

## OFFICIAL

1. Inpatient Hospital Services

Payment for inpatient hospital services is limited to medically necessary days only. Medically necessary days are days of stay approved by the State agency responsible for utilization review, or its designee, i.e., the Quality Improvement Organization (QIO), which evaluates the quality, necessity, and appropriateness of care and renders length of stay determinations.

All accommodations and ancillary services are paid for each approved, medically necessary day. The day(s) of discharge does not count toward the limit. No payment is made for days of stay beyond the determination of medical necessity.

Coverage of organ transplantation is limited as per Attachment 3.1-E.

Prior authorization is required for inpatient hospitalizations at out of state hospitals, excluding border facilities and emergency hospitalizations.

2. a. Outpatient Hospital

Payment for outpatient hospital services is limited to twelve (12) visits per recipient per state fiscal year. Limits may be exceeded if prior authorization is granted by the Department based on medical necessity.

b. Rural Health Clinic (RHC) Services – Hospital Based (HB) and Non-Hospital Based (NHB) - are provided as defined in Section 1905(a)(2)(B) of the Social Security Act. RHC services include services provided by physicians (to include physician assistants under the supervision and direction of a physician in accordance with NH RSA 328-D:1), nurse practitioners, certified nurse midwives, clinical psychologists, clinical social workers, visiting nurses and other ambulatory services included in the NH Title XIX State Plan. RHC services also include services and supplies that are furnished incident to professional services furnished by a physician (to include a physician assistant under the supervision and direction of the physician), nurse practitioner, certified nurse midwife, and for visiting nurse care, medical supplies, other than drugs and biologicals. “Other ambulatory services” that are included in the NH Title XIX State Plan and covered as RHC services are covered according to the applicable descriptions, service limitations, and payment provisions described elsewhere in this Title XIX State Plan. Limits may be exceeded if prior authorization is granted by the Department based on medical necessity

# OFFICIAL

## PAYMENT RATES FOR ALL TYPES OF CARE OTHER THAN INPATIENT HOSPITAL, SKILLED NURSING, OR INTERMEDIATE NURSING CARE SERVICES

\*\*Addendum to 21 and 23 above RHC's, FQHC's and FQHC-LAL's (continued):

### Description of Alternative Payment Methodology – RHC's, FQHC's and FQHC-LAL's (21 and 23 above)

#### 21a and 23. Rural Health Clinics - Non-Hospital Based (RHC-NHB), Federally Qualified Health Centers (FQHC's) and FQHC Look-A-Likes (LAL's) (continued)

##### b) Change of Scope in Service

A change of scope in service is recognized by the Department when there is a change in the type, intensity, duration and/or amount of services as a result of the following:

1. An increase in scope of service could result from the addition of a new professional staff member (i.e., contracted or employed) who is licensed to perform medical services that are approved RHC-NHB, FQHC, or FQHC-LAL benefits that no current professional staff is licensed to perform.
2. A decrease in scope of service could result when no current professional staff member is licensed to perform the medical services currently performed by a departing professional staff member.

An increase or decrease in scope of service does **not** necessarily result from any of the following (although some of these changes may occur in conjunction with a change of scope in service):

- an increase, decrease or change in number of staff working at the clinic except as noted above
- an increase, decrease or change in office hours
- an increase, decrease or change in office space or location
- the addition of a new site that provides the same set of services
- an increase, decrease or change in equipment or supplies
- an increase, decrease or change in the number or type of patients served

RHC-NHB's, FQHC's and FQHC-LAL's may request a change of scope in service once a year for implementation on July 1. This will be concurrent with the effective date of the increase to the encounter rate. RHC-NHB's, FQHC's, and FQHC-LAL's are required to submit requests in writing no later than March 31 in order to be effective July 1. The Department will review and analyze all requests to ensure compliance with the Medicare FQHC/RHC regulations relative to a change of scope in service.

