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| CMS Manual System | Department of Health & Human Services (DHHS) |
| Pub 100-04 Medicare Claims Processing | Centers for Medicare & Medicaid Services (CMS) |
| Transmittal 1845 | Date: November 6, 2009 |
| | Change Request 6605 |

Subject: Announcement of Medicare Rural Health Clinics (RHCs) and Federally Qualified Health Centers (FQHCs) Payment Rate Increases

I. SUMMARY OF CHANGES: This Recurring Update Notification provides instructions for the calendar year (CY) 2010 Payment Rate Increases for Rural Health Clinics (RHC) and Federally Qualified Health Centers (FQHC) services, as stated in Section 1833(f) of the Social Security Act.

New / Revised Material

Effective Date: January 1, 2010

Implementation Date: January 4, 2010

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:

SECTION A: For Fiscal Intermediaries and Carriers:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their operating budgets.

SECTION B: 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

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

Attachment – Recurring Update Notification

| | | | |
|-------------|-------------------|------------------------|----------------------|
| Pub. 100-04 | Transmittal: 1845 | Date: November 6, 2009 | Change Request: 6605 |
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SUBJECT: Announcement of Medicare Rural Health Clinics (RHCs) and Federally Qualified Health Centers (FQHCs) Payment Rate Increases

Effective Date: January 1, 2010

Implementation Date: January 4, 2010

I. GENERAL INFORMATION

This Recurring Update Notification provides instructions for the calendar year (CY) 2010 Payment Rate Increases for Rural Health Clinics (RHC) and Federally Qualified Health Centers (FQHC) services.

A. Background:

RHCs:

The RHC upper payment limit per visit is increased from \$76.84 to \$77.76 effective January 1, 2010, through December 31, 2010 (i.e., CY 2010). The 2010 rate reflects a 1.2 percent increase over the 2009 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 \$119.29 to \$125.72 effective January 1, 2010, through December 31, 2010 (i.e., CY 2010), and the maximum Medicare payment limit per visit for rural FQHCs is increased from \$102.58 to \$108.81 effective January 1, 2010, through December 31, 2010 (i.e. CY 2010). The 2010 FQHC rates reflect a 1.2 percent increase over the 2009 rates in accordance with the rate of increase in the MEI, plus an additional \$5.00 increase mandated by Section 151 of the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA).

B. Policy:

This effective date of January 1, 2010, 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 (place an "X" in each applicable column) | | | | | | | | |
|--------|--|---|-----------------------|---------------------------|---------------------------------|------------------|---------------------------|-------------|-------------|--|
| | | A / B M A C | D M M A C | F I I E R | C A R R I E R | R H H I | Shared-System Maintainers | | | |
| | | | | | | F I S S | M C S | V M S | C W F | |
| 6605.1 | Contractors shall increase the RHC upper payment limit per visit to \$77.76 to reflect CY 2010 rate increase of 1.2 percent. | X | | X | | | | | | |
| 6605.2 | Contractors shall increase the FQHC upper payment limits per visit to reflect CY 2010 rate increase of 1.2 percent, plus a \$5.00 increase mandated by MIPPA, for urban (\$125.72) and rural (\$108.81) areas. | X | | X | | | | | | |
| 6605.3 | Contractors shall not retroactively adjust individual RHC/FQHC bills paid at previous upper payment limits. | X | | X | | | | | | |

III. PROVIDER EDUCATION TABLE

| Number | Requirement | Responsibility (place an "X" in each applicable column) | | | | | | | | |
|--------|--|---|-----------------------|---------------------------|---------------------------------|------------------|---------------------------|-------------|-------------|--|
| | | A / B M A C | D M M A C | F I I E R | C A R R I E R | R H H I | Shared-System Maintainers | | | |
| | | | | | | F I S S | M C S | V M S | C W F | |
| 6605.4 | <p>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.</p> <p>Contractors shall post this article, or a direct link to this article, on their Web site 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 your 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.</p> | X | | X | | | | | | |

IV. SUPPORTING INFORMATION

Section A: For any recommendations and supporting information associated with listed requirements, use the box below:

Use "Should" to denote a recommendation.

| X-Ref Requirement Number | Recommendations or other supporting information: |
|--------------------------|--|
| | |

Section B: For all other recommendations and supporting information, use this space:

V. CONTACTS

Pre-Implementation Contact(s): Glenn McGuirk, (410) 786-5723, Glenn.McGuirk@cms.hhs.gov

Post-Implementation Contact(s): Appropriate Regional Office

VI. FUNDING

Section A: For *Fiscal Intermediaries (FIs), Carriers, and Regional Home Health Carriers (RHHs)* use only one of the following statements:

No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

Section B: For *Medicare Administrative Contractors (MACs)*, use the following statement:

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.