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CMS Grants Flexibility for Rural Health Clinics as WHA Meets with NRHA and AHA to Discuss RHC Advocacy

On Nov. 1, the Centers for Medicare & Medicaid Services (CMS) issued a number of helpful flexibilities for rural health clinics (RHCs) in its final physician fee schedule payment rule.

Elimination of Productivity Standards
Under current law, rural health clinics are required to meet productivity standards that specify physicians must have 4,200 patient visits per full-time equivalent (FTE) physician and 2,100 visits per FTE nurse practitioner, physician assistant, and certified nurse midwife, or a combination of 6,300 visits between the two types of providers (physician/advanced practice provider). Beginning with cost reporting periods ending after Dec 31, 2024, **CMS will no longer require these productivity standards**. CMS said such productivity standards are no longer necessary now that RHCs are subject to upper payment limits as passed by the Consolidated Appropriations Act, 2021.

Elimination of Requirement that More than 50% of RHC Services be Primary Care
CMS also has previously required that more than 50% of the services offered by RHCs be primary care, as surveyed via an RHCs' patient visits. Unfortunately, since CMS views outpatient behavioral health as specialty care, this regulation has significantly constrained RHCs' ability to offer additional behavioral health care services to rural communities. WHA has previously advocated for the RHC Burden Reduction Act, which would eliminate this regulation for RHCs that operate in rural health professional shortage areas.

Effective January 1, 2025, **CMS will no longer require more than 50% of RHC services be for primary care.** Instead, it will require RHCs to provide primary care services, and they may not function as a rehabilitation agency or a facility primarily for the care and treatment of mental disease. CMS says it intends RHCs to offer a range of primary health care services and specialty services beyond behavioral health care, including internal medicine, pediatrics, geriatrics, OBGYN, dermatology, cardiology, neurology, endocrinology and ENT.

Elimination of Certain Required Lab Services
CMS is also eliminating the requirement that RHC lab services include hemoglobin and hematocrit (H&H) and examination of stool specimens for occult blood.

WHA Continued RHC Advocacy
On Nov. 4, WHA members met with the National Rural Health Association (NRHA) and American Hospital Association (AHA) leaders to discuss these new regulatory flexibilities as well as continued advocacy to improve the provision of services offered by RHCs in rural communities. Among the topics discussed were improving payments for provider-based RHCs in light of payment reductions included in the Consolidated Appropriations Act, 2021; flexibility for RHCs that wish to locate to a new facility but are tied to their current address; and how Medicare Advantage plans often pay below regular Medicare rates for RHC services, undermining the mission of an RHC and its ability to afford offering certain services in rural communities. WHA will continue to meet with AHA and NRHA to advance these priorities.

Contact WHA Vice President of Federal and State Relations Jon Hoelter with questions.

Other Articles in this Issue

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