

RURAL MATTERS

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THA Small or Rural Conference

Approximately 50 small or rural hospital chief executive officers, board members and other staff attended the recent THA Small or Rural Conference in Nashville.

During the conference, Jim McMackin, chairman of the THA Small or Rural Constituency Section, received the first THA Small or Rural Leadership Award in recognition of his dedication and service to Tennessee's small or rural hospitals.

The following individuals were elected as officers for THA's Small or Rural Constituency Section: Jim Gann, Roane Medical Center, currently serving as vice chairman, will become chairman; Bill Gracey, LifePoint Hospitals, vice chairman; and Larry Lindsey, Decatur County General Hospital, re-elected to the small or rural executive committee.

Change in Rural Health Clinic Payment Rates

The Center for Medicare and Medicaid Services (CMS) recently announced the Rural Health Clinic (RHC) upper payment limit per visit has increased as follows for calendar year (CY) 2003:

- For services rendered January 1, 2003, through February 28, 2003, the RHC upper payment limit 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 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 MEI as authorized by §1833(f) of the Social Security Act.

To avoid unnecessary administrative burdens, the intermediary should not retroactively adjust individual RHC 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.*)

RHC Update Seminar Schedule

Healthcare Business Specialists, Chattanooga, recently announced its Rural Health Clinic (RHC) Update seminar schedule for 2003.

These one-day seminars are designed to update RHC personnel on legislative, billing and cost reporting issues in rural health clinics. Personnel from intermediaries (Riverbend), Medicaid and other agencies have been invited to attend the programs.

The seminars qualify for eight hours of continuing education credits and are accredited by the National Association of State Boards of Accountancy (NASB).

For more information, contact HBS at 800-768-0278.

Distance Learning, Telemedicine Grants Available

The U.S. Department of Agriculture's Office of Rural Development is accepting applications for the distance learning and telemedicine grant program for 2003.

This program is designed to meet the educational and healthcare requirements of rural America. The purpose of the program is to provide financial assistance to enhance learning and healthcare opportunities for rural residents. The program asks applicants to define the educational or healthcare problems that face their communities and determine how federal distance learning or telemedicine assistance can help.

Approximately \$27 million in grants and \$300 million in loans are available. Funding is structured to provide three categories of financial assistance: 100 percent grants, 100 percent loans, and combination loan-grants.

The deadlines for submitting applications are May 2 and July 31. An application guide is available to assist in the preparation of applications. It is located on web at <http://www.usda.gov/rus/telecom/dlt/dlt.htm> or by calling 202-720-0413.

Rural Health Network Development Planning Grant Program

The federal Office of Rural Health Policy has been authorized by the Safety Net Bill of 2002 to award network development planning grants.

These grants provide funding to rural communities needing assistance in the development of an integrated healthcare network. The planning grants are to be used to develop a formal network with the purpose of improving the coordination of health services in rural communities and strengthening the rural healthcare system as a whole.

- Planning grants provide one year of funding for entities in rural communities without a significant history of collaboration to develop an integrated healthcare network.
- The program requires the participation of at least three separately owned entities to form the core of the formative network. The grantee organization must be rurally based.
- The statute requires that preference be given to applicants that serve medically underserved populations (MUPs) or in which at least 50 percent of the service area covered by the network is located in a health professional shortage area (HPSA) or medically underserved area (MUA).

The application for the one-year network development planning grant program is different from the network development grant. Hospitals should review both programs carefully before deciding which one is most appropriate for their region.

Applications will be available June 2 and are due September 10. For additional information, contact Michele Pray-Gibson at 301-443-0835, mpray@hrsa.gov.