MARCH/APRIL 2008
Volume 16, Issue 3

Clinic Connection

This Newsletter is a Publication of the
Texas Association of Rural Health Clinics
Quality Health Care for Rural Texas

New Association Officers for the TARHC Board

There have been some changes to our governing board of directors since early January – **Carolyn McCuine**, who has been the board chair for a couple of years, retired from her job at the RHC she worked in for many years and resigned from the TARHC board of directors. The board appointed **John Everett**, from the **Cogdell Memorial Hospital in Snyder**, as Carolyn's replacement until her term of office ends in December of this year. Carolyn has been serving in the "at large" representative's slot which can be either a free-standing RHC representative or a provider-based RHC representative. The 2008 TARHC board officers are:

- Jerry Carbajal – Chair
- Kathy Bunch – Vice Chair
- Julie Sharp – Secretary/Treasurer

Want to Know How Many RHCs Are In Your State? And Who They Are?

The **Centers for Medicare & Medicaid Services (CMS)** has posted at their website on their Rural Health Center page, www.cms.gov/center/rural.asp (*even they* call us Rural Health Clinics (RHCs) by the wrong terminology) a listing of Medicare Certified Rural Health Clinics as of 02/06/2008. The report is sorted by region, by state, and by provider.

Proposed Rule - Designation of Medically Underserved Populations and Health Professional Shortage Areas - Comment Period Ends with Submission Deadline by April 29, 2008

The Office of Shortage Designation released a proposed rule that recommends sweeping changes in the way shortage areas are designated (both Medically Underserved Areas and Health Professional Shortage Areas). **Every rural health clinic (RHC) must be in either a Medically Underserved Area (MUA) or a Health Professional Shortage Area (HPSA) or a Governor designated shortage area.** Changing the formulas could result in some areas currently designated as a shortage area, losing that designation and thus jeopardizing the RHC status for any clinics located in that shortage area.

The proposed rule was published in the February 29, 2008, edition of the Federal Register, Volume 73, Number 41, Department of Health and Human Services, 42 CFR, Part 5 and 51c.The link to the proposed rule is http://bhpr.hrsa.gov/shortage/hpsafrn022908.pdf .

2008 TARHC Board of Directors

Independent
Jerry Carbajal, Chair
Hood Medical Clinics
111 E. Miller Street
Dilley, TX 78017
830/965-1684
Term ending: 12-09

Kathy Bunch, Vice Chair
Dumas Family Practice
202 S. Meredith
Dumas, TX 79029
806/935-9005
Term ending: 12-08

Provider-Based
Steve Gularte
El Campo Memorial Hospital
303 Sandy Corner
El Campo, TX 77437
979/578-5251
Term ending: 12-08

Julie Sharp, Sec-Treas.
Falls Community RHC
307 Live Oak
Marlin, TX 76661
254-803-3561
Term ending: 12-09

At Large
John H. Everett, CFO
Cogdell Memorial Hospital
1700 Cogdell Blvd.
Snyder, TX 79549
325/574-7439
Term ending: 12-08

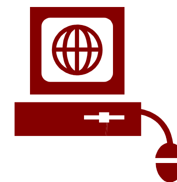
Executive Director:
Ramsey Longbotham
Executive Administrator:
David Pearson

Clinic Connection, www.tarhc.org, is published by the Texas Association of Rural Health Clinics located at 505 E. Huntland Drive, Suite 150, Austin, Texas 78752; telephone 512/873-0045; fax 512/873-0046. Articles are prepared by and comments should be sent to Ramsey Longbotham, Executive Director, ramsey@ tarhc.org .

Because this is a proposed rule, there is an opportunity for public comment. If, after reviewing this proposal, you would like to submit comments, the document provides instructions on how to submit your comments. All public comments must be submitted on or before April 29th to be considered.

You may want to take a look at IV. Description of Conceptual Framework and Methodology and Alternatives Considered --Section B: Methodology, Step 2 discusses the calculation of the denominator in the population-to-provider ratio: the supply of primary care providers where physician assistants, nurse practitioners, and certified nurse midwives are all counted as a .5 full time equivalent of primary care physicians. Step 6 covers determining tiers of shortage in which this method excludes federally-sponsored primary care providers who are present in currently-designated areas so as to not create a "yo-yo" effect for these shortage areas. One recommendation to RHCs is that they make a comment that primary care providers in RHCs also be excluded in the methodology to determine the rural safety net coverage by federal programs providing access to health care. RHCs should be included along with the proposal's list of other exempted federally-sponsored clinicians. Other entities considered for exclusion in the proposal are: National Health Service Corps (NHSC) affiliated clinicians; clinicians obligated under the State Loan Repayment Program (SLRP) (a loan repayment program involving joint Federal and State funding); physicians with J-1 visa return-home waivers; and other clinicians providing services at health centers funded under Section 330.