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## PAYMENT RATES FOR ALL TYPES OF CARE OTHER THAN INPATIENT HOSPITAL, SKILLED NURSING, OR INTERMEDIATE NURSING CARE SERVICES

\*\*Addendum to 21 and 23 above RHC's, FQHC's and FQHC-LAL's (continued):

### Description of Alternative Payment Methodology – RHC's, FQHC's and FQHC-LAL's (21 and 23 above)

#### 21a and 23. Rural Health Clinics - Non-Hospital Based (RHC-NHB), Federally Qualified Health Centers (FQHC's) and FQHC Look-A-Likes (LAL's) (continued)

##### b) Change of Scope in Service (continued)

1. All requests should be submitted in writing to the Department by the RHC-NHB, FQHC, or FQHC-LAL and should include:
  - a detailed explanation of each change of scope in services provided by the RHC-NHB, FQHC, or FQHC-LAL delineating how services were provided both before and after the change;
  - the effective date of each change of scope in services;
  - the Medicaid visits and total visits associated with each change of scope in services;
  - the total number of visits for all sites for the same time period that the RHC-NHB, FQHC, or FQHC-LAL submits the incremental costs;
  - the incremental increase or decrease in costs by expense category for each change of scope in services; and
  - the cumulative per visit dollar amount of the rate adjustment requested.
2. All requests should include, at a minimum, a detailed worksheet that delineates the total incremental difference in costs for each of the categories and subcategories of expenses associated with the change of scope in service.
3. A change in costs alone in and of itself will not be considered a change of scope in service unless it is a CMS approved change of scope in service and all of the following apply:
  - the increase or decrease in cost is attributable to an increase or decrease in the scope of the services defined above;
  - the cost is allowable under Medicare reasonable cost principles set forth in 42 CFR Part 413;
  - the change of scope in services is a change in the type, intensity, duration, or amount of services, or any combination thereof; and
  - the net change in costs in the RHC-NHB, FQHC, or FQHC-LAL's must meet a minimum threshold of 5%.

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Title XIX – NH

Attachment 4.19-B

Page 5d

## PAYMENT RATES FOR ALL TYPES OF CARE OTHER THAN INPATIENT HOSPITAL, SKILLED NURSING, OR INTERMEDIATE NURSING CARE SERVICES

\*\*Addendum to 21 and 23 above RHC's, FQHC's and FQHC-LAL's (continued):

### Description of Alternative Payment Methodology – RHC's, FQHC's and FQHC-LAL's (21 and 23 above)

#### 21a and 23. Rural Health Clinics - Non-Hospital Based (RHC-NHB), Federally Qualified Health Centers (FQHC's) and FQHC Look-A-Likes (LAL's) (continued)

##### b) Change of Scope in Service (continued)

The RHC-NHB's, FQHC's, and FQHC-LAL's shall submit supporting documentation for each amount included in the categories of expenses for both the prior period and the period where there is a change of scope in services following Medicare reasonable cost principles.

The Department will review the documentation submitted by the RHC-NHB's, FQHC's, and FQHC-LAL's and will notify them as to whether the rate adjustment is approved.

The Department reserves the right to adjust the encounter rate for any change of scope in service that comes to its attention.

The following formula will be used by DHHS to determine the new rate:

$$NR = \frac{(R \times PV) + C}{(PV + CV)}$$

Where:

“NR” represents the new reimbursement rate adjusted for the increase/decrease in the scope of service;

“R” represents the present Medicaid rate;

“PV” represents the present number of total visits, which is the total number of visits for the RHC-NHB, FQHC, or FQHC-LAL during the 12-month time period prior to the change of scope in service;

“C” represents the expected change in costs due to the change of scope in service; and

“CV” represents the expected change in the number of visits due to the change of scope in service

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## PAYMENT RATES FOR ALL TYPES OF CARE OTHER THAN INPATIENT HOSPITAL, SKILLED NURSING, OR INTERMEDIATE NURSING CARE SERVICES

\*\*Addendum to 21 and 23 above RHC's, FQHC's and FQHC-LAL's (continued):

### Description of Alternative Payment Methodology – RHC's, FQHC's and FQHC-LAL's (21 and 23 above)

#### 21a and 23. Rural Health Clinics - Non-Hospital Based (RHC-NHB), Federally Qualified Health Centers (FQHC's) and FQHC Look-A-Likes (LAL's) (continued)

##### b) Change of Scope in Service (continued)

###### **Example:**

Assume the provider notified the department in writing of a change of scope in service offered prior to the July 1 implementation and the provider submitted the documentation and information necessary for the Department to make a determination. In addition, assume the RHC-NHB, FQHC, or FQHC-LAL has a present Medicaid reimbursement rate of \$100 per visit with 10,000 visits per year.

