



RHCs & FQHCs

How to Qualify



Background

- Rural Health Clinic Service Act of 1977 (Public Health Law 95-210)
- Section 330 of the Public Health Service Act
- Section 1861(a) of the Social Security Act of 1990



Frequently Asked Questions

- **What is a RHC and what are the benefits?**
 - Safety Net Provider
 - Certified to receive special Medicare and Medicaid reimbursement
 - Required to provide outpatient primary care and lab services
 - Required to use team approach of Physicians and Advanced Practice Clinicians
 - Access to National Health Service Corps



Frequently Asked Questions

- **Will RHC Certifications guarantee a better financial return?**
 - Not necessarily
 - Dependent on payer mix and services offered
 - Perform a financial assesment and consult Rural Assistance Center and other resources

Consultants available through National Association of Rural Health Clinics

Email: info@NARHC.org

Telephone: 866-306-1961

Frequently Asked Questions

- **Does a RHC have to be a public non-profit organization to obtain RHC status?**

NO

- RHC can be for profit, not for profit, public, or private
- RHC can be provider based and linked to a hospital, nursing home, or home health agency
- RHC can also be independent stand alone clinics

Frequently Asked Questions

- **Are there location requirements for RHCs?**

YES

- RHC must be located in non-urban area with a current health care shortage designation such as:
 - HPSA (geographical)
 - HPSA (population based)
 - MUA (medical underserved area)
 - Governor designated area
- No restriction on how closely RHCs can be located to each other
- HPSA designations are renewed every 3 years by an appropriate state agency
- HRSA Information Center:
 - Contact: 1-888-275-4772

Frequently Asked Questions

- **Does a RHC have to be located in a separate building?**

NO

- **RHC can be:**
 - **Stand alone**
 - **Part of an existing building**
 - **Mobile unit**

Frequently Asked Questions

- **Are there special staffing requirements?**

YES

- Staffed by at least 1 Advanced Practice Clinician to see patients at least 50% of the clinics operating hours
- Physicians do not have to be employed by RHC directly
- Medical Director must be present at least once every two weeks for APC supervision
- Effective July 11, 2014- RHC rules are modified to permit independent contractor relationship with APC's in accordance with state law

Frequently Asked Questions

- **How does Medicare Reimburse RHCs?**
 - RHCs receive interim reimbursement throughout clinics fiscal year reconciled at the end of the year through cost reporting
 - Interim rate determined by taking total allowable costs for RHC services divided by allowable visits to RHC patients

Frequently Asked Questions

- **How does Medicaid Reimburse RHCs?**
 - All states are required to recognize RHC services
 - Reimbursement may be through prospective payment system (PPS) based upon the state establishing a per visit rate based on 100% of reasonable costs
 - Reimbursement may also be based on an alternative payment which is at least equal to PPS rate
 - Medicaid agencies also may cover additional services not normally considered RHC services such as dental

Frequently Asked Questions

- **How do I get certified as an RHC?**
 - **Determine site eligibility by contacting state agency responsible for RHC certification:**
 - Located in non-urban area
 - Located in HPSA area
 - **Evaluate financial feasibility**
 - Medicare/Medicaid Mix
 - Cost of hiring APC to offset by additional revenue
 - **File application and CMS provider enrollment form**
 - CMS 855A Medicare Enrollment Application
 - **After application is processed the state will conduct a site inspection**
 - **Upon receipt of Medicare Provider letter from CMS, the new RHC files a projected cost report to obtain its rate**
 - **File application with state Medicaid office to receive its rate which may be different**

Frequently Asked Questions

- **What is a FQHC and what are the benefits?**
 - Safety Net Provider
 - Certified to receive special Medicare and Medicaid reimbursement
 - Eligible to receive grant funding from Public Health Service under Section 330
 - Malpractice coverage through the Federal Torts Claim Act
 - Eligible to purchase medication at reduced cost through 340(b) pricing
 - Access to National Health Service Corps

Frequently Asked Questions

- **Can a for profit or hospital owned clinic be a FQHC?**

NO

- FQHC must be a public entity or a private non-profit organization
- FQHC requires a Board of Directors that must include at least 51% users of the health center

Frequently Asked Questions

- **Are there location requirements for FQHCs?**

YES

- FQHC must be located in or serve a medically underserved area (MUA) or medically underserved population (MUP)
- FQHC may be located in rural or urban areas
- Application may be filed for MUA/MUP designation while FQHC application is also being filed

Frequently Asked Questions

- **Are there special staffing requirements for FQHCs?**

LIMITED

- **Maintain a staffing level that allows for 4,200 visits per year for each full-time equivalent Provider**
- **Majority of Providers, staff, and the Medical Director and CEO should be employed by the Health Center**

Frequently Asked Questions

What types of services must FQHCs provide?

- Primary Care for all ages
- Preventative health services on-site
- Provide following services on-site or by referral:
 - Dental
 - Mental Health
 - Specialty Care
 - Hospital

Frequently Asked Questions

Are there minimum hours that a FQHC must be open?

NO

- Expectation that time and location assures accessibility at least one evening or Saturday session
- Minimum hour requirement exists to obtain FTCA coverage and NHSC providers (ie) 24 to 40 hours per week
- Compliance with state Medicaid office

Frequently Asked Questions

- **How Do I get Certified as a FQHC or FQHC Lookalike?**
 - Existing clinics including RHCs that meet FQHC requirements can request certification
 - See PIN 09-06 FQHC lookalike guidelines
 - New Clinics that meet FQHC requirements and have community support may also file an application for a new access grant.
 - Visit www.hrsa.gov/grants
 - New FQHCs will receive a site inspection from the Bureau of Primary Care prior to receipt of Medicare Provider letter
 - After receipt of Medicare letter FQHC notified of appropriate strategies



- **Strategic Considerations in Seeking Certifications as either an RHC or FQHC:**

- Location of the center
- Level of community commitment
- Results of financial assessment
- Provider capacity in area to be designated
- Explore partnerships with other RHCs , FQHCS and hospitals
- Start up funding
- Develop conservative timeline
- Consult an expert

Helpful Websites

1. Health Resources and Services Administration:

- www.hrsa.gov

2. National Association of Community Health Centers:

- www.nachc.org

3. National Association of Rural Health Clinics:

- www.narhc.org

4. National Rural Health Association:

- www.ruralhealthweb.org