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 ~~beginning~~ January 1, 201~~8~~9, 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; beginning in CY201~~8~~9, if a facility submits written election of the alternative payment methodology (APM), it will be paid ~~its CY2017 rate.~~at a blended rate over three years as follows: In CY2019, it will be 75% of the CY2018 APM rate plus 25% of the CY2019 BIPA PPS; in CY2020, it will be 50% of the CY2018 APM rate plus 50% of the CY2020 BIPA PPS; in CY2021, it will be 25% of the CY2018 APM rate plus 75% of the CY2021 BIPA PPS.

If a facility wishes to select the APM rate in CY201~~8~~9, the facility must submit a letter requesting payment through the APM no later than December ~~31~~17, 201~~8~~7, otherwise they will receive the 2019 ~~new~~ PPS rates.

Starting in CY2019, ~~there will be no specific~~ the APM rates will be scaled down to the PPS rate over 3 years. As of CY2022, APM rates will cease and all providers will be receiving the PPS rates. FQHCs and RHCs are free to participate in the Medicaid Next Generation Program through which for attributed beneficiaries, their payments would be the responsibility of the Accountable Care Organization in lieu of the PPS/APM system. Non-attributed populations would continue to be paid via the elected rate in CY201~~8~~9 and the PPS rate in CY202~~2~~2~~19~~.

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 ~~with its cost report submission~~. These reviews will be conducted ~~between June and August~~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 ~~or related to administering the APM~~. 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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