Program Memorandum Intermediaries

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

Transmittal A-03-021 **Date: MARCH 28, 2003**

CHANGE REQUEST 2511

SUBJECT: Announcement of Medicare Rural Health Clinics (RHCs) and Federally Qualified Health Centers (FQHCs) Payment Rate Increases, Clarification on Coverage and Payment of Diabetes Self-Management Training Services and Medical Nutrition Therapy Services

Change in FQHC and RHC Payment Rates

RHCs:

For calendar year (CY) 2003, the RHC upper payment limit per visit is increased as follows.

For services rendered January 1, 2003 through February 28, 2003, the RHC upper payment limit is increased to $66.46, which reflects a 2.6 percent increase over the 2002 upper 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. CMS is required to use the 2002 rate of increase in the MEI for this period due to the delayed effective date of the 2003 MEI.

For services rendered March 1, 2003 through December 31, 2003, the RHC upper payment limit is increased to $66.72. The 2003 rate reflects a 3.0 percent increase over the 2002 upper 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 2003, the FQHC upper payment limits per visit are increased as follows:

For services rendered January 1, 2003 through February 28, 2003, the urban FQHC upper payment limit is increased to $103.18, and the rural FQHC upper payment limit is increased to $88.71, reflecting a 2.6 percent increase over the 2002 upper payment limits. CMS is required to use the 2002 rate of increase in the MEI for this period due to the delayed effective date of the 2003 MEI.

For services rendered March 1, 2003 through December 31, 2003, the urban FQHC upper payment limit is increased to $103.58 and the rural FQHC upper payment limit is increased to $89.06. The 2003 FQHC rates reflect a 3.0 percent increase over the 2002 rates, in accordance with the rate of increase in the MEI.

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. (§504.2 of CMS Pub. 27, *The Medicare Rural Health Clinic and Federally Qualified Health Center Manual*.)

Diabetes Self-Management Training Services and Medical Nutrition Therapy Services

Diabetes self-management training services and medical nutrition therapy services rendered by registered dietitians or nutrition professionals are included under the RHC/FQHC benefit, if all relevant program requirements are met.

Separate payment under Part B to RHCs and FQHCs for these services provided by these practitioners is precluded as set forth in regulations at §414.63 and 64 as well as in Medicare manuals.

However, RHCs and FQHCs are permitted to become certified providers of diabetes self-management training and medical nutrition therapy services and bundle the cost of such services into their clinic/center payment rates. Please note that the provision of these services would not generate an RHC or FQHC visit. However, as explained above the costs of these services can be claimed on the RHC/FQHC cost report and bundled into the all-inclusive payment rate.

RHC/FQHC Guidelines for Signature and Documentation of Medical Records

The requirements for patient health records are spelled out in regulations at §491.10 (a)(3)(i-iv), which state the following:

For each patient receiving health care services, the clinic or center maintains a record that includes, as applicable –

1. Identification and social data, evidence of consent forms, pertinent medical history, assessment of the health status and health care needs o the patient, and a brief summary of the episode, disposition, and instructions to the patient;

2. Reports of physical examinations, diagnostic and laboratory test results, and consultative findings;

3. All physician's orders, reports of treatments and medications, and other pertinent information necessary to monitor the patient's progress;

4. Signatures of the physician or other health care professional.

The current interpretive guidelines for signature and documentation of medical records in RHCs and FQHCs do not expand on the above stated policy. However, since the RHC/FQHC regulations and guidelines were published in 1978, medical professionals have been using advances in technology to assist in the development of medical record documentation. CMS has adopted the hospital guidelines for electronic medical records and electronic signatures for other providers. These guidelines are now applicable to RHCs/FQHCs. These guidelines state the following:

1. Only individuals specified in hospital and medical staff policies may make entries in the medical record. All entries in the medical record must be dated and authenticated, and a method established to identify the author. The identification may include written signatures, initials, computer key, or other code.

2. When rubber stamps are authorized, the individual whose signature the stamp represents shall place in the administrative offices of the hospital a signed statement to the effect that he/she is the only one who has the stamp and uses it. There shall be no delegation to another individual. A list of computer or other codes and written signatures must be readily available and maintained under adequate safeguards. There shall be sanctions for improper or unauthorized use of stamp, computer key, or other code signatures.

3. The parts of the medical record that are the responsibility of the physician must be authenticated by this physician. When non-physicians have been approved for such duties as taking medical histories or documenting aspects of physician examination, such information shall be appropriately authenticated by the responsible physician. Any entries in the medical record by house staff or non-physicians that require counter signing by a supervisory or attending medical staff members shall be defined in the medical staff rules and regulations.

4. There must be a specific action by the author to indicate that the entry is verified and accurate. Any system that would meet the authentication requirements are as follows:

    - Computerized systems that require the physician to review the document on-line and indicate that it has been approved by entering a computer code.

    - A system in which the physician signs off against a list of entries that must be verified in the individual record.

    - A mail system in which transcripts are sent to the physician for review, then he/she signs and returns a postcard identifying the record and verifying their accuracy.

A system of auto-authentication in which a physician or other practitioner authenticates a report before transcription is not consistent with these requirements. There must be a method of determining that the practitioner did, in fact, authenticate the document after it was transcribed.

Also, we do not expect RHCs/FQHCs to conform to signature guidelines that are more stringent than those stated for hospitals. For example, stamped signature need not be countersigned or initialed by the provider. This would negate the expediency of using a stamped signature. Neither should unsigned dictations be accepted as an acceptable practice.

Promptly notify all RHCs/FQHCs of these changes.

Effective Date: January 1, 2003.

Change in FQHC and RHC payment rates – at tentative or final cost settlement.

Target Implementation Date: July 1, 2003.

For questions pertaining to payment and coverage, contact David Worgo, on (410) 786-5919. For questions concerning claims processing, contact Gertrude Saunders (410) 786-5888. For questions pertaining to RHC/FQHC guidelines for signature and documentation of medical records, please contact Jacquelyn Kosh-Suber at (410) 786-0618.

This Program Memorandum (PM) may be discarded after December 31, 2004.