

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-04 Medicare Claims Processing</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal: 12950</b>	<b>Date: November 8, 2024</b>
	<b>Change Request 13866</b>

**SUBJECT: Update to Rural Health Clinic (RHC) All Inclusive Rate (AIR) Payment Limit for Calendar Year (CY) 2025**

**I. SUMMARY OF CHANGES:** The purpose of this Change Request (CR) is to update the payment limit for the CY 2025 Rural Health Clinics (RHCs). This recurring update notification applies to Chapter 9, Section 20.2 - "Payment Limit under the AIR" of the Claims Processing Manual.

**EFFECTIVE DATE: January 1, 2025**

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

**IMPLEMENTATION DATE: January 6, 2025**

*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/revise 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.

<b>R/N/D</b>	<b>CHAPTER / SECTION / SUBSECTION / TITLE</b>
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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## II. GENERAL INFORMATION

**A. Background:** As authorized by section 1833(f) of the Social Security Act (the Act), Medicare Part B payment to RHCs is 80 percent of the 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.

In accordance with section 1833(f)(2) of the Act, beginning April 1, 2021, RHCs receive an increase in their payment limit per visit over an 8-year period, with a prescribed amount for each year from 2021 through 2028. Then, in subsequent years, the limit is updated by the percentage increase in the Medicare Economic Index (MEI) applicable to primary care services furnished as of the first day of that year.

In addition, beginning April 1, 2021, provider-based RHCs that meet the qualifications in section 1833(f)(3)(B) of the Act, are entitled to special payment rules that establish a payment limit based on the specified provider-based RHC's per visit payment amount (or AIR) instead of the national statutory payment limit. For entitlement to the special payment rules, a specified provider-based RHC is an RHC that --

--As of December 31, 2020, was in a hospital with less than 50 beds and after December 31, 2020, in a hospital that continues to have less than 50 beds (not taking into account any increase in the number of beds pursuant to a waiver during the Public Health Emergency (PHE) for Coronavirus Disease 2019 (COVID-19)); and one of the following circumstances:

--As of December 31, 2020, was enrolled in Medicare (including temporary enrollment during the PHE for COVID-19); or

--Submitted an application for enrollment in Medicare (or a request for temporary enrollment during the PHE for COVID-19) that was received not later than December 31, 2020.

Change Request (CR) 12185 implemented the increase in the RHC statutory payment limit per visit and established the specified provider-based RHC payment limits per visit, which went in effect on April 1, 2021.

**B. Policy:** For CY 2025:

### 1. Independent RHCs and provider-based RHCs in a hospital with 50 or more beds

The RHC payment limit per visit for CY 2025 is \$152.00.



Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
13866.3	Contractors shall not retroactively adjust individual RHC bills paid at previous upper payment limits. However, contractors should 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.	X								
13866.4	Contractors shall complete these updates during their scheduled rate review.	X								

**IV. PROVIDER EDUCATION**

Medicare Learning Network® (MLN): CMS will develop and release national provider education content and market it through the MLN Connects® newsletter shortly after we issue the CR. MACs shall link to relevant information on your website and follow IOM Pub. No. 100-09 Chapter 6, Section 50.2.4.1 for distributing the newsletter to providers. When you follow this manual section, you don't need to separately track and report MLN content releases. You may supplement with your local educational content after we release the newsletter.

**Impacted Contractors:** A/B MAC Part A

**V. SUPPORTING INFORMATION**

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

*"Should" denotes a recommendation.*

<b>X-Ref Requirement Number</b>	<b>Recommendations or other supporting information:</b>
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**Section B: All other recommendations and supporting information:**N/A

**VI. CONTACTS**

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

**VII. FUNDING**

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