Major RHC Cost Reporting Changes Announced

(New Cost Report Forms for Independent RHCs)

Twenty-five years is a long time. The number one song twenty-five years ago was Whitney Houston's "I Will Always Love You", the price of gasoline averaged $1.11 per gallon, and the internet was in its infancy. In 1992, Rural Health Clinics (RHCs) which had been around since 1977 were required to change their cost reporting forms to incorporate a new type of provider, a Federally Qualified Health Center (FQHC). In 2014, FQHCs moved out of the RHC Cost Report and were reported on Cost Reporting Form 224-14. For 2018, there is a major change in RHC cost reporting as FQHC data is no longer accumulated on the RHC cost reports and we can e-file the reports.

Independent Rural Health Clinics will have to provide new information for their annual cost report submissions this year. The Centers for Medicare and Medicaid Services (CMS) has replaced the CMS-222-92 form with the new CMS-222-17 and replaced Chapter 29 of the Provider Reimbursement manual with Chapter 46. Instructions and forms were provided by CMS in Transmittal 1 on May 18, 2018 and the new cost report forms are required for cost report submissions ending on or after September 30, 2018. Alternatively, provider-based RHCs in a hospital healthcare complex, will continue to use Form CMS-2552-10 instead. Below is a link to the new cost report forms and instructions.

https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2018Downloads/R1P246.pdf

The reason for the changes to the independent RHC cost report are as follows:

1. To incorporate electronic filing of the cost report using the MCReF system. The following link has information on how MCReF works: https://www.cms.gov/Medicare/Compliance-and-Audits/Part-A-Cost-Report-Audit-and-Reimbursement/MCReF.html
2. To eliminate unnecessary FQHC information due to the Form 224-14 used by FQHCs
3. To incorporate information previously submitted on the Form 339 Questionnaire (no longer required)
4. To expand the number of cost centers and add specific cost centers for costs such as:
    a. Pneumococcal vaccines (CR 30)
    b. Influenza vaccines (CR 31)
    c. Telehealth (CR 79)
    d. Chronic Care Management (CR 80)
5. To capture additional information from the RHC such as:
    a. Malpractice premiums, paid losses, and self-insurance
    b. Medical visits, mental health visits, and visits by interns and residents
    c. Visits by payor mix (Worksheet S-3)
        i. Title V- CHIP
        ii. Title XVIII – Medicare
        iii. Title XIX – Medicaid
        iv. Other – Commercial, self-pay, etc.
6. To capture dates important to cost reporting (Worksheet S-1)
    a. Date Certified
    b. Date Decertified
    c. Date of CHOW

As you can see, cost reporting will change dramatically in 2019 for independent RHCs. You will need to get an early start on capturing your data and reporting to your cost report preparer and if you want to have your cost report electronically filed, you will need to designate a person as your cost report preparer to submit the data. There will no doubt be a learning curve for both the Medicare Administrative Contractors (MACs) and your cost report preparers. Of course, you can learn a lot more about this at the National Association of Rural Health Clinics Spring Institute in San Antonio on March 20-22, 2019. Good luck and get started early!!!

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