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## **NEW MEDICARE RULE ENSURES ACCESS TO HEALTH CARE FOR BENEFICIARIES IN RURAL AREAS**

Medicare beneficiaries who live in rural and underserved areas of the United States would be able to continue to get their health care services from Rural Health Clinics (RHCs) whose services are tailored to meet their individual needs under new rules proposed today by the Centers for Medicare & Medicaid Services (CMS).

“These proposed changes to the rural health clinic program would ensure that Medicare beneficiaries in rural underserved areas have ready access to high quality primary health care from physicians and certain nonphysician providers,” said Acting CMS Administrator Kerry Weems. “The flexibilities we are proposing will help to ensure that beneficiaries and Medicare get the best value from RHC providers.”

The proposed regulation would require RHCs to establish quality assessment and performance improvement (QAPI) programs. It would also establish location requirements necessary for a clinic to continue to participate as an RHC, which would ensure that the RHC program kept pace with demographic changes in the service areas and best met the needs of underserved beneficiaries. The regulation would also provide opportunities for existing RHCs to apply for exceptions from location requirements, and would provide RHCs with greater flexibility in staffing requirements and sharing resources with fee-for-service providers in the facility. In line with statutory requirements, the rule also would limit payments for RHCs to 80 percent of reasonable costs, minus beneficiary coinsurance and deductible amounts.

More specifically, the proposed rule would:

- Implement statutory requirements that all RHCs be located in areas that were non-urban and demonstrated that there was a shortage of health care services. Existing RHCs that do not meet the location requirements but are still providing needed services in rural and underserved areas could be granted an exception as an “essential provider” if they met criteria established by the rule;

- Improve access to health care services in rural areas by providing more flexibility in staffing requirements by allowing an RHC to contract with nonphysician practitioners -- such as physician assistants (PA), nurse practitioners (NP), and certified nurse midwives -- as long as one PA or NP was directly employed by the clinic;
- Clarify when an RHC could share resources (“commingling”) with an on-site Medicare or Medicaid fee-for-service provider to allow greater flexibility in providing needed services for beneficiaries in certain circumstances; and
- Implement a statutory requirement that RHCs establish a QAPI program to help these clinics identify and implement opportunities for improvement, including preventing the transmission of infectious and communicable diseases and ensuring the accuracy of patient health records.

“With the regulation we are proposing today, these providers will have better guidance on how to qualify as a rural health clinic,” said Weems. “Medicare will be better able to ensure that qualified rural clinics are able to seek cost-based payment under the RHC program.”

Many changes in the proposed rule, such as revisions to the payment methodology, would also apply to federally qualified health centers (FQHCs). FQHCs are similar in many respects to RHCs but may operate in urban or rural underserved areas. A CMS fact sheet provides more information on the proposed rule, including provisions that uniquely apply to FQHCs. The fact sheet may be viewed at [http://www.cms.hhs.gov/apps/media/fact\\_sheets.asp](http://www.cms.hhs.gov/apps/media/fact_sheets.asp).

The proposed regulation may be viewed at [http://federalregister.gov/OFRUpload/OFRData/2008-13280\\_PI.pdf](http://federalregister.gov/OFRUpload/OFRData/2008-13280_PI.pdf). Comments must be submitted by 5:00 p.m. Eastern time on August 27, 2008.

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