



March 30, 2020

To: RHC Community

From: Bill Finerfrock  
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National Association of Rural Health Clinics

**Re: RHC Relief Options in Recently Signed CARES Legislation**

On Friday, March 27, President Trump signed into law the Coronavirus Aid, Relief, and Economic Security (CARES) Act. There are several provisions in this new law that will directly affect Rural Health Clinics and your ability to remain open to see patients during the duration of the COVID-19 pandemic. In particular, there are four provisions of the bill that I wanted to go through:

1. Authorization of physicians, PAs, NPs and other RHC recognized clinicians to engage in telehealth visits with your RHC patients – and get paid for those telehealth visits;
2. Grants for Health care providers – including Rural Health Clinics – to cover the revenue loss you have and will experience due to the COVID-19 pandemic;
3. Small Business Loans (which can be forgiven) to cover the cost of employee salaries and rent if you keep your practice open during the pandemic.
4. Expanded availability of Medicare Advanced Payments

**1. RHC telehealth benefit**

As part of the CARES Act, Congress has authorized Rural Health Clinics to be the “distant site” for telehealth visits. Until now, RHCs could only be the originating site for these visits. CMS is working on the guidance necessary to allow you to begin submitting claims for these visits but you can begin doing these visits as of March 27<sup>th</sup>. You will have to hold these claims until the billing guidance is issued.

**New Vs. Established Patient?**

Under a separate provision of the CARES Act, you can engage with any Medicare eligible patient (new or established) for a medically necessary visit. Originally, telehealth visits were limited to “established” patients however, this restriction has been lifted.

**Telehealth Technology**

The technology you can use for this telehealth visit has been expanded. Previously, you could only engage with a patient via a HIPAA compliant technology (privacy and security). The HHS Office of Civil Rights, which oversees and enforces the HIPAA privacy and security standards has said that providers can use a “smart” telephone or computer to engage with the patient. The device must have both audio AND video connection with the patient – at this time. There is some discussion about expanding this to telephone only but that has not yet been approved. Also, several state Medicaid programs are allowing use of a traditional (audio only) phone for telehealth so check with your Medicaid program to see if you can use a regular phone or you must use a smart phone.

### **Medicare Co-insurance for telehealth**

The Office of Inspector General has said that if a provider wishes to waive collection of the 20% coinsurance, they can and the OIG will not consider this a violation of the anti-kickback rules. This is voluntary. If you choose to collect, you can.

### **RHC billing for telehealth**

We are still awaiting guidance from CMS on how RHCs should bill for telehealth visits and also information on how a telehealth visit will be paid and how much you will be paid. We are also awaiting guidance on what – if any – impact this will have on the RHC cost report.

## **2. Healthcare Provider “lost revenue” Grants**

The CARES Act establishes a \$100 billion grant fund exclusively for health care providers who are enrolled in the Medicare and Medicaid program. The purpose of this fund is to provide grants to healthcare providers who have experienced a reduction in revenue due to the COVID-19 pandemic.

For example, many RHCs have reported that they have seen a significant drop in patient volume because patients are concerned about coming into the office – even for routine visits. These are not just Medicare patients, but Medicaid and commercially insured patients as well. Consequently, RHC cash flow is a serious problem.

CMS is currently working on a formula to determine how to calculate a provider’s lost revenue. One option, for example, would be to compare RHC visit volume for March with monthly volume for the corresponding month in 2019. Calculate the visit difference and provide a grant to the RHC for that number times the RHC All-inclusive rate. A similar approach could be used for provides paid using the fee-schedule.

It may take a while for CMS to have all of the necessary applications in place to get the money flowing but these grants could be critically important for RHCs that are experiencing a revenue decline due to COVID-19. More on this as it becomes available.

### **3. Small Business Administration Loans/Grants**

The CARES Act creates the Paycheck Protection Loan Assistance program which expands and modifies an existing Small Business Administration (SBA) Loan program. Some might think that during this time of economic uncertainty, this would be the worst time to take out a loan but please take a moment to review the details because you might be surprised by what you learn about this unique “loan” program.

The purpose is to help ANY business that is struggling financially due to the COVID-19 pandemic. Banks are authorized to make low-interest government-based loans to small businesses to help pay for employee salaries as well as the business’s rent/mortgage or certain other business expenses incurred between February 15<sup>th</sup> and June 30<sup>th</sup>.

What makes this “loan” program unique is that the government will be able to **FORGIVE** all or most of this loan if the business does not terminate employees during the pandemic. If the small business uses the loan to cover monthly expenses such as: payroll, continuation of health benefits for employees, rent, mortgage, utilities and interest on other loans you may have, then that portion of the loan will be forgiven.

