



THIS NEWSLETTER IS A PUBLICATION OF THE

**Texas Association of Rural Health Clinics**

Quality Health Care for Rural Texas

2010

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## CMS to Undergo Major Restructuring

A former top health official in Virginia has been tapped to oversee a newly formed Medicare department as part of a major restructuring at the Center for Medicare & Medicaid Services (CMS). Acting CMS Administrator Charlene Frizzera announced the change on February 16<sup>th</sup> via an e-mail to agency staff.

Marilyn Tavenner, who had served as Virginia's secretary of health and human resources since 2006, is joining CMS as the principal deputy administrator under Frizzera and will head up the newly minted Center for Medicare.

Jonathan Blum, director of the CMS Center for Medicare Management and the Center for Drug and Health Plan Choice, also a part of the Center for Medicare's leadership team.

Also new will be the Center for Program Integrity, which will realign the Medicare Program Integrity Group of the Office of Financial Management with the *Medicaid Integrity Group of the Center for Medicaid and State Operations*. That center will be led by Peter Budetti, MD, who is also a new hire. Dr. Budetti is considered the leading expert on health care fraud and has directed health administration and policy department at three leading universities since 1990, Frizzera said.

In addition: The Center for Medicaid and State Operations will be renamed the *Center for Medicaid, CHIP and Survey & Certification*, and it will be led by CMS Deputy Administrator Cindy Mann.

The Center for Strategic Planning will realign the Office of Research, Development and Information with the *Office of Policy*.

The Office of External Affairs and Beneficiary Services will realign the Office of Beneficiary Information Services with the *Office of External Affairs*.

The Obama administration still has not indicated when it might nominate a permanent CMS Administrator, a position that requires Senate approval and has been vacant since October 2006. Frizzera, who will continue to serve as the agency's acting administrator and chief officer, expects the latest realignment to occur within a couple of months

## NEW Delay Date in Implementation of Phase 2 of CRs 6417 and 6421

The Centers for Medicare and Medicaid Services (CMS) initially delayed until April 5, 2010, the implementation of Change Request (CR) 6417 "Expansion of the Current Scope of Editing for Ordering/Referring Providers for Claims Processed by Medicare Carriers and Part B Medicare Administration Contractors (MACs)"; and Change Request (CR) 6421 "Expansion of the Current Scope for Ordering/Referring Providers for Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Supplier Claims processed by DME MACs". CRs 6417 and 6421 are applicable to Part B claims only.

Recently CMS came out with a new implementation date for Phase 2  
--- it is now January 3, 2011 ---

The Phase 2 implementation delay will give physicians and non-physician practitioners (NPPs) who order items or services for Medicare beneficiaries, or who refer Medicare beneficiaries to other Medicare providers or suppliers, sufficient time to enroll in Medicare or take action necessary to establish a current enrollment record in Medicare prior to Phase 2 implementation.

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Although enrolled in Medicare, many physicians and NPPs who are eligible to order items or services or refer Medicare beneficiaries to other Medicare providers or suppliers for services do not have current enrollment. A current enrollment record is one that is in the Internet-based Medicare Provider Enrollment, Chain and Ownership System (PECOS) and also contains the physician/NPP’s National Provider Identifier (NPI).

Under Phase 2, a physician or NPP who orders/refers services and does not have a current enrollment record that contains the NPI will cause the claim submitted to the Part B provider/supplier who furnished the ordered or referred item or service to be rejected.

Physicians and NPPs enrolled in Medicare but who have not updated their Medicare enrollment record since November 2003 are urged to update their enrollment record now. Physicians and NPPs who do not have changes to their enrollment data will still need to submit an initial enrollment application to establish a current enrollment record in PECOS.

Physicians and NPPs who are specialists such as pediatrics and are eligible to order or refer items for Medicare beneficiaries, but have not enrolled in Medicare because the services they provide are not covered by Medicare or they treat few Medicare beneficiaries, **still need to enroll in Medicare** to continue to order/refer items or services to Medicare beneficiaries.

**RHCs must enroll in the PECOS program, don’t delay--- do it now.**

### Contraceptive Implant System - a Medicaid Benefit for RHCs

**E**ffective for dates of service on or after January 25, 2010, Medicaid procedure code J7307 is a benefit for rural health clinic (RHC) providers for Texas Medicaid and may be reimbursed once every three years. RHC providers must submit claims for procedure code J7307 with the provider identifier of a physician or nurse practitioner (NP) instead of the RHC provider identifier and must use the appropriate national place of service (72) for an RHC setting. Claims for procedure code J7307 that are submitted by RHC providers with the provider identifier of a physician or NP will be reimbursed at the encounter rate. If a physician assistant (PA) has an individual number, they would bill and receive the encounter rate if they use the appropriate place of service to indicate the service was performed at the RHC. Likewise if the PA performed the service under delegated orders which would be based on the scope practice and authority to delegate by the overseeing physician, then it could be billed under the TPI of the doctor who delegates at the RHC and would be billed with the doctors’ TPI with the appropriate place of service to signify the RHC to receive the RHC encounter rate.

Providers must append the appropriate family planning diagnosis code to claims that are submitted with procedure code J7307.

### Medicaid Terminates after 24 Months of No Claim Activity

**B**eginning April 26, 2010, payment denial codes will be applied to a Texas Provider Identifier (TPI) that has had no claim activity for a period of 24 months or greater. The TPI will be considered inactive and cannot be used to submit claims.

A courtesy letter will be sent to providers whose TPIs have been identified as not having any claims over the previous 18 months. Providers will have six months to submit claims and prevent the TPI from being terminated. After 24 months without claim activity, providers will be sent a termination letter, and a payment denial code will be applied to the provider identifier. If a provider’s Medicaid TPI is terminated, any enrollments with the PCCM Program or the CSHCN Service Program will also be terminated. Claims that are submitted for a terminated TPI after the payment denial code has been applied will be denied.

