

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 3919	Date: November 9, 2017
	Change Request 10333

Transmittal 3880, dated October 13, 2017, is being rescinded and replaced by Transmittal 3919, dated, November 9, 2017 to include provider education. In addition, this Transmittal is no longer sensitive/controversial and may now be posted to the Internet. All other information remains the same.

SUBJECT: Update to Rural Health Clinic (RHC) All Inclusive Rate (AIR) Payment Limit for Calendar Year (CY) 2018

I. SUMMARY OF CHANGES: This recurring update notification updates the Calendar Year (CY) 2018 payment limit for Rural Health Clinics (RHCs) in Chapter 9, Section 20.6.1 - "Rural Health Clinics" of the Claims Processing Manual.

EFFECTIVE DATE: January 1, 2018

**Unless otherwise specified, the effective date is the date of service.*

IMPLEMENTATION DATE: January 2, 2018

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-Only One Per Row.

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	N/A

III. FUNDING:

For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

Recurring Update Notification

Attachment - Recurring Update Notification

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SUBJECT: Update to Rural Health Clinic (RHC) All Inclusive Rate (AIR) Payment Limit for Calendar Year (CY) 2018

EFFECTIVE DATE: January 1, 2018

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IMPLEMENTATION DATE: January 2, 2018

I. GENERAL INFORMATION

A. Background: This recurring update notification provides instructions to the Medicare Administrative Contractors regarding the Calendar Year (CY) 2018 payment limit for Rural Health Clinics (RHCs).

B. Policy: Medicare Part B payment to RHCs is 80 percent of the All-Inclusive Rate (AIR), subject to a payment limit for medically necessary medical, and qualified preventive face-to-face visits with a practitioner and a Medicare beneficiary for RHC services. As authorized by §1833(f) of the Social Security Act (the Act), the payment limits for a subsequent year shall be increased in accordance with the rate of increase in the Medicare Economic Index (MEI). Based on historical data through second quarter 2017, the CY 2018 MEI is 1.4 percent. The RHC payment limit per visit for CY 2018 is \$83.45 effective January 1, 2018 through December 31, 2018. The CY 2018 RHC payment limit reflects a 1.4 percent increase above the CY 2017 payment limit of \$82.30.

To avoid unnecessary administrative burden, contractors shall not retroactively adjust individual RHC bills paid at a previous payment limit. However, contractors retain 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.

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								
		A/B MAC			D M E M A C	Shared- System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
10333.1	Contractors shall increase the RHC payment limit per visit to \$83.45 to reflect CY 2018 rate increase of 1.4 percent.	X								
10333.2	Contractors shall not retroactively adjust individual RHC bills paid at previous upper payment limits. However, contractors retain the discretion to make	X								

Number	Requirement	Responsibility								
		A/B MAC			D M E M A C	Shared-System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
	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.									

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			D M E M A C	C E D I
		A	B	H H H		
10333.3	MLN Article: A provider education article related to this instruction will be available at http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web sites and include information about it in a listserv message within 5 business days after receipt of the notification from CMS announcing the availability of the article. In addition, the provider education article shall be included in the contractor's next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X				

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): Corinne Axelrod, 410-786-5620 or corinne.axelrod@cms.hhs.gov , Simone Dennis, 410-786-8409 or simone.dennis@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):

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ATTACHMENTS: 0