

A thick, dark blue curved line with a white outline, sweeping from the left side of the slide, curving upwards, and then sweeping back down towards the right side.

Virginia Rural Health Association

How the C Suite can Manage & Improve their Hospital's RHCs

Jeff Harper



Why do Hospital Administrators need to know more about their RHCs

More
Exposure

Your hospital engages with the community on average every 2.3 years your RHC engages on average 7.2 months

Easy
Revenue

Easiest Revenue generator in your system

340B

Your provider-based RHC is a child site for 340B. RHCs are a major scripts producer for the Hospital.

Not Dept.

The RHC is the only department of the hospital that is NOT a department of the hospital. Most hospitals wish it was not so.

Higher
Rates

For Medicare and Medicaid, the clinic gets an enhanced rate even if the patient is seen only by the NP or PA.

Let's look at the Positives First!

RHCs are good for hospitals

There are 5,660 RHCs nationwide

Virginia has 84



Fee for Svs Rates vs RHC Rates

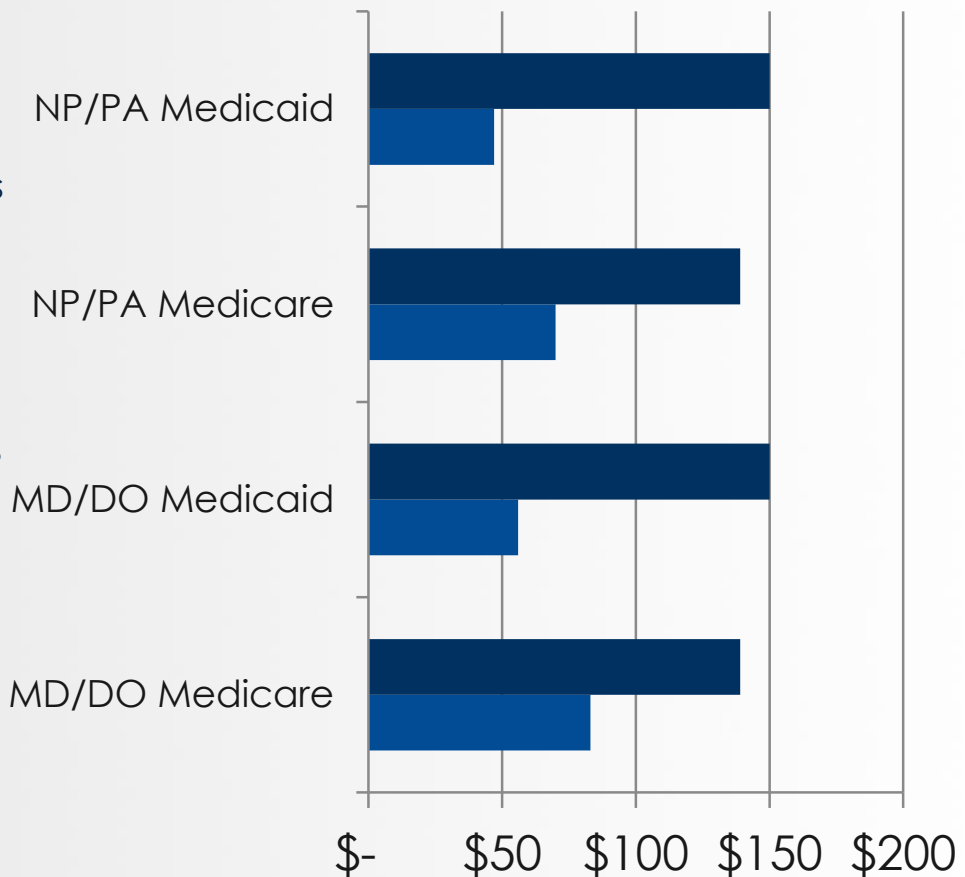
Each RHC's rate is calculated based on cost-based reimbursement from previous year's cost report. There are caps on the calculated rate. In this graph the 2025 cap for clinics created after 2020 was used which is \$152.00. Many of the clinics created before 2021 have a grandfathered cap that is much larger than \$152.00.

RHCs receive a minimum of 167% of the physician fee schedule for MD/DO Medicaid patients and the percentage is even higher with NP/PA (183%)*

And Medicaid MD/DO 168% and NP/PA 215%*

*This is a multi-state average.

■ RHC Rate ■ Fee for Svs





RHC Providers can do More

The Clinic is not the only place they can serve

In the Patient's Home

RHC providers can see patients in their home, nursing home and assisted living facilities. MD, DO, NP or PA can have encounters in all these places of service and still receive the all-inclusive rate as they see Medicare and Medicaid patients.

Reimbursement will be the same for NPs and PAs as it is for MDs and DOs.

