Are you Split-Billing Correctly?

Now is the time to be sure!

Recently Palmetto GBA, one of the Medicare Administrative Contractors (MAC), announced that it would begin cross-auditing Rural Health Clinic (RHC) Part A and Part B claims. It was only a matter of time before the processes were in place for a MAC to do this. It is also only a matter of time before other MACs follow suit.

What does this mean for RHCs? In a nutshell, it means that we need to STOP right now and make sure that we are split-billing our RHC and non-RHC services correctly. Otherwise, RHCs could face audits, recoupments and patient refunds.

What should you do? You should self-audit a sample of your Medicare claims and remittance advices to test if you are correctly reporting services using the UB-04/837I format versus the 1500/837P format. You should also retrain your providers and billing staff about the differences between RHC services (UB-04) which are included in the AIR and non-RHC services (1500) which are reimbursed outside of the encounter rate. Lastly, you should make sure that your EHR/PM system is configured properly to make the split happen as it should. This can be problematic for both established and new RHCs. The split-bill processes can be very complex depending on your product. You may need to validate with your vendor that all rules, claim logic, and exceptions are accurate. Ideally, the roll-ups and splits should be done behind the scene and should not alter patient account detail.

What does this mean for independent RHCs? Because independent RHCs file claims to both Part A and Part B, they will be more subject to MAC cross-auditing. It's imperative that the services split correctly to prevent either the unbundling of RHC services which should be included in the AIR or to prevent commingling or cherry-picking when billing services to Medicare Part B.

What does this mean for provider-based RHCs? Provider-based RHCs split their services between their own CCN and that of their parent hospital if it is less than 50 beds. These clinics do not split bill between Part A and Part B. Nevertheless, it is still a great time to self-audit, evaluate your system configuration, and redesign workflow to ensure that RHC and non-RHC services are being captured and reported correctly.

Which services are RHC services reported on the UB-04? Although the RHC Qualifying Visit List is not exhaustive, it is a great place to start when determining if a CPT/HCPCS® qualifies as an encounter. Any service which is incident-to the visit code should also be included on the UB-04 claim. That can include other office procedures, injections, and drugs as well as the professional component of interpreting and reporting a diagnostic test.

Which services are non-RHC services which split to Part B or the parent hospital? Laboratory services, including point-of-care waived testing & the six required RHC labs, are billed either to Part B for an independent RHC or as hospital outpatient services for a provider-based RHC as discussed above. Any technical component of a diagnostic service is also split-billed. Examples would include imaging, EKG tracing and other diagnostics which use equipment or a machine to perform the test.

What are the most common errors when split-billing or rolling up charges? One common error is to include the six required labs on the UB-04 rolling the charges into the -CG line. This can result in a miscalculation of the patient deductible & coinsurance or it can result in a denial since lab is not an RHC service. Another mistake is to incorrectly split out procedures to Part B. This is a commingling issue. CMS Policy Benefit Manual Chapter 13 is clear that RHCs cannot perform services within a treatment room within the RHC opting to bill those services to Part B. This is a practice that is still widely, but erroneously, done.

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