

Chapter 29

Rural Health Clinic (RHC) and Federally Qualified Health Centers (FQHC)

Billing Information – Please review the [South Country Provider Manual Chapter 4 Provider Billing](#) for general billing processes and procedures.

This chapter refers to services provided by a Rural Health Clinic (RHC) or Federally Qualified Health Center (FQHC) and applies to only those programs outlined in your organization's participation agreement with South Country Health Alliance (South Country), for more detailed information, providers are encouraged to visit:

- Centers for Medicare and Medicaid Services (CMS):
 - <https://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/CertificationandCompliance/RHCs.html>
- Minnesota Health Care Programs (MHCP):
 - http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=dhs16_155131

FQHCs and RHCs provide covered services to South Country members in a manner similar to other physician clinics. However, federal mandates and guidelines apply specifically to FQHCs and RHCs.

Eligible Providers

Individual providers within the enrolled FQHC or RHC may include the following:

- Chiropractor
- Clinical psychologist
- Clinical social worker
- Dentist
- Nurse practitioner
- Nurse midwife
- Physician
- Advanced dental therapist
- Dental therapist
- Physician assistant
- Qualified mental health professional

FQHC and RHC providers who provide substance use disorder (SUD) services must first enroll following MHCP criteria.

Covered Services

Payments for covered RHC/FQHC services furnished to South Country members are made based on an all-inclusive rate per covered visit. South Country covers one medical encounter and one dental encounter per day. This must include a face-to-face encounter between the patient and an eligible health care provider. A face-to-face service includes telehealth services provided by an eligible provider. Encounters with more than one health professional and multiple encounters with the same health professional that take place on the same day and at a single location constitute a single visit. An exception occurs in cases in which the patient, subsequent to the first encounter, suffers an illness or injury requiring additional diagnosis or treatment.

South Country covered services descriptions:

Services	Description
Dental services	Provide in compliance with dental service guidelines
Drugs and biologicals	Incidental to a FQHC or RHC professional service only if they cannot be self-administered
FQHC or RHC professional services inpatient visits	Services provided to FQHC or RHC patients if covering inpatient hospital visits
FQHC or RHC surgical services	Provided to FQHC or RHC patients if surgical services are directly provided by the center or clinic
RN or LPN part-time or intermittent nursing care	In an area in which a shortage of home health agencies exists, part-time or intermittent nursing care by a registered nurse or licensed practical nurse to a homebound person under a written plan of treatment, either established and reviewed by a physician every 60 days or established by a nurse practitioner or physician assistant and reviewed at least every 60 days by a supervising physician.
Mental health	Provided in compliance with mental health guidelines
Obstetrical or perinatal	Provided by a FQHC or RHC professional in compliance with medical service guidelines .
Pharmaceuticals	Provided by a FQHC or RHC in compliance with pharmacy guidelines
Services and supplies	Incidental to FQHC or RHC professional services; covered by the encounter rate if they are: <ul style="list-style-type: none"> • Of a type commonly furnished in physicians' offices • Of a type commonly rendered either without charge or included in the bill • Furnished as an incidental, although integral, part of a physician's professional services Furnished under the direct, personal supervision of a physician • Provided by a member of the clinic's health care staff who is an employee of the clinic

SUD Services	FQHC and RHC's must have a 245G Substance Use Disorder treatment license in order to provide non-residential treatment services including individual and group therapy, comprehensive assessments, treatment coordination and peer recovery support. Obtain licensure and then refer to Substance Use Disorder (SUD) services Enrollment Criteria and Forms for MHCP enrollment and substance use disorder services guidelines for additional information on coverage.
Vaccines	Incidental to FQHC or RHC professional services. Please review the Immunizations and Vaccinations manual

In addition, MA coverage of services furnished by a FQHC or RHC includes all other ambulatory services covered under the Minnesota State Plan that are furnished by the FQHC or RHC. Non-dental ambulatory services are part of the medical encounters and are included in developing the medical encounter payment rate for both PPS and Minnesota's APMs.

Additional information may be found in the [CMS Internet Only Manual \(IOM\)](#) or the [MHCP Provider Manual](#).

Non-Covered Services

Services that are provided outside of the scope of an RHC/FQHC are not covered under the RHC/FQHC benefit. If these services are covered under another Medicare benefit category, they may be separately billable to the Medicare carrier/intermediary as appropriate.

Services that South Country does not cover are not covered as FQHC or RHC services.

No payment can be made under Medicare Part A or Part B for items and services with the following characteristics:

- Not reasonable and necessary
- No legal obligation to pay for or provide
- Furnished or paid for by other government entities
- Not provided within the United States
- Personal comfort
- Routine services and appliances
- Supportive devices for feet
- Custodial care
- Cosmetic surgery
- Charges by immediate relatives or members of household.
- Dental services
- Paid or expected to be paid under a Medicare Secondary Payer (MSP) provision
- Non-physician services provided to a hospital inpatient that were not provided directly or arranged for by the hospital

RHC/FQHC Services for Hospital Inpatient and Outpatient

Payment may not be made to practitioners for services provided to hospital inpatients and outpatients for practitioners who are compensated under the RHC/FQHC agreement. If the practitioner isn't compensated under the RHC/FQHC agreement, they may seek payment for those services from South Country.

Skilled Nursing Facility Services

Payment may be made to the RHC for services provided to a South Country member in a Part A stay in a Medicare certified Skilled Nursing Facility (SNF).

General Billing Requirements

RHC and FQHCs are required to bill Medicaid Services (PMAP, MNCare and SNBC programs without Medicare Coverage) using the 837P (CMS 1500) or 837D format.

Providers are required to bill services using the 837I (UB04) format for services provided to South Country member on any of the Medicare programs (AbilityCare, SharedCare - SNBC or SeniorCare Complete - MSHO).

FQHC and RHC Medicare crossover claims

Any FQHC and RHC Medicare-denied (for non-coverage) 837I crossover claims received will be denied with remark code N34. FQHCs and RHCs must resubmit 837I Medicare-denied crossover claims using the 837P format.

Claims processing Jurisdiction for FQHC and RHC Managed Care Organization (MCO) Carve-out

The following are carve-out process exclusions:

1. Medicare claims follow standard Medicare billing practices. South Country handles final resolution and does not forward claims to DHS.
2. Claims in which a third-party insurer (TPL) paid the claim in full
3. Behavioral and Medical Health Care Home claim procedure codes S0280 and S0281. South Country will continue to pay these claims directly to the provider.
4. South Country pays directly for all MinnesotaCare member claims

FQHCs must submit claims for South Country members directly to MHCP for payment. RHCs must continue to follow the MCO carve-out process. All South Country claims submission must continue to follow South Country's prior authorization, benefit limits, and copays requirements.

FQHC full MCO carve-out

All MHCP claims submission rules apply to the full MCO carve-out process, including prior authorizations, benefit limits, copays, and interpreter services. Referrals for South Country restricted recipient program (RRP) members from a designated provider requesting to be seen by an FQHC that is not the member's designated provider, should continue to be submitted to South Country for review.

The following are carve-out process exclusions:

1. Medicare claims follow standard Medicare billing practice. South Country handles final resolution.

2. Behavioral and Medical Health Care Home claim procedure codes S0280 and S0281. South Country will continue to pay these claims directly to the provider.
3. All MinnesotaCare claims.

Additional details from MHCP Provider Manual regarding this carve-out can be found on the Minnesota Department of Human Services (DHS) [Federally Qualified Health Center and Rural Health Clinics web page](#).