What is a Rural Health Clinic?

Location
Rural Area
Census Bureau designation as “non-urbanized”
www.raonline.org/amirural/

Area of Need
Shortage Area
A Federally-designated Health Professional Shortage Area; Medically Underserved Area; Area designated by the State’s Governor as underserved. www.hpsa.hrsa.gov

Staff
Staffing Requirements
A PA, NP, CNM must be on staff 50% of the time the clinic is open.

Services
Provision of Services
Delivering out-patient primary care service & provide 6 waived lab test
How do I know RHC is a good fit?

Preparing a Feasibility Study

1. Does my clinic meet the criteria?
2. Gathering Information
3. Preparing a Feasibility Study
4. Moving forward
How do I know RHC is a good fit?

Gathering Information

- **FINANCIAL DATA**
  - YTD Trial Balance (Cost)
  - YTD Profit & Loss Statement
  - YTD Balance Sheet
  - Asset Listing (with Depreciation)

- Number of Patient Visits
  - Face to Face Encounters with Providers
  - Patients seen during clinic hours
  - Per Provider
How do I know RHC is a good fit?

Gathering Information

• Total Receipts Collected
  • Medicare (YTD)
  • Medicaid (YTD)
  • Other Insurance (YTD)
  • Self-Pay Patients
Feasibility Study – Step One

Cost per Patient Visit (RHC)

- Calculate Avg. Cost per Visit
  - Total Cost/Total Visit encounters
    - Total of all Face to Face Encounter w/Provider
    - Total of Medicare Encounters
    - Total of Medicaid Encounters
  - Cost
    - Allowable cost – Cost associated with providing care to patients and administrative cost associated with operating a medical clinic
    - Reasonable cost – based on cost compared with other clinics in a region

Revenue per Patient Visit (Traditional)

- Calculate Avg. Payment per Visit
  - Total Revenue/Total Visit encounters
    - Face to Face Encounter w/Provider
    - Break Revenue down by Payor
  - Revenue
    - Collected Revenue
    - Total for each Payor
### Feasibility Study

#### Simple Calculation Comparison

**Rural Health Clinic**

<table>
<thead>
<tr>
<th>Insurance Type</th>
<th>Medicare</th>
<th>Medicaid</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of total visits</td>
<td>40%</td>
<td>30%</td>
<td>30%</td>
<td>100%</td>
</tr>
<tr>
<td>Total Visits</td>
<td>3,200</td>
<td>2,400</td>
<td>2,400</td>
<td>8,000</td>
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<tr>
<td>All-Inclusive Rate</td>
<td>$78.54</td>
<td>$78.54</td>
<td>$70</td>
<td></td>
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<tr>
<td>Total Payments</td>
<td>251,328</td>
<td>188,496</td>
<td>168,000</td>
<td>607,824</td>
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<tr>
<td>Increase from Fee for Service</td>
<td>27,328</td>
<td>82,896</td>
<td>0</td>
<td>110,224</td>
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<tr>
<td>% of Increase</td>
<td></td>
<td></td>
<td></td>
<td>18%</td>
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**Fee for Service Clinic**

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<td>168,000</td>
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How do I know RHC is a good fit?

Moving Forward

1. Filing Application
2. Preparing Policy & Procedure Manuals
3. Preparing for On-Site Inspection
4. Setting your cost rate.
Questions?

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