A new professional staff member is added to provide services with 1,000 additional visits per year expected at an increase in cost of \$140,000.

$$NR = \frac{(Rx \ PV) + C}{(PV + CV)}$$

$$NR = \frac{(\$100 \times 10,000) + \$140,000}{(10,000 + 1,000)}$$

$$NR = \frac{\$1,140,000}{11,000}$$

$$NR = \$103.64$$

##### c) Encounter Payments

Payment of the encounter rate will be allowed for medical and behavioral health visits. Only one medical and one behavioral health encounter claim may be submitted per date of service, unless a service authorization has been approved for two specific exceptions: (1) subsequent to the first encounter, the patient suffers an illness or injury with a different diagnosis, or (2) subsequent to the first encounter, the patient received a different treatment at a different time of the same day.

Medical nutrition therapy/diabetes education are not stand-alone services under the NH Title XIX State Plan and, therefore, will not be paid as a separate encounter payment amount but through the established medical encounter rate.

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Title XIX – NH

Attachment 4.19-B  
Page 5f

## PAYMENT RATES FOR ALL TYPES OF CARE OTHER THAN INPATIENT HOSPITAL, SKILLED NURSING, OR INTERMEDIATE NURSING CARE SERVICES

\*\*Addendum to 21 and 23 above RHC's, FOHC's and FOHC-LAL's (continued):

### Description of Alternative Payment Methodology – RHC's, FOHC's and FOHC-LAL's (21 and 23 above)

#### 21a and 23. Rural Health Clinics - Non-Hospital Based (RHC-NHB), Federally Qualified Health Centers (FOHC's) and FOHC Look-A-Likes (LAL's) (continued)

##### d) Other Payments

With the exception of behavioral health visits which are paid a separate encounter rate (see page 5e, Item c, "Encounter Payments"), reimbursement for "other ambulatory services" (as defined in 1905(a)(2)(B) and (C) of the Social Security Act), that are covered under the NH Title XIX State Plan, will be made according to the Medicaid fee schedule, as these services are not included in the encounter rate. Examples of ambulatory services that are not included in the encounter rate but that will be paid according to the fee schedule rates specified in the NH Title XIX State Plan include dental and podiatry services; physician services rendered in the inpatient and outpatient hospital setting; radiology; pharmacy; vision and hearing services, other than routine screenings; non-routine laboratory services; vaccine administration for adults and children if not part of or incidental to an encounter; the actual vaccine for adults age 19 and over regardless of whether the administration of such vaccine is part of the encounter or reimbursed separately; family planning devices; physical therapy; occupational therapy; speech therapy; and medical transportation.

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# OFFICIAL

Title XIX – NH

Attachment 4.19-B

Page 5g

## PAYMENT RATES FOR ALL TYPES OF CARE OTHER THAN INPATIENT HOSPITAL, SKILLED NURSING, OR INTERMEDIATE NURSING CARE SERVICES

\*\*Addendum to 21 and 23 above RHC's, FQHC's and FQHC-LAL's (continued):

### Description of Alternative Payment Methodology – RHC's, FQHC's and FQHC-LAL's (21 and 23 above)

#### 21b. Rural Health Clinics (RHC's) – Hospital Based

Hospital-based RHC's are reimbursed a percent of costs. Each hospital, after the close of its own unique fiscal period, submits the Medicare Cost Report (CMS Form 2552) as required by Medicare, which is subsequently audited by the Medicare Fiscal Intermediary according to the Medicare auditing schedule and principles of reimbursement. Allowable costs are allocated to the hospital-based RHC services rendered to NH Medicaid recipients on Worksheet M-3. Effective for services on and after October 8, 2012, the current reimbursable amount of the costs is 91.27%. The reimbursable costs based on the audit are then compared to interim payments that were made during the unique cost period for that hospital, and the difference is the settlement that is payable to the hospital-based RHC or to the Department. Based on the settlement, the interim rate is also established for the hospital's next cost period by taking a Ratio of Cost to Charges (RCC) derived from the last settlement processed. This is an ongoing process that occurs as hospitals submit cost reports when their unique fiscal years end.

Laboratory services provided as part of a hospital based RHC encounter are reimbursed through an add-on fee which is paid in addition to the percentage of cost payment for the encounter. The add-on fee is the same laboratory fee-for-service fee schedule used for all laboratory services reimbursement effective as noted in the NH Title XIX State Plan, Attachment 4.19-B, page 1-1, and is the same fee schedule used for both governmental and private providers. The fee schedule can be found at [www.nhmmis.nh.gov](http://www.nhmmis.nh.gov) (see "documents and forms" under the documentation tab).

