

Applicability of MIPS to Rural Providers

Rural providers are not explicitly excluded from the reporting requirements and potential payment adjustments under the new Merit-based Incentive Payment System (MIPS). How rural facilities and clinicians are treated under the MIPS depends on the type of facility and how Medicare is billed for professional services. In addition, clinicians who provide a low volume of Medicare services may be exempted from MIPS. [Learn more here.](#)

Method I Critical Access Hospitals (CAHs)

Under Method I, the CAH bills Medicare for facility services and clinicians' professional services separately under the physician fee schedule (PFS). In this case, The Centers for Medicare & Medicaid Services (CMS) will not make MIPS adjustments to a CAH's facility payment. However, clinicians providing services at Method I CAHs are subject to MIPS reporting requirements, and may receive MIPS adjustments to their professional services payments based on performance.

Method II CAHs

Under Method II, the CAH bills Medicare for facility services and for the professional services of clinicians who have reassigned their billing rights to the CAH. However, clinicians providing services at a Method II CAH are not required to reassign billing rights to the CAH, and may continue to bill Medicare directly for their professional services under the PFS.

- If a MIPS-eligible clinician does not reassign billing rights to a Method II CAH, the clinician will directly receive any payment adjustments due under MIPS. CMS will not make a MIPS payment adjustment to the CAH based on these clinicians' performance.
- However, payment adjustments for MIPS-eligible clinicians who have reassigned their billing rights to the Method II CAH will directly apply to professional services payments made to the CAH.

Rural Health Clinics (RHCs) and Federally Qualified Health Centers (FQHCs)

MIPS payment adjustments do not apply to facility payments to RHCs and FQHCs. Clinicians providing items and services in RHCs or FQHCs and billing under those respective payment systems **will not** be required to participate in MIPS or be subject to MIPS payment adjustments. However, if the clinicians practicing in RHCs or FQHCs bill services under the PFS, they may be expected to participate in MIPS and subject to MIPS payment adjustments.