



## Brief History of Rural Health Clinics

In the mid-1960's, the physician shortage in rural areas had reached a crisis. The supply of physicians had become insufficient to meet the demands of many communities, particularly in small, isolated rural areas. To alleviate the effects of this crisis, midlevel health professionals were introduced to serve as physician extenders.

While midlevel providers, such as physician assistants and nurse practitioners, were easily accepted by many communities, their services were not eligible for reimbursement by Medicare (or by Medicaid in some states). For most midlevel providers, third-party reimbursement remained dependent upon them working under the immediate supervision of a physician. This lack of third-party reimbursement from public payers was a substantial disincentive for physician assistants and nurse practitioners to locate in rural areas.

After considerable political mobilization directed toward resolving this issue, Congress passed Public Law 95-210, the Rural Health Clinic Services Act, in December 1977. The act was intended to redress the midlevel reimbursement issue and increase the availability and accessibility of primary care services for residents of rural communities.

The Act authorized Medicare and Medicaid payment to qualified rural health clinics for "physician services" and "physician-directed services" whether provided by a physician, physician assistant or nurse practitioner. Reimbursement under the Rural Health Clinic Services Act became available to midlevel provider practices, even when services were delivered at a clinic in the absence of a physician, as long as the practice of the physician assistant or nurse practitioner was within the scope of state law and regulations.

One important point to remember is that Medicare and Medicaid are the only insurance that is affected by Rural Health. All other insurances are still fee for service and you will continue to bill/code in the same manner in which you currently do.

### ***Two types of Rural Health Clinics:***

#### ***Provider Based***

Owned and operated by a Medicare participating provider [hospital, skilled nursing facility, home health agency]

#### ***Free Standing***

Owned and operated by a physician, nurse practitioner, physician assistant or certified midwife.