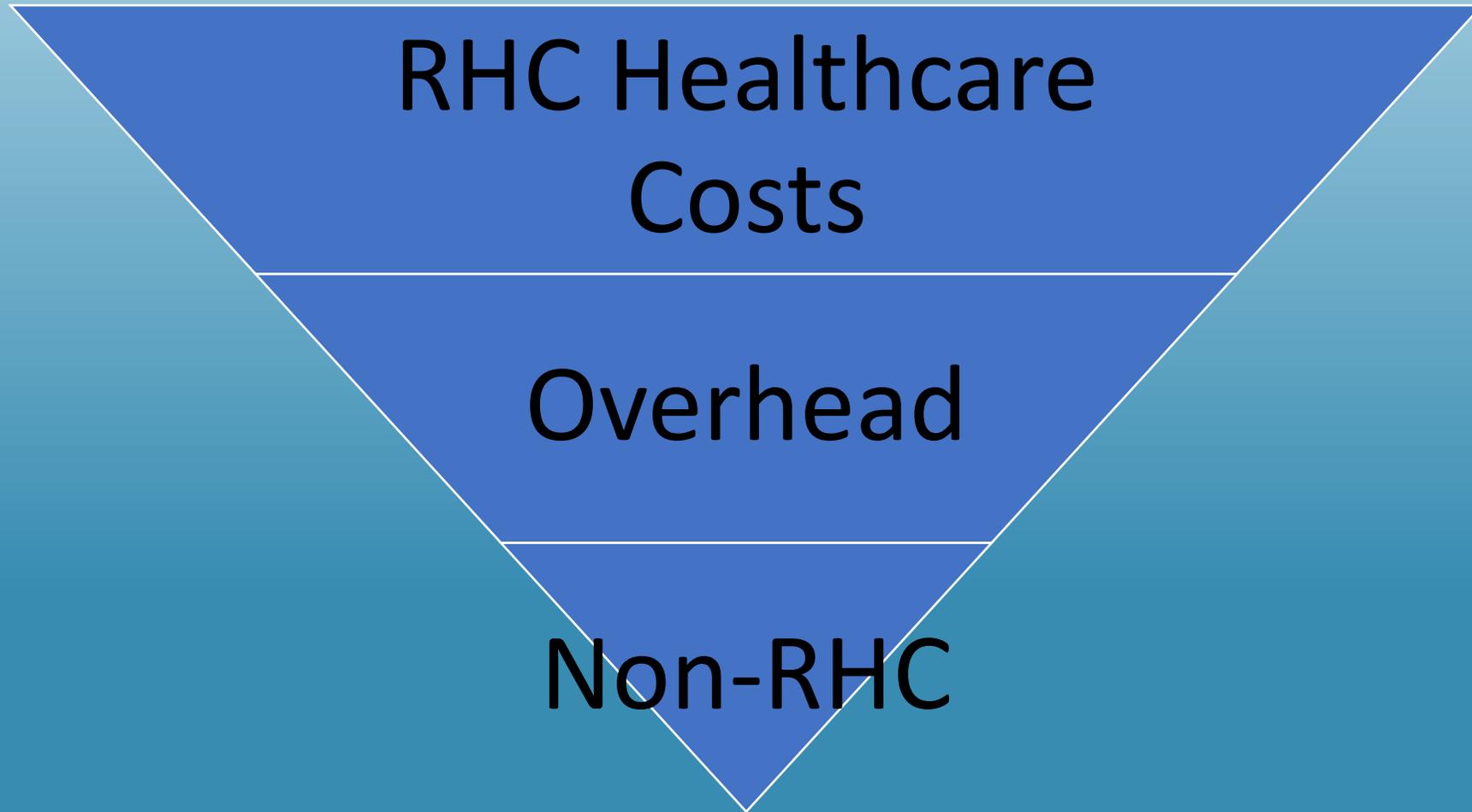
VISITS =

RHC RATE

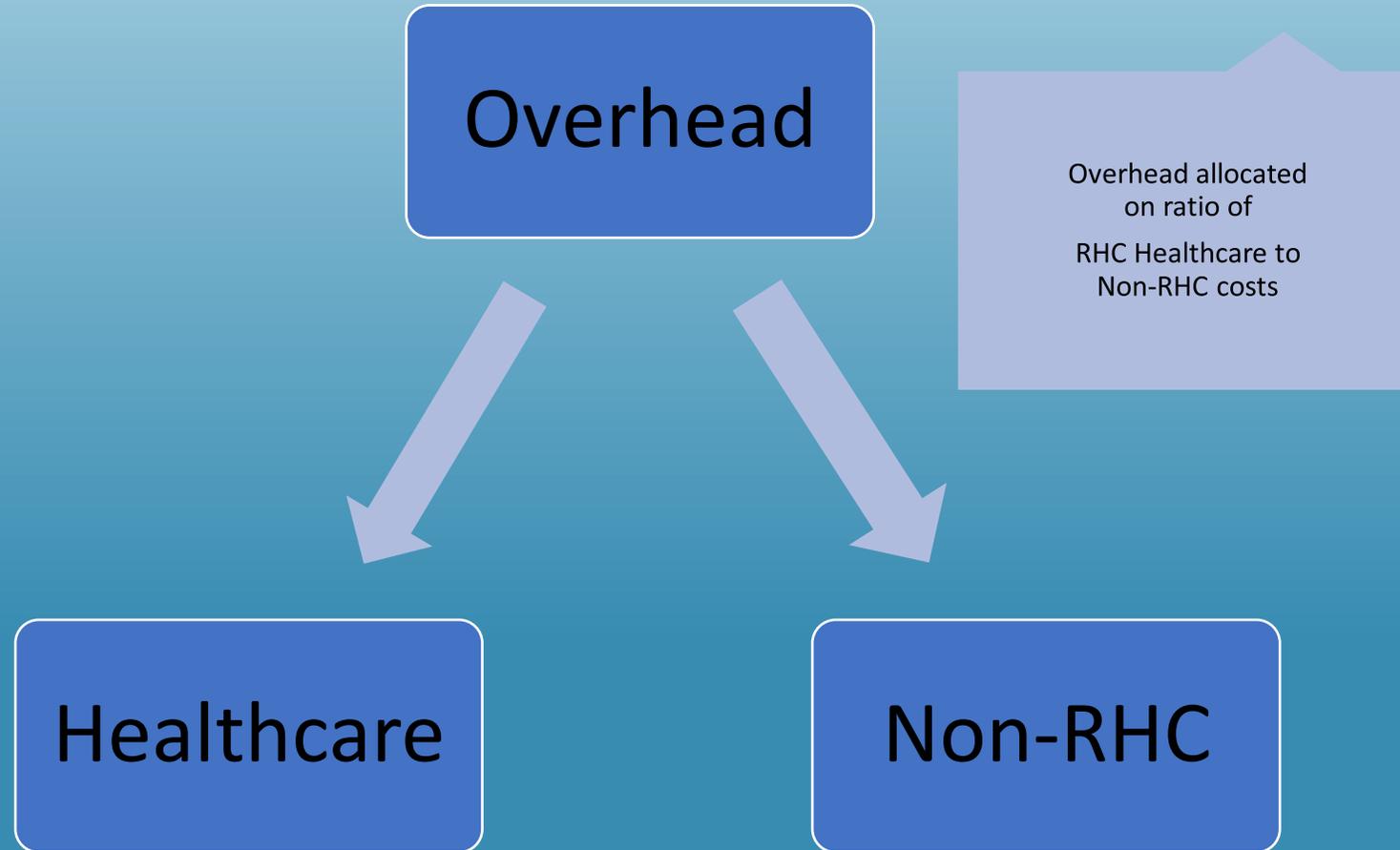
# Where are these located:

- Cost: Worksheet A/M-1
  - A-6 is where we reclassify cost
  - A-8 is where we take things off and put things on
- Visits: Worksheet B/M-2
- Rate/Settlement: Worksheet C/M-3

# COSTS – WORKSHEET A/M-1



# Overhead allocations



RHC

Telehealth Reporting

# Where Do We Put RHC Telehealth Costs?

Cost of providing telehealth services must be classified in the Non-RHC section on Line 79 for Independent, Line 25.01 for Provider Based

# Where Do We Put RHC Telehealth Costs?

## Cost Reporting

Costs for furnishing distant site telehealth services will not be used to determine the RHC AIR or the FQHC PPS rate but must be reported on the appropriate cost report form. RHCs must report both originating and distant site telehealth costs on Form CMS-222-17 on line 79 of the Worksheet A, in the section titled “Cost Other Than RHC Services.”

***Source: MLN Matters SE20016; July 6, 2020***

Note that the corresponding Medicare cost reporting for provider-based RHCs is on Worksheet M-1 (Form CMS-2552-10), line – 25.01.

# Exclude or Reclassify?

- Does it use overhead at the clinic? (space, staff, etc.)
  - RECLASSIFY!
- If it is a non-allowable expense that does not use overhead:
  - EXCLUDE!

