

CMS RHC Rule & Governor's Shortage Designation

Federal CMS RHC Rule Update

No new activity on the proposed federal Rule changes for Rural Health Clinics. The Rule process has slowed (new Admin., ARRA, health reform).

- It is still expected that the CMS RHC Rule will be finalized, to allow better targeting of federal resources to RHCs that are increasing access to care for rural underserved populations.
- 11 of Wisconsin's RHCs are not located in current HPSAs and are expected to become at-risk of losing RHC certification when the CMS RHC Rule is finalized.

CMS RHC requirements & options for shortage designation requirement:

RHC must be located within a HPSA, MUA, or Governor's Shortage Designation; or apply to CMS to be an exception as an "essential provider".

All must be reviewed and updated every 4 years

CMS proposed exception as "essential provider" categories:

- Sole community provider and actively accept Medicaid, Medicare, low-income & uninsured
- Major community provider and $\geq 51\%$ of patients on MA, MR, low-income & uninsured
- Specialty clinic (Ob or Pediatric) and $\geq 31\%$ of patients MA, MR, low-income & uninsured

States can develop a Governor's Shortage Designation process/criteria for RHCs that must be reviewed and approved by DHHS HRSA per an interagency agreement with CMS.

- State Governor submits the Governor's Designation application to HRSA.
- WI PCO has been working with external partners, Medicaid and DQA (RHC certification).
- Plan to submit Wisconsin application for Governor's Designation to HRSA summer 2009.

Wisconsin Proposed Governor's Shortage Designation process & criteria:

Process: *[based upon what HRSA has approved for 11 states with a Governor's Designation]*

- At risk RHCs must pursue eligibility for CMS exception as "essential provider" first (given limited federal and state staff resources)

Criteria:

- Must be located in rural area and not in a current HPSA or MUA, see "Am I Rural"
<http://maps.rupri.org/circ/racural/amirural.asp>
- Must accept patients on Medicaid/BadgerCare+, Medicare, and have a sliding fee/discount schedule for low-income and uninsured patients
- Must document why clinic is not eligible for CMS exception as "essential provider"
- Must provide letter from Local Health Department which declares public interest of Governor's Shortage Designation for the RHC to provide access to primary care in the community
- Must meet one of two criteria below indicating provider shortage:
 - a. ≥ 2400 population to 1.0 FTE primary care physician (for FTE - exclude counting any MDs 62 or older or with sanctions on license, Medicaid or Medicare)
 - b. ≥ 2000 population to 1.0 FTE primary care physician (again exclude MDs as above) and meet one of following high need population criteria:
 - % of population $< 200\%$ fed. poverty is higher than state average (measure of demand for Medicaid and BadgerCare+ services)
 - % of population 65 or older is higher than state average (demand for Medicare)
 - % of population unemployed is higher than state average (demand for sliding fee)
 - % of population uninsured is higher than state average (demand for sliding fee)