Rounding in Swing-Bed or SNF unit

Why pay a hospitalist to round and only receive an average reimbursement of \$65.00 per encounter when the RHC provider will generate \$152.00 to \$180.00 per encounter.

If the CAH had an average Swing bed census of 8, the reimbursement generated for the CAH using RHC providers would be over \$500,000.






THINGS YOU NEED TO KNOW WHILE MANAGING RHCS



Answers to Questions

We need to know

Can the RHC just use the policies of the hospital?

A white pill bottle with a white cap and several blue capsules scattered around it.

No. The hospital policies are for a unique certified CMS facility type, and the RHC is also a unique certified CMS facility type. Hospital conditions of Participation come from 42cfr482 CAHs conditions of Participation 42cfr485 while RHCs conditions of Participation come from 42cfr491.

The background of the slide is decorated with various pills and capsules. At the top, there are several white and blue capsules. A large blue capsule is prominent on the left. In the center, there is a large white pill bottle with a white cap, and several blue capsules are scattered around its base. On the right side, there is a cluster of white and blue capsules. The overall theme is medical or pharmaceutical.

Answers to Questions

We need to know

Do the departments of the hospital have different CCN (PTAN) numbers?


No. However the RHCs have their own CCN numbers because they are not a department of the hospital.



Answers to Questions

We need to know

Should we manage our RHCs as departments of the hospital?




Yes to some degree. Since hospital-owned RHCs are usually provider-based many of the provider-based provisions have be followed even though they are not departments.



Answers to Questions

We need to know

Are there benefits in the fact that the RHC is not a department of the hospital?



Yes. Out-patient departments of a hospital usually have distance restrictions on their location, however, a RHC will not have those location restrictions.


