

# BILLING QUICK REFERENCE GUIDE

## MEDICARE

### 1. RHC ENCOUNTER

RHCs are paid on the basis of an encounter. An encounter is defined as a medically necessary face-to-face encounter between the patient and a physician, physician assistant, nurse practitioner, nurse midwife, specialized nurse practitioner, visiting nurse, clinical psychologist or clinical social worker during which an RHC service is rendered. **Medical necessity is required for Medicare services to be reimbursable under the RHC benefit.**

- **Example:** A visit solely for the administration of an injection (e.g. B-12, allergy), dressing changes, lab results or test, writing and refilling of prescriptions typically do not meet the test for medical necessity.

#### Healthcare Providers

An RHC encounter can be billed for the following providers:

- **Physician**
- **Physician Extender (Nurse Practitioner or Physician Assistant)**
- **Certified Nurse Midwife**
- **Clinical Psychologist (PhD)**
- **Licensed Clinical Social Worker (Masters or PhD)**

#### Rural Health Clinic Services

The services offered in the RHC are the types that patients receive in a doctor's office, an outpatient clinic or emergency room and include:

- **Physicians' Services**
- **Services and supplies incident to a physician's service or services of the NP, PA and CNM**
- **Services of Nurse Practitioners (NP), Physician Assistants (PA) and Certified Nurse Midwives (CNM)**
- **Visiting nurse (VN) services to the homebound**
- **Clinical psychologist (CP) and clinical social worker services (CSW);**
- **Services of registered dietitians or nutritional professionals for diabetes training services and medical nutrition therapy;**

#### Incident-To Services

Incident-to services are bundled with the RHC encounter. Services incident-to an encounter are considered "covered", but are not separately payable. Incident-to services should never be billed fee-for-service on a 1500.

- **Services and supplies that are "incident-to" the services of the physician, nurse practitioner, physician assistant, clinic psychologist or clinical social worker are covered in the RHC.**
- **Services and supplies incident to the healthcare providers professional services are covered as RHC services so long as they are an integral, although incidental, part of the healthcare providers personal professional services in the course of diagnosis or treatment of an injury or illness (blood pressure checks, injections, etc.**
- **This benefit includes drugs and services of clinic or center health care staff e.g., a nurse, therapist, technician, or other aide, and supplies such as tongue depressors, bandages, etc.**
- **The effect on payment is an increase in the charge, and therefore in the co-insurance.**
- **The costs for these services are included in the cost report, but are not separately payable on claims.**

**The UB-04 is the standard and uniform institutional provider bill suitable for use in billing multiple third party payers including RHC-Medicare visits.** The UB-04 incorporates the National Provider Identifier (NPI), taxonomy and additional codes. The RHC will enter the total charge for the visit on line 47 of the UB-04 form.

### 2. BILLING THE RHC VISIT

#### Coinsurance and Deductible

The patient owes 20% of the billed amount as coinsurance once the annual Part B deductible is met. The annual

- **Example:** An office visit for \$70.00 and an injection for \$20.00 are provided by the physician, NP, PA, or CNM. One line item for \$90.00 will be submitted to Medicare. **The patient will be responsible for \$18.00 (20% co-insurance).**
- **Example:** An office visit for \$80.00 and a trigger point injection for \$45.00 is provided by the physician, NP, PA, or CNM. One line item for \$125.00 will be submitted to Medicare. **The patient will be responsible for \$25.00 (20% co-insurance).**

