§ 405.2402 Basic requirements.
(a) Certification by the State survey agency. The rural health clinic must be certified in accordance with part 491 of this chapter.
(b) Acceptance of the clinic as qualified to furnish rural health clinic services. If the Secretary, after reviewing the survey agency recommendation and other evidence relating to the qualifications of the rural health clinic, determines that it meets the requirements of this subpart and of part 491 of this chapter, he will send the clinic:
(1) Written notice of the determination; and
(2) Two copies of the agreement to be filed as required by section 1861(aa)(2) of the Act.
(c) Filing of agreement by the rural health clinic. If the rural health clinic wishes to participate in the program, it must:
(1) Have both copies of the agreement signed by an authorized representative of the clinic; and
(2) File them with the Secretary.
(d) Acceptance by the Secretary. If the Secretary accepts the agreement filed by the rural health clinic, he will return to the clinic one copy of the agreement, with a notice of acceptance specifying the effective date.
(e) Duration of agreement. The agreement shall be for a term of one year and may be renewed annually by mutual consent of the Secretary and the rural health clinic.
(f) Appeal rights. If the Secretary does not certify a rural health clinic, or refuses to enter into or renew an agreement, the facility is entitled to a hearing in accordance with part 498 of this chapter.

§ 405.2403 Content and terms of the agreement with the Secretary.
(a) Under the agreement, the rural health clinic agrees to the following:
(1) Maintaining compliance with conditions. The clinic agrees to maintain compliance with the conditions set forth in part 491 of this chapter and to report promptly to CMS any failure to do so.
(2) Charges to beneficiaries. The clinic agrees not to charge the beneficiary or any other person for items and services for which the beneficiary is entitled to have payment made under the provisions of this part (or for which the beneficiary would have been entitled if the rural health clinic had filed a request for payment in accordance with § 410.165 of this chapter), except for any deductible or coinsurance amounts for which the beneficiary is liable under § 405.2410.

(1) Has been determined by the Secretary to meet the requirements of section 1861(aa)(2) of the Act and part 491 of this chapter; and
(2) Has filed an agreement with the Secretary in order to provide rural health clinic services under Medicare. (See § 405.2402.)

Secretary means the Secretary of Health and Human Services or his delegate.

Visiting nurse services means part-time or intermittent nursing care and related medical supplies (other than drugs or biologicals) furnished by a registered nurse or licensed practical nurse to a homebound patient.

(Secs. 1102, 1833, 1861(aa), 1871, 1902(a)(13), Social Security Act; 49 Stat. 647, 79 Stat. 302, 322, and 331, 91 Stat. 1485 (42 U.S.C. 1302, 1395l, 1395hh, 1395x(aa), and 1396(a)(13)).


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(4) **Beneficiary treatment.** (i) The clinic agrees to accept beneficiaries for care and treatment; and
(ii) The clinic agrees not to impose any limitations on the acceptance of beneficiaries for care and treatment that it does not impose on all other persons.

(b) **Additional provisions.** The agreement may contain any additional provisions that the Secretary finds necessary or desirable for the efficient and effective administration of the Medicare program.

§ 405.2404 Terminations of agreements.

(a) **Termination by rural health clinic—**
(1) **Notice to Secretary.** If the clinic wishes to terminate its agreement it shall file with the Secretary a written notice stating the intended effective date of termination.
(2) **Action by the Secretary.** (i) The Secretary may approve the date proposed by the clinic, or set a different date no later than 6 months after the date of the clinic's notice.
(ii) The Secretary may approve a date which is less than 6 months after the date of notice if he determines that termination on that date would not:
   (A) Unduly disrupt the furnishing of services to the community serviced by the clinic; or
   (B) Otherwise interfere with the effective and efficient administration of the Medicare program.
(3) **Cessation of business.** If a clinic ceases to furnish services to the community, that shall be deemed to be a voluntary termination of the agreement by the clinic, effective on the last day of business.