There is interesting info in Part V. Description of Proposed Regulations, Section 6. Non-Physician Primary Care Clinicians that discusses RHCs. It is even more interesting that the data in this proposal is from statistics published in 1999 and does not seem to indicate a big impact to the RHC community. There are a number of skeptics about this and all agree with the proposal's conclusion "that is should be stated that it is impossible to predict the exact final impact on specific communities and States because of the iterative process built into the system."



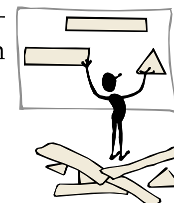
Get on the Internet and pull down this Proposed Rule and print it off to study it ….. It is a lengthy document but deserves your attention and hopefully some public comments. The Office of Shortage Designations is a branch of the Health Resources and Services Administration (HRSA) at the U.S. Department of Health and Human Services. HRSA is the primary federal agency for improving access to health care services for people who are uninsured, isolated, or medically vulnerable. For more information about HRSA and its programs, visit www.hrsa.gov.

Our Texas Primary Care Office manager, Connie Berry, was involved on the first iteration of the draft proposal and said that a lot of hard work and serious consideration went into the second methodology used in this new proposal. The working group for the proposal included Primary Care Offices from several states - different sizes and different regions of the country. The principles they used to develop the second method were that it is to:

- More accurately identify need;
- Is simpler;
- Places less burden on states; and
- Increases states' involvement in decision-making.

The Texas Primary Care Office is the responsible state agency in Texas for administering the shortage designation requirements for the Federal Bureau of Shortage Designations.

CMS Policy Change on Priority of RHC Initial Surveys for Certification



Last year on November 5th, the Director of CMS' Survey and Certification Group issued a memorandum to all state survey agency directors with instructions to change the priority listing for a number of types of providers for their initial surveys as new Medicare providers. CMS considered the cost of initial surveys to be the lowest priority for the Medicare program for those provider and supplier types. RHCs were listed in an "all others" category with a Tier 4 Priority Designation that unless approved on an exception basis by the CMS Regional Office due to

serious health care access considerations or similar circumstances would not be considered for an initial survey to meet certification requirements in the Medicare program.

On March 7, 2008, CMS issued another memorandum to all state survey agency directors that raise the initial surveys of Rural Health Clinics and Skilled Nursing Facilities to a Tier 3 Priority (Memo 08-13). Congress's appropriation of part of the increase in Medicare Survey and Certification funds requested in the President's proposed FY 2008 budget permits CMS to raise initial surveys of RHCs and SNFs from Tier 4 to Tier 3 status. A re-analysis of the CMS data indicates that the rate of growth of RHCs is less than previously indicated (a more manageable 13.5% increase from 2002 to 2007). Given that RHCs serve areas that often involve considerable travel distance to access health care, and there is no accreditation option for RHCs, CMS believes it is important to raise the priority status for RHCs. CMS understands that Medicare resources for survey and certifications remain extremely constrained, and States may still not have the resource flexibility to conduct the initial surveys for these providers. Nonetheless, to the extent that resources permit, the Tier 3 status may be important for some States and some RHCs or SNFs. States may prioritize initial surveys within Tier 3. CMS encourages States to offer particular consideration within Tier 3 for initial surveys of RHCs given the general prevalence of rural health care access issues.

Texas Medicaid Update-PERM Process Begins

On March 10, 2008, CMS announced its selection of statistical contractors for the federal **Payment Error Rate Measurement** (PERM) program for fiscal year 2008. With this selection, CMS has begun their claims review phase of the fiscal year 2008 PERM program. Under **PERM**, Texas Medicaid Program and State Children's Health Insurance Program (SCHIP) claims are subject to review by CMS contractors.

Providers will be asked to submit copies of medical records that support Medicaid and SCHIP fee-for-service claims. Because only about 250 claims will be reviewed in the state of Texas each quarter, the chances that a claim from any particular provider will be selected for review are small. However, when a claim is selected for review, a process is in place to ensure that:

- Providers receive timely notification.
- Providers know how to respond to the information request.
- The number of **PERM** errors is minimized.