# Exclude or Reclassify?

- For telehealth – if using the clinic’s EMR, billers, front desk, referral coordinators, etc., you may need to reclassify direct cost.
- If telehealth visits are performed by the provider from their home, an exclusion with limited overhead components may be appropriate.
- Discuss with your RHC cost report expert

# Telehealth costs are Non-RHC

For reclassifications:

- Only allocate DIRECT costs
  - Practitioner and clinical support staff wages
- Overhead will allocate through the cost report

# Telehealth – Direct Expense Calculations

- Method A – Actual time spent
  - Practitioners performing telehealth visits keep time studies of actual time spent
  - Clinical support staff keep time studies if involved in the telehealth visit
  - Allocate % of time for telehealth carve out for practitioners and support staff performing telehealth visits



# Telehealth – Direct Expense Calculations

- Method B – Use average time based on partial time studies or EMR records – if available
  - Multiply by number of codes performed to obtain total time
  - Multiply by average hourly wage or as a percentage of total healthcare costs
- Reclassify resulting non-RHC wages into non-reimbursable cost center

# VISITS – WORKSHEET B/M-2

- Definition: Face-to-face encounter with qualified provider during which RHC services are performed.
- Telehealth visits are paid outside of the RHC rate.
- Telehealth visits are **NOT reported as an RHC visit on worksheet B/M-2**

# FTE – RHC Clinical Hours only...

- FTE is based upon how many hours the practitioner is available to provide RHC patient care
- Telehealth is paid outside of the RHC rate; thus, time spent performing telehealth visits **does not count toward available time for FTE calculations.**
- Exclude telehealth time from RHC FTE calculations

# FTE – RHC Clinical Hours only...

- If after carving out telehealth hours you still have COVID related FTE productivity standard issues, please contact your MAC.
- Each MAC has indicated their intent to waive the productivity standard for 2020, when requested
- **Reminder** - Exclude telehealth time from RHC FTE calculations, THEN, if still needed request an exception

# SETTLEMENT – WORKSHEET C

- Compare Medicare visits per your PS&R to internal reporting to ensure you have not included telehealth visits in total visits on B
- **Reminder** - Exclude telehealth time from RHC FTE calculations, THEN, if still needed request an exception
- Stay tuned – Currently the RHC cost report cannot handle in-office COVID claims where the coinsurance has been waived.

RHC

Productivity Waivers

# RHC Productivity Waivers

## Exception to the Productivity Standards for RHCs

- Productivity standards are used to help determine the average cost per patient for Medicare reimbursement in RHCs. Physicians, nurse practitioners, physician assistants, and certified nurse midwives are held to a minimum number of visits per full time employee (FTE) that they are expected to furnish in the RHC. Failure to meet this minimum may indicate that they are operating at an excessive staffing level, thus, generating excessive cost.
- Many RHCs have had to change the way they staff their clinics and bill for RHC services during the COVID19 public health emergency (PHE). As a result, these RHCs may have difficulty in meeting the productivity standards. To minimize the burden on RHCs, exceptions to the productivity standard may be granted by our MAC during the COVID-19 PHE. Further direction will be forthcoming from your MAC.

***Source: MLN Matters SE20016; July 6, 2020***

More information available on the MAC website



## **NEWS AND ALERTS**

**EXCEPTIONS TO THE RHC PRODUCTIVITY STANDARDS FOR RHCS AS A RESULT OF THE COVID-19 PUBLIC HEALTH EMERGENCY**

<https://www.ngsmedicare.com/ngs/portal/ngsmedicare/newngs/home-lob/news-alerts/news-articles/news-detail/>

# More information available on the NGS website

Due to the COVID-19 public health emergency, many RHCs have had to change the way they staff their clinics and bill for RHC services. Some of the RHCs may have difficulty meeting the productivity standards. As a result, National Government Services is allowed to use discretion to make an exception to the productivity standards for a one-year period based on individual circumstances. The RHC must submit a written request for the exception after the providers fiscal year end and provide justification for not meeting the productivity requirements. It is the expectation of CMS and NGS that the information include at a minimum the items included below.

- A summary of the facility's hours of operation.
- A summary of the physician and mid-level practitioner hours and FTE calculations. Any non-RHC hours must be excluded from the calculation of the FTEs, including any contracted hours, administrative hours, hours of service spent in the hospital, etc.
- A summary of the year-end total RHC visits for each practitioner position (physician, physician assistant and/or nurse practitioner).
- The exception percentage and/or standard being requested per practitioner position (i.e., physician requested standard is 3,780 or 90% of standard [4,200 X .90 = 3,780]).
- Any additional documentation or narrative that provides support for the exception request.