Vaccine administration is paid as part of the encounter. However, if vaccine is not administered as part of or incidental to an encounter, the vaccine administration can be billed separately and will be reimbursed at the interim rate and cost settled as per above. The actual vaccine is reimbursed for adults age 19 and older regardless of whether the administration of such vaccine is part of the encounter or billed separately and is billed with a pharmacy revenue code and paid an interim rate which is subsequently cost settled as per above.

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2. (continued)

c. Federally Qualified Health Center Services (FQHC's) and FQHC Look-A-Like (LAL) Services are provided as defined in Section 1905(a)(2)(C) of the Social Security Act. FQHC and FQHC-LAL services include services provided by physicians (to include physician assistants under the supervision and direction of a physician in accordance with NH RSA 328-D:1), nurse practitioners, certified nurse midwives, clinical psychologists, clinical social workers, visiting nurses and other ambulatory services included in the NH Title XIX State Plan. FQHC and FQHC-LAL services also include services and supplies that are furnished incident to professional services furnished by a physician (to include a physician assistant under the supervision and direction of the physician), nurse practitioner, certified nurse midwife, and for visiting nurse care, related medical supplies, other than drugs and biologicals. "Other ambulatory services" that are included in the NH Title XIX State Plan and covered as FQHC services are covered according to the applicable descriptions, service limitations, and payment provisions described elsewhere in this Title XIX State Plan. Limits may be exceeded if prior authorization is granted by the Department based on medical necessity.

3. Other Laboratory and X-Ray Services

Payment is limited to fifteen (15) diagnostic x-ray procedures per recipient per state fiscal year. This limit includes x-ray procedures when performed by a physician or an independent laboratory. Limits may be exceeded if prior authorization is granted by the Department based on medical necessity.

Prior authorization is required for the following diagnostic x-ray services unless they are performed as part of a hospital emergency department visit, as part of an inpatient hospitalization, or performed concurrent with, or on the same day as, an urgent care facility visit:

- computerized tomography (CT)
- magnetic resonance imaging (MRI)
- magnetic resonance angiography (MRA)
- positive emission tomography (PET)
- nuclear cardiology

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August 1991

Attachment 3.1-A  
Page 1  
OMB No.: 0938-

State/Territory: New Hampshire

## AMOUNT, DURATION AND SCOPE OF MEDICAL AND REMEDIAL CARE AND SERVICES PROVIDED TO THE CATEGORICALLY NEEDY\*\*

1. Inpatient hospital services other than those provided in an institution for mental diseases.  
Provided:  No limitations  With limitations\*
- 2.a. Outpatient hospital services.  
Provided:  No limitations  With limitations\*
- b. Rural health clinic services and other ambulatory services furnished by a rural health clinic (which are otherwise included in the State Plan).  
Provided:  No limitations  With limitations\*  
 Not provided.
- c. Federally qualified health center (FQHC) services and other ambulatory services that are covered under the plan and furnished by an FQHC in accordance with section 4231 of the State Medicaid Manual (HCFA-Pub. 45-4).  
Provided:  No limitations  With limitations\*
3. Other laboratory and x-ray services.  
Provided:  No limitations  With limitations\*

\*\*Limitations in the State Plan may be exceeded with prior approval by the Department based on medical necessity.

\*Description provided on attachment.

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State/Territory: New Hampshire

AMOUNT, DURATION AND SCOPE OF SERVICES PROVIDED  
MEDICALLY NEEDY GROUP(S): All\*\*

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The services described in Attachment 3.1-B are provided.\*

Any limits to services provided in Attachment 3.1-B do not apply to individuals under EPSDT as long as medical necessity criteria as determined by the Department have been met.

\*\*Limitations in the State Plan may be exceeded with prior approval by the Department based on medical necessity.

\*Description provided on attachment.

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# OFFICIAL

## 1. Inpatient Hospital Services

Payment for inpatient hospital services is limited to medically necessary days only. Medically necessary days are days of stay approved by the State agency responsible for utilization review, or its designee, i.e., the Quality Improvement Organization (QIO), which evaluates the quality, necessity, and appropriateness of care and renders length of stay determinations.

All accommodations and ancillary services are paid for each approved, medically necessary day. The day(s) of discharge does not count toward the limit. No payment is made for days of stay beyond the determination of medical necessity.

Coverage of organ transplantation is limited as per Attachment 3.1-E.

Prior authorization is required for inpatient hospitalizations at out of state hospitals, excluding border facilities and emergency hospitalizations.

