

Supplemental payments are made at least every four months. Payment is made at a rate equivalent to what the FQHC or RHC would receive under the PPS.

V. Application of Consumer Co-payments

For services rendered on or after January 1, 2006, certain consumers have a co-payment for certain services, in accordance with Attachment 3.1 -A, Item 10, page 1 of 1 and Item 6, page 2 of 4 and in accordance with Attachment 4.19-B, Item 10, page 1 of 1 and Item 6, page 1 of 1.

VI. Alternative Payment Methodology for Governmental-Operated FQHCs

Effective October 1, 2011, any FQHC operated by a State or local governmental agency may request reimbursement using an alternate payment methodology (APM) administered in accordance with Section 1902(bb)(6) of the Act.

The APM makes interim payments to these FQHCs at the PPS rates and annually reconciles cost to the interim PPS rates. In accordance with Section 1902(bb)(6)(B) of the Act, the FQHCs will be paid APM rates that are at least equal to the amounts paid under PPS. Annually, the State reimburses eligible FQHCs for any reconciled cost that exceed PPS rate payments, regardless of whether the interim payment is made by the State or a managed care organization (MCO).

Under federal requirements in section 1902(bb)(5)(B) of the Act, the State will continue to make managed care wraparound payments at least every four months that equal the difference between PPS and the managed care payment.

At the end of the settlement period, the Department will pay the FQHC for services reimbursed under the APM an additional amount equal to the difference between its actual incurred allowable Medicaid cost and the following sums:

1. Interim PPS-based rates,
2. Payments made by Medicaid managed care plans, and
3. Supplemental payments that must be made by the State to the FQHC at least every four months that equal the difference between the payments made by Medicaid managed care plans and the PPS-based rate

A. Interim payments

Interim payment(s) is the PPS rate per visit based on a face-to-face encounter(s)/visits between a patient and FQHC provider of the following Medicaid services:

1. Medical
2. Laboratory
3. Radiology

4. Dental
5. Speech Therapy Services
6. Mental Health Services
7. Transportation
8. Vision Care
9. Podiatry
10. Chiropractic

Rule 5101: 3-28-04 (B)(4) allows for multiple encounters on the same day if the encounters are with different provider types that are distinct centers for direct and indirect cost allocation purposes, for the services listed in Item A. 1-10.

B. Cost reports

Cost reports are submitted annually within one hundred twenty (120) days after the close of the FQHC fiscal year. Each service site of a government-operated FQHC uses the cost report CMS approved for TN 10-014 to compile and submit a cost report that identifies the total actual incurred allowable Medicaid costs for the service site during the fiscal year.

C. Settlement

The Department reconciles the filed cost report to final payments to the FQHC within one hundred twenty (120) days of receiving a clean cost report.

An average cost per visit for each of the types of visits paid on an interim basis is calculated for each FQHC service, regardless of payer, offered at the site by dividing the total allowable actual incurred cost for the service by the total number of all face-to-face encounters/visits.

For each FQHC service, the total allowable actual incurred Medicaid cost for the fiscal year is the product of the average cost per encounter/visit and the number of face-to-face encounters/visits made by Medicaid-eligible individuals.

If total allowable actual incurred Medicaid reconciled cost for the fiscal year exceeds all interim payments for the fiscal year, then within two years of the end of the fiscal year for which cost was reported, the Department will pay the difference between total allowable actual incurred Medicaid reconciled cost and all interim payments.

If all interim payments for FQHC services for the fiscal year exceed the APM, then the Department recovers the excess payment. Excess payment to an FQHC will be recovered by the Department within sixty (60) days.

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