NGS will then evaluate the information provided and make a determination as to whether an exception should be granted. **Please send any requests for exceptions to the productivity standards to [ngsprovbaseddeterminations@anthem.com](mailto:ngsprovbaseddeterminations@anthem.com).**

Posted 6/30/2020

HHS

Provider Relief Funds

and PPP Loan Forgiveness

## Key Question:

1. Must the payments received from the Provider Relief Funds or the Paycheck Protection Program loan forgiveness be an offset to the allowable costs on the Medicare cost report?

# More information available on the CMS website

<https://www.cms.gov/files/document/03092020-covid-19-faqs-508.pdf>



## **COVID-19 Frequently Asked Questions (FAQs) on Medicare Fee-for-Service (FFS) Billing**

The FAQs in this document supplement the previously released FAQs: 1135 Waiver FAQs, available at <https://www.cms.gov/About-CMS/Agency-Information/Emergency/Downloads/MedicareFFS-EmergencyQsAs1135Waiver.pdf>.

We note that in many instances, the general statements of the FAQs referenced above have been superseded by COVID-19-specific legislation, emergency rules, and waivers granted under section 1135 of the Act specifically to address the COVID-19 public health emergency (PHE). The policies set out in this FAQ are effective for the duration of the PHE unless superseded by future legislation.

# More information available on the CMS website

<https://www.cms.gov/files/document/03092020-covid-19-faqs-508.pdf>

#### **4. Question:** Should PRF payments offset expenses on the Medicare cost report?

**Answer:** No, providers should not adjust the expenses on the Medicare cost report based on PRF payments received. However, providers must adhere to HRSA's guidance regarding appropriate uses of PRF payments, in order to ensure that the money is used for permissible purposes (namely, to prevent, prepare for, or respond to coronavirus, and for health care related expenses or lost revenues that are attributable to coronavirus) and that the uses of the PRF payments do not violate the prohibition on using PRF money to reimburse expenses or losses that have been reimbursed from other sources or that other sources are obligated to reimburse.

Recipients may find additional information on the terms and conditions of the PRF at <https://www.hhs.gov/coronavirus/cares-act-provider-relief-fund/for-providers/index.html>.

Questions regarding use of the funds, pursuant to the Fund Terms and Conditions and any questions about overpayments should be directed to HRSA.

New: 8/26/20

# More information available on the CMS website

<https://www.cms.gov/files/document/03092020-covid-19-faqs-508.pdf>

**5. Question:** Should SBA loan forgiveness amounts offset expenses on the Medicare cost report?

**Answer:** No. Do not offset SBA Loan Forgiveness amounts against expenses unless those amounts are attributable to specific claims such as payments for the uninsured. The Paycheck Protection Program loan administered by the SBA is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll. The terms and conditions of the SBA loan forgiveness, overseen by the SBA, include employee retention criteria, and the funds must be used for eligible expenses.

Recipients may find additional information at <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program> and <https://home.treasury.gov/system/files/136/PPP--Loan-Forgiveness-FAQs.pdf>.

New: 8/26/20

The ability to include PPP and/or PRF expenses as allowable costs in the Medicare cost report is a significant benefit, however . . .

1. How will individual State Medicaid programs treat the PRF and PPP loan forgiveness?
2. Can the same costs be reported as allowable uses for the Targeted Provider Relief Funds and allowable costs subject to reimbursement on the Medicare cost report?

# More information available on the HRSA website

<https://www.hrsa.gov/rural-health/coronavirus/frequently-asked-questions>

The screenshot shows the top navigation bar of the HRSA website with the logo and text "Health Resources & Services Administration" and "Bureaus & Offices | Newsroom | A – Z Index | Contact Us". Below this is a yellow banner with the text "Get reimbursed for COVID-19 testing and treatment of uninsured individuals. Learn more »". The main header area features the HRSA logo, a search bar with a magnifying glass icon, and the text "Advanced Search". A blue navigation bar contains four buttons: "FORHP Home", "Find Funding", "Resources", and "About Us". The breadcrumb trail reads: "Home > Federal Office of Rural Health Policy > Coronavirus Disease (COVID-19) Information – Federal Office of Rural Health Policy > Coronavirus Disease (COVID-19) Frequently Asked Questions – Federal Office of Rural Health Policy". The main heading is "Coronavirus Disease (COVID-19) Frequently Asked Questions – Federal Office of Rural Health Policy" in a large, dark red font. Below the heading is the text "Updated: 8/25/2020". The main body text states: "We know that many of HRSA's rural health program recipients and stakeholders are concerned about coronavirus disease 2019 (COVID-19) and its impact on your programs and your communities. We encourage you to be proactive in your emergency preparedness planning and to coordinate with partners at the state and local level in emergency response." This is followed by a section titled "Online Resources for Updated Information" with three bullet points: "CDC Updates on the Coronavirus", "Information for HRSA Grant Programs", and "Rural Response to Coronavirus Disease 2019". The page concludes with the text: "Please continue to check this page for updates and contact your Project Officer directly with any questions not addressed below."

