CMS Manual System	**Department of Health & Human Services (DHHS)**
Pub 100-04 Medicare Claims Processing	**Centers for Medicare & Medicaid Services (CMS)**
Transmittal 2595	**Date: November 23, 2012**
	Change Request 8119

SUBJECT: Announcement of Medicare Rural Health Clinic (RHC) and Federally Qualified Health Centers (FQHC) Payment Rate Increases

I. SUMMARY OF CHANGES: This Recurring Update Notification provides instructions for the calendar year (CY) 2013 Payment Rate Increases for Rural Health Clinics (RHC) and Federally Qualified Health Centers (FQHC) services that can be found in Chapter 9, section 20 of the IOM.

EFFECTIVE DATE: January 1, 2013
IMPLEMENTATION DATE: January 7, 2013

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

III. FUNDING:
For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers:
No additional funding will be provided by CMS; Contractors activities are to be carried out with their operating budgets

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 obliged 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

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

Attachment - Recurring Update Notification

Pub. 100-04	Transmittal: 2595	Date: November 23, 2012	Change Request: 8119

SUBJECT: Announcement of Medicare Rural Health Clinic (RHC) and Federally Qualified Health Centers (FQHC) Payment Rate Increases

EFFECTIVE DATE: January 1, 2013
IMPLEMENTATION DATE: January 7, 2013

I. GENERAL INFORMATION

A. Background: This Recurring Update Notification provides instructions for the calendar year (CY) 2013 Payment Rate Increases for Rural Health Clinics (RHC) and Federally Qualified Health Centers (FQHC) services that can be found in Chapter 9, section 20 of the IOM. RHCs: The RHC upper payment limit per visit is increased from 78.54 to 79.17 effective January 1, 2013, through December 31, 2013 (i.e., CY 2013). The 2013 rate reflects a 0.8 percent increase over the 2012 payment limit in accordance with the rate of increase in the Medicare Economic Index (MEI) as authorized by §1833(f) of the Social Security Act. FQHCs: The FQHC upper payment limit per visit for urban FQHCs is increased from 126.98 to 128.00 effective January 1, 2013, through December 31, 2013 (i.e., CY 2013), and the maximum Medicare payment limit per visit for rural FQHCs is increased from 109.90 to 110.78 effective January 1, 2013, through December 31, 2013 (i.e. CY 2013). The 2013 FQHC rates reflect a 0.8 percent increase over the 2012 rates in accordance with the rate of increase in the MEI.

B. Policy: This effective date of January 3, 2013, is necessary in order to update RHC and FQHC payment rates in accordance with 1833(f) of the Social Security Act. To avoid unnecessary administrative burden, the contractor shall not retroactively adjust individual RHC/FQHC bills paid at previous upper payment limits. The contractor does, however, 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

Use "Shall" to denote a mandatory requirement.

Number	Requirement	Responsibility										
		A/B MAC		DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				Other
		Part A	Part B					FISS	MCS	VMS	CWF	
8119.1	Contractors shall increase the RHC upper payment limit per visit to 79.17 to reflect CY 2013 rate increase of 0.8 percent.	X			X							
8119.2	Contractors shall increase the FQHC upper payment limits per visit to reflect CY 2013 rate increase of 0.8	X			X							

Number	Requirement	Responsibility										
		A/B MAC		DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				Other
		Part A	Part B					FISS	MCS	VMS	CWF	
	percent, for urban (128.00) and rural (110.78) areas.											
8119.3	Contractors shall not retroactively adjust individual RHC/FQHC bills paid at previous upper payment limits	X			X							

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility						
		A/B MAC		DME MAC	FI	CARRIER	RHHI	Other
		Part A	Part B					
8119.4	MLN Article : A provider education article related to this instruction will be available at http://www.cms.hhs.gov/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 one week of the availability of the provider education 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			X			

IV. SUPPORTING INFORMATION

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

Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
	None.

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

V. CONTACTS

Pre-Implementation Contact(s): NA NA, 123-456-7890, Corinne Axelrod, 410-786-5620 or corinne.axelrod@cms.hhs.gov , Corinne Axelrod, 410-786-5620 or corinne.axelrod@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR) or Contractor Manager, as applicable.

VI. FUNDING

Section A: For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs), and/or Carriers:
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Section B: For Medicare Administrative Contractors (MACs):
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