

PUBLIC NOTICE
Department of Health and Family Services
(Medicaid Reimbursement of Federally Qualified Health Centers)

The state of Wisconsin reimburses providers for services provided to Medical Assistance recipients under the authority of Title XIX of the Social Security Act and ss. 49.43 to 49.47, Wisconsin Statutes. This program, administered by the State's Department of Health Services (the Department), is called Medical Assistance (MA) or Medicaid. In addition, Wisconsin has expanded this program to create the BadgerCare Plus program under the authority of Title XIX and Title XXI of the Social Security Act and s. 49.471 of the Wisconsin Statutes. Federal statutes and regulations require that a state plan be developed that provides the methods and standards for reimbursement of covered services. A plan that describes the reimbursement system for the services (methods and standards for reimbursement) is now in effect. Among the services provided under the Wisconsin Medicaid program are services provided by Federally Qualified Health Centers (FQHCs).

Proposed Change in Payment Methods

Wisconsin Act 55, the 2015 biennial budget act for Wisconsin State Fiscal Years 2016 and 2017, established an updated prospective payment system for certain federally qualified health centers. This change was enacted into law under section 49.45 of the Wisconsin Statutes.

For services provided by a federally qualified health center on or after March 1, 2017, to a recipient of the Medical Assistance program, the department will reimburse the federally qualified health centers using an updated payment methodology based on the Medicaid prospective payment system under 42 USC 1396a(bb) (1) to (3). The department has consulted with federally qualified health centers in developing the updated payment methodology under this paragraph.

As required under Wisconsin Act 55, the department established an updated individual prospective payment rate for each Community Health Center – FQHC as payment for face-to-face Medicaid member encounters at the Community Health Center. This updated prospective payment rate system takes the place of a two part financial payment structure which required both an interim Medicaid payment for procedures based on the Medicaid fee-for-service max fee schedule, followed by a financial reconciliation transaction based on total allowable FQHC costs or previously set prospective payment rates.

Notably, interim cost settlements, often referred to as “wrap payments,” will continue after PPS rate implementations on March 1, 2017 until the financial system is fully online to process FFS PPS payments real time. Managed care payments are not affected at this time and wrap payments will continue to reconcile the newly updated PPS rate for managed care encounters.

Clinics that have not yet finalized their PPS payment rate with the state will continue to partner with the state toward finalization. Their respective PPS rate will be made effective March 1, 2017 retroactively.

This change does not affect tribal FQHCs.

Fiscal Impact

At this time, the Department believes that these changes will be budget neutral and will have no impact on projected Medicaid and BadgerCare Plus expenditures for state fiscal years 2017 and 2018.

Copies of Proposed Changes and Proposed Payment Rates

At present this notice is all the information available. As data is accumulated and rate calculations are made, additional information will become available. At that time, a copy of the rate calculations may be obtained free of charge by calling or writing as follows:

Regular Mail:

Bob Thom
Division of Medicaid Services
Bureau of Fiscal Management
P.O. Box 309
Room 318, One West Wilson
Madison, WI 53701-0309

Fax:

(608) 266-1096
Attention: Bob Thom

Telephone:

Bob Thom
Section Chief-Fiscal Management
Division of Medicaid Services
Bureau of Fiscal Management
(608) 266-0381

E-Mail:

Robert.Thom@dhs.wisconsin.gov

A copy of the proposed change can be made available for review at the main office of any county department of social services or human services.

Written Comments

Written comments on the proposed changes are welcome and should be sent to the above address. The comments received on the changes will be available for public review between the hours of 7:45 and 4:30 p.m. at:

Division of Medicaid Services
Bureau of Fiscal Management
Room 350 (318), State Office Building
One West Wilson Street
Madison, WI