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Get reimbursed for COVID-19 testing and treatment of uninsured individuals. [Learn more »](#)

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## Coronavirus Disease (COVID-19) Frequently Asked Questions – Federal Office of Rural Health Policy

Updated: 8/25/2020

We know that many of HRSA's rural health program recipients and stakeholders are concerned about coronavirus disease 2019 (COVID-19) and its impact on your programs and your communities. We encourage you to be proactive in your emergency preparedness planning and to coordinate with partners at the state and local level in emergency response.

**Online Resources for Updated Information**

- [CDC Updates on the Coronavirus](#). The Centers for Disease Control and Prevention (CDC) provides daily updates on the Coronavirus with guidance for health providers and local public health officials.
- [Information for HRSA Grant Programs](#). Frequently asked questions for multiple programs including Health Centers, National Health Service Corp, 340B Drug Pricing, and other programs.
- [Rural Response to Coronavirus Disease 2019](#) . The Rural Health Information Hub has created a guide to help you learn about activities underway to address COVID-19.

Please continue to check this page for updates and contact your Project Officer directly with any questions not addressed below.

# More information available on the HRSA website

<https://www.hrsa.gov/rural-health/coronavirus/frequently-asked-questions>

## **How does insurance payment affect allowable uses of funding under the Rural Health Clinic Testing program? (Added: 7/16/2020)**

RHCs under this program can provide testing for uninsured and insured patients, but per the Terms and Conditions may not use this payment to reimburse expenses or losses that have been reimbursed from other sources or that other sources are obligated to reimburse. Other sources of reimbursement include payments from insurance providers, Medicare or Medicaid, other Provider Relief Fund payments, and potentially other payers such as workers compensation insurance or employers. Entities providing testing under this program must seek reimbursement for services provided whenever other sources are obligated to reimburse the RHC for the testing or testing-related services, such as where patients have public or private insurance that covers their COVID-19 testing.

RHCs may use funds for the upfront purchase of supplies necessary to implement and operate a testing program, such as test kits, swabs, and PPE. Similarly, RHCs may use funds for other startup costs needed to implement a testing program including, but not limited to, retrofitting facilities or hiring staff to carry out COVID-19 testing. At this point, none of these expenses have yet been reimbursed by another source, nor is another source yet obligated to reimburse them.

# More information available on the HRSA website

<https://www.hrsa.gov/rural-health/coronavirus/frequently-asked-questions>

Continued . . .

But where another source of reimbursement, such as public or private insurance coverage, subsequently reimburses or becomes obligated to reimburse the RHC for COVID-19 testing and/or testing-related services, the RHC should ensure that these external payments are accounted for. For example, should the RHC recoup some of the costs of COVID-19 testing and/or testing related services through insurance reimbursements or other payments, the RHC should maintain a record of this, including the amount of RHC COVID-19 Testing money recouped, and ensure those RHC COVID-19 Testing funds are used to support other, unreimbursed COVID-19 testing and/or related expenses consistent with the Terms and Conditions.

Despite insurance coverage, not all testing-related activities may be reimbursable and RHCs may also apply funds towards these items and services. For instance, if there is no way for an RHC to receive reimbursement for a service because no allowable billing code exists, then RHCs may use funds towards this activity even for insured patients.

Medicare Cost

Reporting Deadlines

# Medicare Cost Reporting Deadlines

<b>Cost Reporting Period Ending</b>	<b>Initial Due Date</b>	<b>Extended Due Date</b>	<b>Revised Due Date</b>
10/31/2019	03/31/2020	06/30/2020	
11/30/2019	04/30/2020	06/30/2020	
12/31/2019	05/31/2020	07/31/2020	08/31/2020
01/31/2020	06/30/2020	08/31/2020	
02/29/2020	07/31/2020	09/30/2020	

Revised: 7/15/20

Source: [COVID-19 Frequently Asked Questions \(FAQs\) on Medicare Fee-for-Service \(FFS\) Billing](#), CMS Updated 9/11/2020.

# Questions?



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