## 2. a. Outpatient Hospital

Payment for outpatient hospital services is limited to twelve (12) visits per recipient per state fiscal year. Limits may be exceeded if prior authorization is granted by the Department based on medical necessity.

b. Rural Health Clinic (RHC) Services – Hospital Based (HB) and Non-Hospital Based (NHB) - are provided as defined in Section 1905(a)(2)(B) of the Social Security Act. RHC services include services provided by physicians (to include physician assistants under the supervision and direction of a physician in accordance with NH RSA 328-D:1), nurse practitioners, certified nurse midwives, clinical psychologists, clinical social workers, visiting nurses and other ambulatory services included in the NH Title XIX State Plan. RHC services also include services and supplies that are furnished incident to professional services furnished by a physician (to include a physician assistant under the supervision and direction of the physician), nurse practitioner, certified nurse midwife, and for visiting nurse care, medical supplies, other than drugs and biologicals. “Other ambulatory services” that are included in the NH Title XIX State Plan and covered as RHC services are covered according to the applicable descriptions, service limitations, and payment provisions described elsewhere in this Title XIX State Plan. Limits may be exceeded if prior authorization is granted by the Department based on medical necessity.

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2. (continued)

e. Federally Qualified Health Center Services (FQHC's) and FQHC Look-A-Like (LAL) Services are provided as defined in Section 1905(a)(2)(C) of the Social Security Act. FQHC and FQHC-LAL services include services provided by physicians (to include physician assistants under the supervision and direction of a physician in accordance with NH RSA 328-D:1), nurse practitioners, certified nurse midwives, clinical psychologists, clinical social workers, visiting nurses and other ambulatory services included in the NH Title XIX State Plan. FQHC and FQHC-LAL services also include services and supplies that are furnished incident to professional services furnished by a physician (to include a physician assistant under the supervision and direction of the physician), nurse practitioner, certified nurse midwife, and for visiting nurse care, related medical supplies, other than drugs and biologicals. "Other ambulatory services" that are included in the NH Title XIX State Plan and covered as FQHC services are covered according to the applicable descriptions, service limitations, and payment provisions described elsewhere in this Title XIX State Plan. Limits may be exceeded if prior authorization is granted by the Department based on medical necessity.

3. Other Laboratory and X-Ray Services

Payment is limited to fifteen (15) diagnostic x-ray procedures per recipient per state fiscal year. This limit includes x-ray procedures when performed by a physician or an independent laboratory. Limits may be exceeded if prior authorization is granted by the Department based on medical necessity.

Prior authorization is required for the following diagnostic x-ray services unless they are performed as part of a hospital emergency department visit, as part of an inpatient hospitalization, or performed concurrent with, or on the same day as, an urgent care facility visit:

- computerized tomography (CT)
- magnetic resonance imaging (MRI)
- magnetic resonance angiography (MRA)
- positive emission tomography (PET)
- nuclear cardiology

# OFFICIAL

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August 1991

Attachment 3.1-B  
Page 2  
OMB No.: 0938-

State/Territory: New Hampshire

**AMOUNT, DURATION AND SCOPE OF SERVICES PROVIDED  
MEDICALLY NEEDY GROUP(S): \_\_\_\_\_**

1. Inpatient hospital services other than those provided in an institution for mental diseases.  
 Provided:             No limitations             With limitations\*
- 2.a. Outpatient hospital services.  
 Provided:             No limitations             With limitations\*
- b. Rural health clinic services and other ambulatory services furnished by a rural health clinic (which are otherwise included in the State Plan).  
 Provided:             No limitations             With limitations\*
- c. Federally qualified health center (FQHC) services and other ambulatory services that are covered under the plan and furnished by an FQHC in accordance with section 4231 of the State Medicaid Manual (HCFA-Pub. 45-4).  
 Provided:             No limitations             With limitations\*
3. Other laboratory and x-ray services.  
 Provided:             No limitations             With limitations\*
4. a. Nursing facility services (other than services in an institution for mental diseases) for individuals 21 years of age or older.  
 Provided:             No limitations             With limitations\*
- b. Early and periodic screening, diagnostic and treatment services for individuals under 21 years of age, and treatment of conditions found.  
 Provided:             No limitations             With limitations\*
- c. Family planning services and supplies for individuals of childbearing age.  
 Provided:             No limitations             With limitations\*

\*Description provided on attachment.