If a claim is selected for review, providers will receive a series of communication after April 30, 2008:

- A Texas Medicaid & Healthcare Partnership (TMHP) representative will call the provider to verify contact information, such as mailing address and fax number.
- A CMS contractor, Livanta LLC, will call the provider to request a copy of the selected medical records. Livanta LLC will also ask the provider whether the written request for the medical records should be sent by fax or mail.
- The Health and Human Services Commission (HHSC) will ask the provider to mail a duplicate copy of the selected medical record to HHSC.

HHSC will use the medical records to review the CMS contractor's preliminary **PERM** findings and to prepare for an appeal in the event HHSC disagrees with the preliminary assessment.

Providers must submit the requested medical records to Livanta LLC and HHSC within 60 calendar days of the receipt of the written notice form Livanta LLC. If medical records are not received within 60 calendar days, Livanta LLC will identify the claim as a **PERM** error and classify all dollars associated with the claim as an overpayment. Providers will be required to reimbursement the overpayment in accordance with state and federal requirements.

STAR Health Program for Children in Foster Care Begins in April

The Texas Health and Human Services Commission (HHSC) have launched **STAR Health**, a new health care program to improve services and better coordinate care for children in fos-

ter care. **STAR Health** began enrolling participants in March, and children in foster care began receiving services through the program the beginning of April. Services to children in foster care will be provided through a contract with Superior HealthPlan Network.

The program components include:

- A Health Passport for each child in foster care, containing a summary of the child's medical information. The Health Passport is available through the Internet and makes it easier for doctors and caregivers to get accurate medical information on each child.
- Expedited enrollment so children can begin receiving services as soon as they enter state conservatorship.
- Improved access to services through a state-wide network of providers
- A medical home through a primary care doctor who coordinates care and promotes better preventive health practices.
- Service coordination to help children, caregivers and caseworkers get services and information.
- 24-hour nurse hotline for caregivers and caseworkers.
- Benefits include: physical and behavioral health; vision services; dental services; service coordination; clinical service management and disease management.

Superior HealthPlan representatives have been offering orientation workshops on the STAR Health program for Texas foster care children on Medicaid during the month of February and March throughout the state. If you did not attend one of these provider workshops and need information about the STAR Health program, call 1-866-439-2042. Remember, Superior is a Medicaid Managed Care HMO and as such the payments to RHCs are different. Currently RHCs are paid at a rate of the traditional fee-for-service Medicaid rate, and on a quarterly basis the HMO will conduct a reconciliation of **STAR Health** patient encounters with each RHC; upon the clinic validating its visit data, the information is forwarded to HHSC where Jerry Plaisance (512-491-1167) in HHSC's Managed Care Operations reviews the reconciliation data, and after approval forwards instructions to the auditing division at Texas Medicaid & Healthcare Partnership (TMHP) to produce a wrap-around payment to make the RHC "whole" in its established Medicaid **Prospective Payment System** (PPS) payment. There is consideration being made now for the State's next fiscal year starting September 1, 2008, that the RHC payment by Medicaid HMOs be the RHC's established PPS encounter rate, and the State and the HMO conduct a reconciliation between themselves to settle up the difference in payment made to the RHC.

PCCM+PLUS Program

Effective May 1, 2008, the Texas Health and Human Services Commission (HHSC) and the Texas Medicaid & Healthcare Partnership (TMHP) will launch the **Primary Care Case Management (PCCM) +PLUS program** to provide additional care coordination services for clients who are aged, blind, or disabled clients who are not duel-eligible and who reside in **PCCM** counties.

PCCM+PLUS program services are available to all **PCCM** clients who are in need of additional support and care management. **PCCM+PLUS** is focused on client who:

- Have a high risk of using services
- Have a high utilization of services
- Are in special client populations (e.g. clients with chronic disease such as cancer or HIV/AIDS)
- Are adults with special needs
- Have complex social needs

The **PCCM+PLUS** program is designed to help hospitals, physicians, large provider practices, and Federal Qualified Health Care Centers (FQHCS) coordinate care for these high-risk clients. The services will include discharge planning and care management support, including case management and coordination with Community Health Services (CHS) staff.

The goals of the **PCCM+PLUS** program include:

- Improving client outcomes and quality of life
- Improving the coordination of care

- Facilitating hospital discharge planning and outpatient care for the client
- Reducing hospital readmissions
- Reimbursement rates, prior authorization requirements, and claims filing deadlines will not change for services rendered to PCCM clients enrolled in **PCCM+PLUS**.
- Clients enrolled in the Enhanced Care Program or Provider Incentive Pilot for management of asthma, chronic obstructive disease (COPD), coronary artery disease, diabetes, and congestive heart failure are not eligible for enrollment in **PCCM+PLUS**.

