



## FQHC and RHC

### Purpose

This policy is intended to ensure correct provider reimbursement and serves only as a general resource regarding Molina Healthcare's reimbursement policy for the services described in this policy. It is not intended to address every aspect of a reimbursement situation, nor is it intended to impact care decisions. This policy was developed using nationally accepted industry standards and coding principles. In a conflict, federal and state guidelines, as applicable, and the member's benefit plan document supersede the information in this policy. Also, to the extent of conflicts between this policy and the provider contract language, the Provider contract language will prevail. Coverage may be mandated by applicable legal requirements of a State, the Federal government or the Centers for Medicare and Medicaid Services (CMS). References included were accurate at the time of policy approval. If there is a state exception, please refer to the state exception table listed below.

### Policy Overview

Rural Health Clinics (RHCs) provide essential services typically offered in an outpatient clinic setting. These clinics serve rural communities and are staffed by various healthcare professionals, including physicians, nurse practitioners (NPs), physician assistants (PAs), certified nurse midwives (CNMs), clinical psychologists (CPs), and clinical social workers (CSWs).

An RHC (Rural Health Clinics) visit is defined as an in-person medical or mental health consultation, or a qualified preventive health visit, with an RHC practitioner. This also includes Transitional Care Management (TCM) services or visits between a homebound patient and a registered nurse (RN) or licensed practical nurse (LPN) under specific conditions.

RHCs can be categorized as either independent or provider-based:

- **Independent RHCs:** These are stand-alone or freestanding clinics that submit claims to a Medicare Administrative Contractor (MAC). They are assigned a CMS Certification Number (CCN) within specific ranges: XX3800-XX3974 or XX8900-XX8999.
- **Provider-Based RHCs:** These clinics are integrated parts of larger healthcare facilities such as hospitals, including Critical Access Hospitals (CAHs), skilled nursing facilities (SNFs), or home health agencies (HHAs).

Similarly, Federally Qualified Health Centers (FQHCs) also provide services typically furnished in an outpatient clinic setting. FQHCs offer similar services to those provided by RHCs, serving as critical access points for healthcare in underserved areas.

### Reimbursement Guidelines

RHCs and FQHCs must follow Medicare billing guidelines to ensure proper reimbursement in the Marketplace line of business. Both types of clinics are paid an All-Inclusive Rate (AIR) per visit. However, FQHCs that have transitioned to the Medicare Prospective Payment System (PPS) are reimbursed differently.

Key points of the reimbursement guidelines include:

- **AIR Payment:** For most RHCs and FQHCs, Medicare pays 80 percent of the clinic's AIR per visit, subject to a payment limit. This means that the clinics receive a standardized payment per visit, regardless of the specific services provided during that visit.



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- **Exceptions:** Some RHCs may have exceptions to the payment limit, allowing for different reimbursement rates.
- **Medicare Prospective Payment System (PPS):** FQHCs that have transitioned to the PPS are reimbursed based on a set fee schedule rather than the AIR.

For more detailed information and guidance, providers should refer to the Medicare Claims Processing Manual available on the CMS website.

### Molina Healthcare's Rights

Molina Healthcare reserves the right to deny, review, audit, and recoup claims based on medical necessity as outlined in this policy. This ensures that all claims are processed in accordance with established medical standards and guidelines, promoting the appropriate use of healthcare resources and maintaining the integrity of the reimbursement process

## Supplemental Information

### Definitions

Term	Definition
CMS	The Centers for Medicare & Medicaid Services. It is a federal agency within the United States Department of Health and Human Services that administers the Medicare program and works in partnership with state governments to administer Medicaid, the Children's Health Insurance Program (CHIP), and health insurance portability standards.
RHC	Rural Health Clinic
FQHC (Federally Qualified Health Care)	Federally Qualified Health Center
AIR	All-inclusive rate
PPS	Prospective Payment System

## State Exceptions

State	Exception
Iowa	Iowa is excluded from this policy for Molina Marketplace as Molina Marketplace does not operate in Iowa.

## Documentation History

Type	Date	Action
Effective Date	11/18/2024	New Policy
Revised Date	03/31/2025	Added Iowa exclusion.

## References

This policy was developed using.



- CMS
- State Contracts
- [Medicare Claims Processing Manual \(cms.gov\)](https://www.cms.gov)

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***CODING DISCLAIMER.*** Codes listed in this policy are for reference purposes only and may not be all-inclusive. Deleted codes and codes which are not effective at the time the service is rendered may not be eligible for reimbursement. Listing of a service or device code in this policy does guarantee coverage. Coverage is determined by the benefit document. Molina adheres to Current Procedural Terminology (CPT®), a registered trademark of the American Medical Association (AMA). All CPT codes and descriptions are copyrighted by the AMA; this information is included for informational purposes only. Providers and facilities are expected to utilize industry standard coding practices for all submissions. When improper billing and coding is not followed, Molina has the right to reject/deny the claim and recover claim payment(s). Due to changing industry practices, Molina reserves the right to revise this policy as needed.