In addition to claims being received by the Texas Medicaid & Healthcare Partnership (TMHP), claim activity for providers enrolled in Texas Medicaid Managed Care Organizations (MCOs) will also be monitored. Claims inactivity with MCOs will result in termination of the provider’s agreement with Texas Medicaid.

**Providers will have six months to submit claims and prevent the TPI from being terminated.**

### Medicaid Changes for FQHCs and RHCs

**E**ffective **March 1, 2010**, claims submitted by Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs) for services provided to Primary Care Case Management (PCCM) clients are required to include the proper modifiers

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and/or diagnosis codes in the claim details for obstetric and gynecological services, after-hours care, and behavior health services. Details will be available in the Texas Medicaid Bulletin of the May/June issue.

**Effective March 1, 2010**, FQHC and RHC providers must submit the primary care provider’s National Provider Identifier (NPI) in the appropriate field on claims for services that are rendered to a PCCM client for whom they are not the primary care provider. Details and exceptions to this rule will be found in the May/June Texas Medicaid Bulletin and also in Section 7.1.8, “Primary Care Provider Requirements and Information,” of the Texas Medicaid Provider Procedures Manual.

**Effective March 1, 2010**, FQHC and RHC providers appeared in the PCCM Primary Care Provider and Hospital List.

### Chip Rural Service Area Implementation

**CHIP is a state-federal initiative to provide health insurance to children of working families.**

In urban areas, the state contracts with health maintenance organizations (HMOs) to provide benefits. However, HMOs’ provider networks have not typically been able to cover the 170 counties that are not in the urban service areas. Since 2000, Texas has contracted with an exclusive provider organization (EPO) to provide services in these 170 counties. **The current CHIP EPO contract expires August 31, 2010.** The Texas Health and Human Services Commission (HHSC) solicited competitive proposals to provide managed care organization (MCO) services to members residing in rural service areas. HHSC selected Superior Health Plan and Molina Healthcare of Texas to provide comprehensive health care services for CHIP members in the 170 rural counties.

HHSC has signed contracts with Superior and Molina. *The target implementation date is September 1, 2010.* Performance improvement goals have been developed with the HMOs. Enrollment processes for CHIP members have been developed, including a default methodology for members who do not choose a health plan.

### Healthcare Horizons Schedules RHC Workshops in Texas

The 2010 locations in Texas for HealthCare Horizons’ one-day rural health clinic training workshop are:

**May 7 - Dallas at the Wyndham Love Field Hotel**  
3300 W. Mockingbird Lane

**May 14 - San Antonio at the Holiday Inn Riverwalk**  
on Riverwalk Plaza

**The Workshop Agenda: 9:00 to 11:45 am**  
RHC Intro-Management and Cost Reporting  
RHC Medical Records

*Lunch on your own 11:45 am to 1:00 pm.*

1:00 to 2:30 pm – RHC Basic Billing

2:30 to 3:30 pm - RHC Advanced Billing

3:30 to 4:40 pm - Electronic Medical Records in the RHC

Each participant will receive a copy of the workshop manual to take home with them. The workshop tuition remains the same as it has in previous years - \$199 per person.

**Register and pay-on-line at [www.healthcaerhorizon.com](http://www.healthcaerhorizon.com) or by calling 800-399-0874.**

If paying by check, please indicate which location you are attending and mail to :

Healthcare Horizon, 2308 County Road 3007, Bartlesville, OK 74003.



**Joint RHC Association  
Annual Memberships  
Now Available**



The board of the Texas Association of Rural Health Clinics and the board of the National Association of Rural Health Clinics have agreed to a joint membership status for members who want to belong to both the Texas Association and the National Association for a *combined membership fee of only \$500*. This is an annual savings of \$250 whereas if you were to buy separate clinic memberships, you would pay \$300 for TARHC and \$450 for NARHC.

**Effective January 1, 2010**, the National Association increased its clinic membership from \$400 to \$450. So, for those clinics who applied for the joint membership this year they saw a nice discount from what they would have paid in the past to belong to both organizations. What makes sense, \$500 or \$750 for both memberships? This special joint membership does not apply to TARHC’s student, trade association or government agency special discounted membership rates. The joint TARHC /NARHC membership fees are as stated at \$500 per applicant.

***Now is the time to join both associations for one super savings discounted membership fee of only \$500.***

## RETURN SERVICE REQUESTED



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P.O. Box 14547  
Austin, TX 78761

**MARCH 2010**

Visit [www.tarhc.org](http://www.tarhc.org)

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## Summer in Austin – HOT HOT HOT - Inside and Out!

The Texas Association of Rural Health Clinics will conduct its annual RHC education conference and annual association membership meeting from **August 10 to 12, 2010, at the Omni Austin Hotel Downtown in Austin, Texas**. Mark on your calendars that this is one RHC event you don't want to miss. We will give you the latest news on Medicaid and Medicare issues affecting RHCs. Electronic Stimulus info from the State on Medicaid usage to qualify for this electronic health record money to enhance access to care in the rural health clinic.

While the weather may be quite warm outside on the streets, inside it will be cool and comfortable, but some of the information at the RHC Conference that the attendees receive may be hot! What will Medicare look like at that time? Will the forecasted state budget shortfall hurt RHCs?

Its time to bring your ideas to the table to send to our state representatives and state senators for next year's Texas Legislative Session. Let's keep rural health access on their minds.

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

*Now is the time to join both  
associations for one super  
savings discounted membership*

Remember to share  
this newsletter with  
your colleagues.