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## PAYMENT RATES FOR ALL TYPES OF CARE OTHER THAN INPATIENT HOSPITAL, SKILLED NURSING, OR INTERMEDIATE NURSING CARE SERVICES

20. Extended Services to Pregnant Women – Payment for extended services to pregnant women will be based on rates as determined by the Medicaid Administration Bureau. Room and board at residential treatment and rehabilitation facilities is excluded from Medicaid payment.
21. a) Rural Health Clinics (RHC's)-Non Hospital Based – Payment for non-hospital based RHC's is made according to the same methodology used for Federally Qualified Health Centers (FQHC) and FQHC Look-A-Likes (LAL's) as described on page 5a through 5f.\*\*
- b) Rural Health Clinics (RHC's) – Hospital Based – Payment for hospital based RHC's is made according to the methodology described on page 5g.\*\*
22. Personal Care Services – Payment for personal care services is made in accordance with a fee schedule developed by the Department. Rates for services were set as of October 8, 2012 and are effective for services on or after that date. These rates have not been updated since April 1, 2010. No provider shall bill or charge the Department more than the provider's usual and customary charge. All fee schedules are accessible at [www.nhmmis.nh.gov](http://www.nhmmis.nh.gov) under the "documents and forms" tab, and are applicable to all public and private providers.
23. Federally Qualified Health Centers (FQHC's) and FQHC Look-A-Likes (LAL's) – Payment for FQHC's and FQHC LAL's is made according to the methodology described on page 5a. \*\*

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\*\*Addendum to 21a and 23 above, RHC's and FQHC/FQHC-LAL's:

- X   The payment methodology for RHC's/FQHC's/FQHC-LAL's will conform to section 702 of the Benefits Improvement and Protection Act (BIPA) of 2000.
- The payment methodology for RHC's/FQHC's/FQHC-LAL's will conform to the BIPA 2000 requirements for a prospective payment system (PPS).
- X   The payment methodology for RHC's/FQHC's/FQHC-LAL's will conform to the BIPA 2000 requirements for an alternative payment methodology. The payment amount determined under this methodology:
- (1) is agreed to by the state and the center or clinic; and
  - (2) results in payment to the center or clinic of an amount which is at least equal to the PPS payment rate.

(Addendum continued on next page)

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## PAYMENT RATES FOR ALL TYPES OF CARE OTHER THAN INPATIENT HOSPITAL, SKILLED NURSING, OR INTERMEDIATE NURSING CARE SERVICES

\*\*Addendum to 21 and 23 above, RHC's, FQHC's and FQHC-LAL's (continued):

### Description of Alternative Payment Methodology – RHC's, FQHC's and FQHC-LAL's (21 and 23 above)

#### 21a and 23. Rural Health Clinics - Non-Hospital Based (RHC-NHB), Federally Qualified Health Centers (FQHC's) and FQHC Look-A-Likes (LAL's)

##### a) General

Payment for RHC-NHB's, FQHC's, and FQHC-LAL's conforms to Section 702 of the Benefits Improvement and Protection Act (BIPA) of 2000. The NH Department of Health and Human Services (the Department) determines an encounter rate for primary, preventive care services using an Alternative Payment Methodology (APM) under SSA 1902(bb)(6). The encounter rate is an all-inclusive rate of payment for primary, preventive care covered services defined in 1905(a)(2)(B) and (C) of the Social Security Act and included in the NH Title XIX State Plan to eligible Medicaid recipients.

The Alternative Payment Methodology (APM) is calculated using the providers' fiscal year 2011 cost-settled rates as the baseline for all subsequent years' encounter rates trending forward using the Medicare Economic Index (MEI) published annually for each of those years. The cost settlement process applied to the 2011 baseline limited each provider to the lesser of their actual costs or 133% of the Medicare rate.

The Department also calculates an encounter rate using a Prospective Payment Methodology (PPS) and the formula established by BIPA 2000, using the average cost based rate per visit for provider fiscal years of 1999 and 2000, trended forward by the MEI.

The baseline rates for RHC-NHB's, FQHC's, and FQHC-LAL's that did not have any reported costs in either the APM or PPS baseline will be set as an average of the rates for similar clinics or centers in the same urban or rural settings. The effective date for such rates is the effective Medicaid enrollment date for the provider.

Effective October 8, 2012, each provider will receive an encounter rate that is the greater of the APM or PPS. Only those providers that agree in writing to the proposed APM will receive the proposed APM. Thereafter, annually on July 1, each provider's encounter rate will be trended forward by the MEI and adjusted for any approved change in scope of services (see below).

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