Type of Bill (TOB)	<p>All charges submitted by an RHC will appear under Type of Bill (TOB) 71X (see line 4 of the UB-04). The third digit of the TOB is the bill frequency. This digit shows the nature or intent of the bill submitted.</p> <ul style="list-style-type: none"> <li>• <b>TOB 710</b>-non-payment/zero claim</li> <li>• <b>TOB 711</b>-admit through discharge claim (<b>most RHC visits are TOB 711 noted as 0711 on the UB-04</b>)</li> <li>• <b>TOB 717</b>-replacement of prior claim</li> <li>• <b>TOB 718</b>-void/cancel of prior claim</li> </ul>
Revenue Code	Applicable revenue codes will appear on line 42 of the UB-04. RHCs use revenue code 0521 for on-site RHC visits.
NPI, Units of Service and HCPCS	<ol style="list-style-type: none"> <li>1. RHCs must have an NPI number (national provider identifier) to bill for its services. An RHC's NPI is required on line 56 of the UB-04. Healthcare providers (physician, physician assistant or nurse practitioner) will enter their respective NPI on line 76 of the UB-04 form.</li> <li>2. Typically one rural health clinic visit is denoted as one (1) "serv.units" on line 45 of the UB-04.</li> <li>3. RHCs are not required to report HCPCS codes for any line items billed under Type of Bill 0711. <b>Exceptions: Initial Preventive Physical Exam (IPPE)-HCPCS code G0402, Ultrasound screening Abdominal Aortic Aneurysm (AAA)-HCPCS code G0389.</b></li> </ol>
<p>Flu and pneumonia shots are covered under the RHC program and are the only injections that are separately payable. For vaccines, RHCs do not report charges for influenza virus or pneumococcal pneumonia vaccines on claims. Costs for these vaccines are included in the cost report and no line items are billed. Neither co-insurance nor deductible apply to either of these. Otherwise, when performed during RHC hours, injections are incident to an encounter.</p>	
Hepatitis B Vaccine	Hepatitis B vaccine is included in the encounter rate. No line items specifically for this service are billed on RHC claims. The charges of the vaccine and its administration can be included in the line item for the otherwise qualifying encounter. Both co-insurance and deductible apply for Hepatitis B vaccines in RHCs. An encounter cannot be billed if vaccine administration is the only service the RHC provides.
B-12 and Allergy	<p>B-12s and allergy shots are among the most problematic services in an RHC. Technically, these are incident-to the encounter.</p> <ul style="list-style-type: none"> <li>• Unless pernicious anemia is indicated, an encounter to administer B-12 is not medically necessary</li> <li>• There is often no encounter. An encounter solely for the purpose of giving a B-12 or allergy shot is not medically necessary.</li> </ul>
<p><b>Non-Rural Health Services can be billed to the fee-for-service carrier (or hospital FI) on a 1500:</b></p> <ul style="list-style-type: none"> <li>• Diagnostic testing - X-Ray, EKG, etc.</li> <li>• Laboratory services (HCPCS codes are required for laboratory services)</li> <li>• Professional services rendered in the hospital</li> </ul>	
Diagnostic Testing & Lab: Independent RHC	<ol style="list-style-type: none"> <li>1. The professional component for X-Ray, EKG, and other diagnostic testing is bundled with the RHC encounter.</li> <li>2. The technical components of these tests are billed to the Medicare Part B carrier using the fee-for-service provider number.</li> <li>3. Laboratory services provided in the RHC's lab are not included in the all-inclusive rate payment to the RHC and may be billed separately to the carrier. This includes the six basic lab tests required for certification as well as any other tests provided in the RHC laboratory. If the RHC sends laboratory services to an outside laboratory, the outside laboratory bills the Part B carrier for the tests.</li> </ol>
Diagnostic Testing & Lab: Provider-Based RHC	<ol style="list-style-type: none"> <li>1. The professional component for X-Ray, EKG, and other diagnostic testing is bundled with the RHC encounter.</li> <li>2. The technical components for X-Ray, EKG, ultrasounds, etc. are billed to the FI using the parent entity's provider number.</li> <li>3. Lab services are also billed to the FI using the parent entity's provider number. TOB 851 is submitted using the parent's provider number regardless of site of service. (i.e. clinic vs. hospital)</li> </ol>
<p><b>Additional RHC billing and reimbursement resources are available at:</b></p>	
<p><b>5. LEARN MORE</b></p>	
Trailblazer Health Enterprises	Trailblazer Health Enterprises is the Fiscal Intermediary for RHC Medicare claims in Colorado. Trailblazer's <i>RHC Manual</i> provides a comprehensive overview of the RHC billing and reimbursement. Visit <a href="http://www.trailblazerhealth.com">www.trailblazerhealth.com</a> for more information.
CMS	The Centers for Medicare and Medicaid Services (CMS) Medicare Manuals are the definitive, regulatory source for RHC billing and reimbursement. <i>Medicare Claims Processing Manual</i> : <a href="http://www.cms.hhs.gov/manuals/downloads/clm104c09.pdf">www.cms.hhs.gov/manuals/downloads/clm104c09.pdf</a> .
CMS Quick Reference	<i>Medicare Billing Information for Rural Providers, Suppliers and Physicians</i> : <a href="http://www3.cms.gov/MLNProducts/downloads/RuralChart.pdf">http://www3.cms.gov/MLNProducts/downloads/RuralChart.pdf</a>