
CMS Manual System

Pub. 100-20 One-Time Notification

Department of Health &
Human Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)

Transmittal 49

Date: JANUARY 30, 2004

CHANGE REQUEST 3075

I. SUMMARY OF CHANGES: Announcement of Medicare Rural Health Clinics (RHC) and Federally Qualified Health Centers (FQHCs) Payment Rate Increase

NEW/REVISED MATERIAL - EFFECTIVE DATE: January 1, 2004

*IMPLEMENTATION DATE: March 2, 2004

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged.

II. CHANGES IN MANUAL INSTRUCTIONS:

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
N/A	

*III. FUNDING:

These instructions should be implemented within your current operating budget.

IV. ATTACHMENTS:

	Business Requirements
	Manual Instruction
	Confidential Requirements
X	One-Time Notification

*Medicare contractors only

Attachment - One-Time Notification

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SUBJECT: Announcement of Medicare Rural Health Clinics (RHCs) and Federally Qualified Health Centers (FQHCs) Payment Rate Increases

I. GENERAL INFORMATION

A. Background:

Change in FQHC and RHC Payment Rates

RHCs:

For calendar year (CY) 2004, the RHC upper payment limit per visit is increased to \$68.65 effective January 1, 2004 through December 31, 2004. The 2004 rate reflects a 2.9 percent increase over the 2003 payment limit in accordance with the rate of increase in the Medicare Economic Index (MEI) as authorized by §1833(f) of the Social Security Act.

FQHCs:

For CY 2004, the FQHC upper payment limit per visit for urban FQHCs is increased to \$106.58 effective January 1, 2004 through December 31, 2004, and the maximum Medicare payment limit per visit for rural FQHCs is increased to \$91.64 effective January 1, 2004 through December 31, 2004. The 2004 FQHC rates reflect a 2.9 percent increase over the 2003 rates, in accordance with the rate of increase in the MEI.

The effective date of January 1, 2004, is necessary in order to update FQHC and RHC payment rates in accordance with §1833(f) of the Act. To avoid unnecessary administrative burden, the intermediary should not retroactively adjust individual RHC/FQHC bills paid at previous upper payment limits.

The intermediary does, however, retain the discretion to make adjustments to the interim payment rate or a lump sum adjustment to total payments already made to take into account any excess or deficiency in payments to date.

B. Policy: N/A

C. Provider Education: None

II. BUSINESS REQUIREMENTS

Requirement #	Requirements	Responsibility
Requirement #1	Intermediaries must increase their upper payment limit of \$68.65 per visit to reflect FY '04 rate increase of 2.9 percent	All RHCs and intermediaries
Requirement #2	Intermediaries must increase their upper payment limit per visit to reflect FY '04 rate increases of 2.9 percent for urban (\$106.58) and	All FQHCs and intermediaries

	rural (\$ 91.64) areas.	
Requirement #3	Intermediaries should not retroactively adjust individual RHC/FQHS bills paid at previous upper payment limits	All FQHCs/RHCs and intermediaries

III. SUPPORTING INFORMATION & POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

IV. SCHEDULE, CONTACTS, AND FUNDING

Effective Date: January 1, 2004 Implementation Date: March 2, 2004 Pre-Implementation Contact(s): Rochel Kujawa at 410-786-9111 Post-Implementation Contact(s): Rochel Kujawa at 410-786-9111	These instructions should be implemented within your current operating budget.
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