(b) **Termination by the Secretary—**
(1) **Cause for termination.** The Secretary may terminate an agreement if he determines that the rural health clinic:
   (i) No longer meets the conditions for certification under part 491 of this chapter; or
   (ii) Is not in substantial compliance with the provisions of the agreement, the requirements of this subpart, any other applicable regulations of this part, or any applicable provisions of title XVIII of the Act; or
   (iii) Has undergone a change of ownership.
(2) **Notice of termination.** The Secretary will give notice of termination to the rural health clinic at least 15 days before the effective date stated in the notice.
(3) **Appeal by the rural health clinic.** A rural health clinic may appeal the termination of its agreement in accordance with the provisions set forth in part 498 of this chapter.
(4) **Effect of termination.** Payment will not be available for rural health clinic services furnished on or after the effective date of termination.

(d) **Notice to the public.** Prompt notice of the date and effect of termination shall be given to the public, through publication in local newspapers:
(1) By the clinic, after the Secretary has approved or set a termination date; or
(2) By the Secretary, when he has terminated the agreement.

(e) **Conditions for reinstatement after termination of agreement by the Secretary.** When an agreement with a rural health clinic is terminated by the Secretary, the rural health clinic may not file another agreement to participate in the Medicare program unless the Secretary:
   (1) Finds that the reason for the termination of the prior agreement has been removed; and
   (2) Is assured that the reason for the termination will not recur.

§ 405.2410 Application of Part B deductible and coinsurance.

(a) **Application of deductible.** (1) Medicare payment for rural health clinic services begins only after the beneficiary has incurred the deductible.
(2) **Application of coinsurance.** (1) The beneficiary is responsible for a coinsurance amount which cannot exceed 20 percent of the clinic’s reasonable customary charge for the covered service; and
(2) **Termination of agreement.** Payment will not be available for rural health clinic services furnished on or after the effective date of termination.

(b) **Notice to the public.** Prompt notice of the date and effect of termination shall be given to the public, through publication in local newspapers:
(1) By the clinic, after the Secretary has approved or set a termination date; or
(2) By the Secretary, when he has terminated the agreement.

(c) **Conditions for reinstatement after termination of agreement by the Secretary.** When an agreement with a rural health clinic is terminated by the Secretary, the rural health clinic may not file another agreement to participate in the Medicare program unless the Secretary:
   (1) Finds that the reason for the termination of the prior agreement has been removed; and
   (2) Is assured that the reason for the termination will not recur.

(d) **Effect of termination.** Payment will not be available for rural health clinic services furnished on or after the effective date of termination.

(e) **Notice to the public.** Prompt notice of the date and effect of termination shall be given to the public, through publication in local newspapers:
(1) By the clinic, after the Secretary has approved or set a termination date; or
(2) By the Secretary, when he has terminated the agreement.

(f) **Conditions for reinstatement after termination of agreement by the Secretary.** When an agreement with a rural health clinic is terminated by the Secretary, the rural health clinic may not file another agreement to participate in the Medicare program unless the Secretary:
   (1) Finds that the reason for the termination of the prior agreement has been removed; and
   (2) Is assured that the reason for the termination will not recur.

(g) **Effect of termination.** Payment will not be available for rural health clinic services furnished on or after the effective date of termination.

(h) **Notice to the public.** Prompt notice of the date and effect of termination shall be given to the public, through publication in local newspapers:
(1) By the clinic, after the Secretary has approved or set a termination date; or
(2) By the Secretary, when he has terminated the agreement.

(i) **Conditions for reinstatement after termination of agreement by the Secretary.** When an agreement with a rural health clinic is terminated by the Secretary, the rural health clinic may not file another agreement to participate in the Medicare program unless the Secretary:
   (1) Finds that the reason for the termination of the prior agreement has been removed; and
   (2) Is assured that the reason for the termination will not recur.

(j) **Effect of termination.** Payment will not be available for rural health clinic services furnished on or after the effective date of termination.