
METHODS AND STANDARDS OF ESTABLISHING PAYMENT RATES - OTHER
MEDICAL CARE (Continued)

2. b. Rural Health Clinic Services/Federally Qualified Health Centers

- The payment methodology for FQHCs/RHCs will conform to section 702 of the BIPA 2000 legislation.
- The payment methodology for FQHCs/RHCs will conform to the BIPA 2000 requirements Prospective Payment System (PPS).
- The payment methodology for FQHCs/RHCs 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.

Effective January 1, 2022, payment to RHC's and FQHC's will be made at the federal Prospective Payment System (PPS) payment level consistent with BIPA and adjusted for changes in scope and reasonable costs. Rates for FQHCs and RHCs were last updated effective July 1, 2023.

FQHCs and RHCs are free to participate in the Medicaid Next Generation Accountable Care Organization (ACO) Program.

DVHA requests all facilities submit cost reports each year to DVHA by May of each calendar year. In addition, if the facility is requesting a change to its PPS rate based on scope of service or reasonable cost changes, it must include a copy of its most current cost report with the request for a PPS review. These reviews will be conducted throughout the year and PPS rates adjusted, if appropriate, per the results of the review.

~~DVHA will make every effort possible to publish changes to PPS rates, net of adjustments for the Medicare Economic Index inflation and results of the change in scope process, by October in its Global Commitment Register.~~ As of January 1, 2018, DVHA will no longer conduct cost settlement activities related to FQHC and RHC encounter rate setting. The cost report submissions, therefore, will be used to support the scope of service and reasonable cost process and not for any additional cost settlement activities.

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