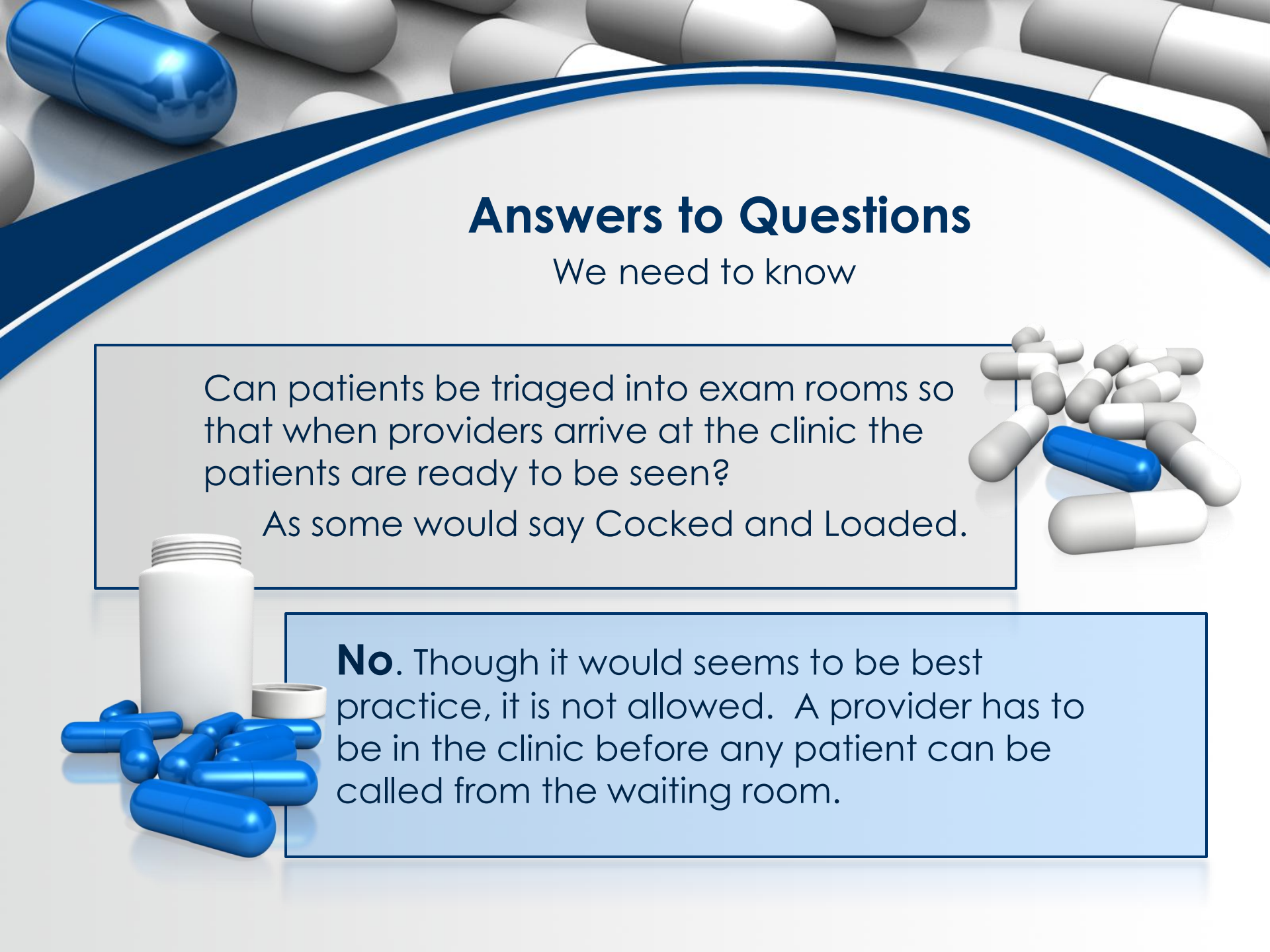


Answers to Questions

We need to know

Can patients be triaged into exam rooms so that when providers arrive at the clinic the patients are ready to be seen?

As some would say Cocked and Loaded.



No. Though it would seem to be best practice, it is not allowed. A provider has to be in the clinic before any patient can be called from the waiting room.

The background of the slide is decorated with various pills and capsules. At the top, there are several white capsules and one prominent blue capsule. A large blue arc frames the top and right sides of the slide. In the bottom left corner, there is a white pill bottle with its cap off, and several blue capsules are scattered around it. On the right side, there is a cluster of white capsules and one blue capsule.

Answers to Questions

We need to know

We don't need an emergency kit is our RHC since the RHC is in the hospital, Right?


Wrong. There is only one set of regulations regardless of location. RHCs are considered First Responders. 42 cfr 491.9



Answers to Questions

We need to know

Our hospital pharmacist can determine what drugs need to be in the emergency kit, Right?

A white pill bottle with its cap removed, and several blue capsules scattered next to it.


Wrong. Appendix G of the State Operations Manual requires the providers of the clinic to make an assessment of what drugs are needed.



Answers to Questions

We need to know

Since our hospital lab is just next door, we don't need to have a lab in the RHC, Right?

A white pill bottle with a white cap, with several blue capsules and white tablets spilling out onto the surface.


Wrong. 491.9 requires that The RHC provides basic laboratory services which includes equipment, supplies and know how for six (6) stated diagnostic tests.



Answers to Questions

We need to know

Once a month why don't we let a specialist from the big city lease a couple of exam rooms to see patients in the RHC space, Good idea?

A white pill bottle with a white cap and several blue capsules scattered around it.

Nope. CMS frowns on having clinics in the RHC clinic. Due to patient privacy issues and different standards of infection control, this type of co-mingling should be discouraged.


And now that RHCs are no longer restricted to 51% primary care specialist are more than welcome in our RHCs. (as of 1/1/2025)



Answers to Questions

We need to know

Marketing thinks the new buzzword is “Urgent Care”, so they propose to add this to the name of our RHC, Call the sign maker and the printer, Let’s get going, Right?



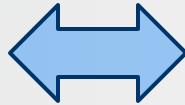
Wait. If we want name changes, no problem after we fill the appropriate paperwork with the MAC. The RHC is certified by name and address, can’t change either without approval.

Emergency Preparedness Plan

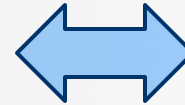
Won't the Hospital's plan cover the RHC?



The RHC must prepare its own risk assessments. The hospital and the clinic have different emergencies.



The exercises performed by the hospital will not count for the RHC unless the clinic is involved in the planning and execution along with documentation and training of all clinic personnel.



The RHC needs its own EPP plan since it has different risks and have specific guidelines that are spelled out in appendix Z of the SOM.



CARE MANAGEMENT PROGRAMS

Are medicare services that RHCs can provide

Advance Care Planning

Behavioral Health Integration

Chronic Care Management

Transitional Care Management

Remote Patient Monitoring

Remote Therapeutic Monitoring

Community Health Integration

Principal illness navigation

Principal Care Management

Advanced Primary Care Management (Not Time Based)

Care Management Element	Chronic Care Management	APCM
Patient Consent	✓	✓
Seen patient within 3 years/initiating visit	✓	✓
24/7 Access	✓	✓
Real time access to records	✓	✓
Needs Assessment/Data Analysis	✓	✓
Preventive Services	✓	✓
Care Plan (internal/external)	✓	✓
Coordination of Care	✓	✓
Offer messaging, email or portal communication	✓	✓
Transitional Care Management		✓
Clinical Documentation	✓	✓
Time Documented	✓	



Feel free to contact us.

Questions? Need More Information?



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