*For more information, call **PCCM+PLUS** on or after May 1, 2008, at 1-888-821-2043 between 7:00 am and 7:00 pm.*

Texas Medicaid Enhanced Care Program

In November 2004, the Texas Health and Human Services Commission (HHSC) created the Medicaid **Enhanced Care Program** to help manage the health care of Medicaid clients with chronic health conditions. Medicaid fee-for-service or **Primary Care Case Management (PCCM**) clients are automatically enrolled in the Texas Medicaid **Enhanced Care Program** if they meet certain eligibility requirements determined by their health care provider and have one or more of the following conditions: Diabetes - Asthma - Congestive Heart Failure (CHF) - Chronic Obstructive Pulmonary Disease (COPD) - Coronary Artery Disease (CAD).

The Texas Medicaid program examines inpatient, outpatient and pharmacy claims data for condition or condition-related codes to identify clients that may benefit from the program. Providers may refer Medicaid clients to the program by calling 1-800-777-1178.

Through the Texas Medicaid **Enhanced Care Program**, the clients receive a comprehensive package of free services that includes:

* Intensive outreach to hard-to-serve clients, including home visits.
* Preparation of initial health assessments and periodic health status follow-ups based on risk/severity level of the client.
* Education to clients on their disease and self-management techniques.
* Case management and care coordination services.
* Establishment of a primary care provider, if needed.
* A resource to providers for nationally recognized evidence-based health care practice guidelines.
* A feedback loop to providers on changes in the client's health status.

The program is **administered by McKesson Health Solutions**, a leading provider of telephone care management and comprehensive disease management for chronically ill clients. The comprehensive program combines call-center nursing services (*the Texas Medicaid Nurse Advice Line 1-800-777-1178*) with community-based registered nurses in a collaborative effort with community providers and clinics. These efforts are complemented by certified *promotores*, also known as community health workers, who coordinate care with hard-to-reach clients at a local level.

J4A/B Medicare Administrative Contractor (MAC)

On August 2, 2007, the Centers for Medicare & Medicaid Services (CMS) announced that **Trailblazer Health Enterprises, LLC,** was awarded the contract for the combined administration of Part A and Part B Medicare fee-for-service claims in Jurisdiction 4 (J4). The states included in J4 are **Colorado, New Mexico, Oklahoma, and Texas**. Because **TrailBlazer** already had responsibility for over 75% of the J4 MAC workload as the Part A Fiscal Intermediary (FI) for the states of **Colorado, New Mexico, and Texas**, as well as the Part B Carrier in Texas, the impact to those providers served by Trailblazer has been minimal. CMS is studying how to best transition to the applicable A/B MACs the workload formerly processed by Mutual of Omaha and now processed by Wisconsin Physi-

cians Services Insurance Corporation (WPSI). There are about twenty provider-based RHCs in Texas that have their claims processed by WPSI. CMS will notify all parties as soon as its instructions are final, but the transitions from WPSI are not anticipated until all MACs in the country have completed their transitions.

The outgoing contractor transition dates for J4 MAC are:

- Oklahoma- HCSC Part A Fiscal Intermediary - 3/1/2008
- Oklahoma- New Mexico - Pinnacle Part B Carrier - 3/1/2008
- Colorado- Noridian Part B Carrier - 3/21/2008
- Colorado- New Mexico- Texas - TrailBlazer Part A Fiscal Intermediary - 6/13/2008
- Texas- TrailBlazer Part B Carrier - 6/13/2008

To keep providers informed of implementation activities and critical cutover information, a link from the TrailBlazer homepage www.trailblazerhealth.com *to the J4 MAC Implementation Web site is available. This site can be accessed from the left navigation menu under TrailBlazer Sites or at*: http://www.trailblazerhealth.com/J4/Default/aspx .

Are Texas Rural Areas *Shrinking*?

Four Texas metropolitan areas were among the biggest gainers as Americans continued their trend of moving to the Sun Belt in 2006 and 2007, according to Census Bureau estimates that were released on March 27, 2008. **Dallas-Fort Worth-Arlington** added 160,000 residents between July 2006 and July 2007, more than any other metro area in the nation. Three other Texas areas - **Houston (Houston -Sugar Land- Baytown), Austin (Austin-Round Rock), and San Antonio** – also appeared in the top 10 metro areas for population growth. Eight of the 10 fastest-growing metro areas between 2006 and 2007 were located in the South.

