DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

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- **"Medicare Fraud and Abuse: Prevention, Detection, and Reporting"** Fact Sheet, ICN 006827, Downloadable

MLN Matters® Number: MM8980 | **Related Change Request (CR) #: CR 8980**

Related CR Release Date: December 12, 2014 | **Effective Date: January 1, 2015**

Related CR Transmittal #: R3147CP | **Implementation Date: January 5, 2015**

Calendar Year (CY) 2015 Rural Health Clinic (RHC) and Federally Qualified Health Centers (FQHC) Updates: Payment Rate Increases for RHCs and FQHCs Billing Under the All-Inclusive Rate System (AIR), and Urban and Rural Designations for FQHCs Billing Under the AIR

Provider Types Affected

This MLN Matters® Article is intended for Rural Health Clinics (RHCs) and Federally Qualified Health Centers (FQHCs) submitting claims to Medicare Administrative Contractors (MACs) for services to Medicare beneficiaries.

Provider Action Needed

This article is based on Change Request (CR) 8980 which informs MACs about instructions for the Calendar Year (CY) 2015 payment rate increases for RHCs and FQHCs billing under the all-inclusive rate (AIR) system, and updates to the urban and rural designations for FQHCs billing under the AIR. Make sure that your billing staffs are aware of these changes.

Background

CR8980 provides instructions to MACs for the CY 2015 payment rate increases for RHCs and FQHCs billing under the AIR. As authorized by §1833(f) of the Social Security Act (the Act), the payment limits for a subsequent year are increased in accordance with the rate of increase in the Medicare Economic Index (MEI). The RHC payment limit per visit for CY 2015 is $80.44 effective January 1, 2015, through December 31, 2015. The 2015 RHC rate reflects a 0.8 percent increase above the 2014 payment limit of $79.80. The FQHC payment limit per visit for urban FQHCs for CY 2015 is $130.05 and the payment limit per visit for rural FQHCs is $112.56 effective January 1, 2015, through December 31, 2015. The 2015 FQHC rates reflect a 0.8 percent increase above the 2014 rates of $129.02 and $111.67 in accordance with the rate of increase in the MEI.

CR8980 also provides instructions to the MACs regarding the urban and rural designations for FQHCs that are authorized to bill under the AIR system. Each FQHC site is designated as an urban or rural entity based on the urban and rural definitions in §1886(d)(2)(D) of the Act, which defines urban and rural for hospital payment purposes. If the FQHC is located within a Metropolitan Statistical Area (MSA), then the urban upper payment limit applies. If the FQHC is not in an MSA and cannot be classified as a large or other urban area, the rural payment limit applies. Rural FQHCs cannot be reclassified into an urban area for FQHC payment limit purposes.

The definition of urban and rural is based upon the most recent available data from the Bureau of Census and is issued by the Office of Management and Budget (OMB). OMB reviews its statistical area standards and delineations preceding each decennial census. On February 28, 2013, OMB issued *"OMB Bulletin No. 13-01,"* which established revised delineations for its statistical areas and provided guidance on the use of these delineations. OMB defines an MSA as a Core-based Statistical Area (CBSA) associated with at least one urbanized area that has a population of at least 50,000, and defines a Micropolitan Statistical Area as a CBSA associated with at least one urban cluster that has a population of at least 10,000 but less than 50,000 (75 FR 37252).

On August 22, 2014, CMS published the FY 2015 Hospital Inpatient Prospective Payment System (IPPS) Final Rule (79 FR 49952). This final rule states the Centers for Medicare & Medicaid Services (CMS) policy for using OMB's revised CBSA delineations based on the 2010 Census data for updating the definitions of labor market or geographic areas for purposes of payment under the IPPS, effective October 1, 2014. For the IPPS, MSAs are defined as urban, and Micropolitan Statistical Areas and other non-urban areas are defined as rural. In addition, the IPPS definition of rural and urban is used to determine the rural or urban status of FQHC sites.

Additional Information

The official instruction, CR8980 issued to your MAC regarding this change is available at **http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R3147CP.pdf** on the CMS website.

If you have any questions, please contact your MAC at their toll-free number, which is available at **http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html** on the CMS website.

Seasonal Flu Vaccinations - Generally, Medicare Part B covers one flu vaccination and its administration per flu season for beneficiaries without co-pay or deductible. Now is the perfect time to vaccinate beneficiaries. Health care providers are encouraged to get a flu vaccine to help protect themselves from the flu and to keep from spreading it to their family, co-workers, and patients. Note: The flu vaccine is not a Part D-covered drug. For more information on coverage and billing of the influenza vaccine and its administration, please visit **MLN Matters® Article MM8890**, "Influenza Vaccine Payment Allowances - Annual Update for 2014-2015 Season" and **MLN Matters® Article SE1431**, "2014-2015 Influenza (Flu) Resources for Health Care Professionals."

While some providers may offer flu vaccines, those that don't can help their patients locate flu vaccines within their local community. The HealthMap Vaccine Finder is a free online service where users can search for locations offering flu and other adult vaccines. If you provide vaccination services and would like to be included in the HealthMap Vaccine Finder database, **register** for an account to submit your information in the database. Also, visit the CDC **Influenza (Flu)** web page for the latest information on flu including the CDC 2014-2015 recommendations for the prevention and control of influenza.