Applicants will go through an approved bank for this program and will have to provide the bank with information showing your anticipated need (income and expenses). In calculating payroll expense, the business you will only include individual compensation up to \$100,000. So if an employee makes \$150,000 per year, you can only list compensation of \$100,000 for that specific employee on the application.

If any portion of the loan is not forgiven, that portion of the loan will bear interest (but no more than 4%). The bank is forbidden from asking for collateral or a personal guarantee. There is also no requirement that you seek credit elsewhere and get turned down before applying for these loans.

**Again, all or a significant portion of this loan can be FORGIVEN based on the percentage of people you employ during the pandemic compared to the same period in 2019. If you use this loan to keep paying your employees, paying your rent or mortgage, utilities, etc., and you maintain your workforce, that portion of the loan is FORGIVEN.**

Furthermore, if your loan is forgiven, it will be deemed “canceled” and will NOT be included in the gross income of the business by the IRS.

As part of the qualifying process, you will need to certify that

- You needed the money due to the uncertainty caused by the COVID-19 pandemic
- The loan funds will be used for legitimate business purposes
- The loan will not duplicate assistance already received via another program.

Should you apply for one of the healthcare provider grants mentioned above, this would likely affect your ability to participate in this SBA program or limit the amount of money you can borrow under this program to avoid duplicate” payments.

More details on this to follow. You can also visit the Small Business Administration website – [www.sba.gov](http://www.sba.gov) or your lending institution to get more information.

#### **4. Medicare Advanced Payments**

The Coronavirus Aid, Relief, and Economic Security (CARES) Act authorizes CMS to expand the current Accelerated and Advance Payment Program to a broader group of Medicare healthcare providers and suppliers. The expansion of this program is only for the duration of the public health emergency.

An accelerated/advance payment is a payment intended to provide necessary funds when there is a disruption in claims submission and/or claims processing.

CMS is authorized to provide accelerated or advance payments during the period of the public health emergency to any Medicare provider/supplier who **meets the required qualifications** (see below) and who submits a request to the appropriate Medicare Administrative Contractor (MAC).

To qualify for advance/accelerated payments the provider/supplier must:

1. Have billed Medicare for claims within 180 days immediately prior to the date of signature on the provider/supplier request form,
2. Not be in bankruptcy,
3. Not be under active medical review or program integrity investigation, and
4. Not have any outstanding delinquent Medicare overpayments.

Healthcare providers seeking an advanced Medicare payment can request a specific amount using a form available on each Medicare Administrative Contractor’s website. Most healthcare providers will be able to request up to 100% of the Medicare payment amount for a three-month period. The provider can continue to submit claims as usual after the issuance of the accelerated or advance payment

Repayment of the advanced payments will commence 120 days after the date of issuance of the payment and providers will have 210 days from the date of the accelerated or advance payment was made to repay the balance.

At the end of the 120-day period, the recoupment process will begin and every claim submitted by the provider will automatically be offset from the new claims to repay the advanced payment. Thus, instead of receiving payment for newly submitted claims, your outstanding advance payment balance is reduced by the claim payment amount.

For a more detailed explanation of this initiative, you can review the CMS [Advanced Payment Fact Sheet](#).

For more information and to get a copy of the form to request an advanced payment, go to your Medicare Administrative Contractor's website or call your MACs Corona Virus Hotline:

**CGS Administrators** - Jurisdiction 15  
The toll-free Hotline Telephone Number: 1-855-769-9920  
Hours of Operation: 7:00 am – 4:00 pm

**First Coast Service Options Inc.** - Jurisdiction N  
The toll-free Hotline Telephone Number: 1-855-247-8428  
Hours of Operation: 8:30 AM – 4:00 PM

**National Government Services (NGS)** - Jurisdiction 6 & Jurisdiction K  
The toll-free Hotline Telephone Number: 1-888-802-3898  
Hours of Operation: 8:00 am – 4:00 pm

**Novitas Solutions, Inc.** - Jurisdiction H & Jurisdiction L  
The toll-free Hotline Telephone Number: 1-855-247-8428  
Hours of Operation: 8:30 AM – 4:00 PM

**Noridian Healthcare Solutions** - Jurisdiction E & Jurisdiction F  
The toll-free Hotline Telephone Number: 1-866-575-4067  
Hours of Operation: 8:00 am – 6:00 pm

**Palmetto GBA** - Jurisdiction J & Jurisdiction M  
The toll-free Hotline Telephone Number: 1-833-820-6138  
Hours of Operation: 8:30 am – 5:00 pm

**Wisconsin Physician Services (WPS)** - Jurisdiction 5 & Jurisdiction 8  
The toll-free Hotline Telephone Number: 1-844-209-2567  
Hours of Operation: 7:00 am – 4:00 pm