Paul J. Weber of the Associate Press in Dallas reported that experts credit much of the growth in the South to relatively strong local economies and housing prices that are among the most affordable in the U.S. "*People are running away from unaffordable housing from economic slowdown,"* said Karl Eschbach, a state demographer in Texas. *"I would expect Texas to stay at the top of a slowing game."* According to figures compiled by Eschbach, 16 percent of Americans who moved to other states between July 2006 and July 2007 came to Texas, which led the nation for the second straight year in that category.

This growth factor can be seen by observing the metropolitan area hospital expansion efforts. How many new urban hospitals or announcements to build hospitals have you heard about? Just lately the *Dallas Morning News* newspaper on March 24, 2008, said that the two largest hospital systems in their area- Baylor Health Care System and Texas Health Resources (THR) – own more than 460 undeveloped acres in North Texas. It only takes 35 acres, on average, to build a hospital. Although there are no immediate construction plans for most of that land, Baylor and Texas Health Resources (owner of Presbyterian Hospital of Dallas) could build 13 hospitals on their vacant acres. Executives at Dallas's Baylor and Arlington's THR say buying now will save them money later, letting them acquire raw land before it is developed and jumps in price or is bought by a competitor. Watch the cities grow by the direction their new hospital building efforts move in their cities and suburbs.

Getting ready for the 2010 Census the U.S. Census Bureau has selected Stemmons Place in Dallas as its regional headquarters for the official census in two years. On April 1, 2010, the Census Bureau will mail or deliver more than 130 million questionnaires to households in the United States. The bureau has 12 regional offices, each overseeing operations within its region. The bureau's regional hub in Dallas will oversee operations in Texas, Louisiana and Mississippi, covering some of the nation's largest challenges for the upcoming 2010 Census, including the Gulf Coast area and the majority of the U.S.–Mexico border. Wonder how the rural areas will look by then?

United Healthcare Network Bulletin Announcement, Volume 24, March 2008

Electronic Payer ID Update -- United advises providers that the **electronic payer identification number** for SecureHorizons membership still administered through PacifiCare claims system **HAS NOT CHANGED.**

Due to a printing error with their new Member ID Card vendor, the **UnitedHealthcare Electronic ID 87726 is showing on all cards**. If you submit claims for SecureHorizon members in Arizona, California, Colorado, Nevada, Oklahoma, Oregon, Texas, and Washington, you **DO NOT need to change the electronic payer ID to 87726 even if it is printed on the member's 2008 Identification Card**.

In addition, **you do not need to reprogram your system or resubmit any claims**. United routes them internally upon receipt from the clearinghouse regardless of whether it is a PacifiCare payer ID or UnitedHealthcare Payer ID. Their system is programmed to accept EDI submissions from all Payer IDs associated with the former PacifiCare markets in addition to UnitedHealthcare Payer ID #87726.

Rural Health Care Conferences Across the Country

Here are upcoming education events this year that rural healthcare providers may be interested in:

National Rural Health Association's (NRHA) Annual Conference in New Orleans
May 7-10, 2008

National Association of RHCs Summer Institute in Sacramento, California
June 11-13, 2008

Rural Health TRIFECTA [Texas Rural Health Association (TRHA), Texas Hospital Association (THA), and Office of Rural Community Affairs (ORCA)]
Hyatt Regency Austin Hotel *Austin, Texas* *August 5-7, 2008*

Texas Association of Rural Health Clinics' (TARHC) Educational Conference and Annual Membership Meeting
OMNI Downtown Hotel *Austin, Texas* *August 6-8, 2008*

National Rural Health Association's Rural Health Clinic and Critical Access Hospital Conferences
Savannah, Georgia *October 13-17, 2008*

National Association of RHCs Fall Conference
St. Louis, Missouri *November 18-20, 2008*

RETURN SERVICE REQUESTED

Texas Association of Rural Health Clinics
P.O. Box 14547
Austin, TX 78761

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In this issue . . .

New Association Officers for the TAHRC Board
How Many RHCs Are in Your State?
Proposed Rule - Designation of MUP and HPSA
Deadline by April 29, 2008
PERM Process Begins
PCCM+PLUS Program
Texas Medicaid Enhanced Care Progarm
J4A/B MAC
Are Texas Rural Areas Shrinking?
Electronic Payer ID Update

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Mark Your Calendars for the 2008

Texas Association of Rural Clinics
Education Conference

August 6th to the 8th
Wednesday afternoon to Friday morning
OMNI Downtown Hotel
700 San Jacinto
Austin, Texas

Conference details in
the May 2008 Issue of the *Clinic Connection*

If your administrator/director, address, email, phone or fax number has changed, please let us know by emailing us at torch@torchnet.org.

Remember to share this newsletter with your colleagues.