

Bulletin Number: MSA 13-26

Distribution: Federally Qualified Health Centers, Rural Health Clinics, MICHild Health Plans

Issued: August 2, 2013

Subject: Prospective Payment System Rate for the State Children's Health Insurance Program

Effective: September 1, 2013

Programs Affected: MICHild, Healthy Kids – Expansion, Maternity Outpatient Medical Services

Background

The Children's Health Insurance Program Reauthorization Act (CHIPRA) of 2009 authorizes states to incorporate a prospective payment system (PPS) rate for reimbursement of services provided to children receiving health care services through Federally Qualified Health Centers (FQHC) and Rural Health Clinics (RHC) when covered by the Children's Health Insurance Program (CHIP). Section 503 of CHIPRA specifies that states must follow the requirements of section 1902 (bb) of the Social Security Act (SSA), which implemented a PPS for Medicaid services in FQHCs and RHCs. On September 29, 2011, the State of Michigan submitted State Plan Amendment (SPA) #13 in compliance with these regulations. This SPA has been approved and reimbursement for eligible services will be retroactive to October 1, 2009, in accordance with the SSA. The purpose of this bulletin is to describe the PPS that will be used to reimburse FQHCs and RHCs for CHIP eligible services.

Process for PPS Reimbursement

In accordance with the SSA, FQHCs and RHCs are eligible for reimbursement of State CHIP funded programs (MICHild, Healthy Kids – Expansion, and Maternity Outpatient Medical Services [MOMS]) using the PPS methodology currently used for Michigan Medicaid beneficiaries. This process is outlined in the FQHC and RHC chapters of the Medicaid Provider Manual. For beneficiaries enrolled in these State CHIP funded programs, providers must bill the program according to their existing processes. For beneficiaries enrolled in a MICHild Health Plan, the Hospital and Clinic Reimbursement Division (HCRD) will perform an annual reconciliation of these encounters provided by FQHCs and RHCs if the following conditions are met:

- The FQHC and RHC must be signatories to a contract with the respective MICHild health plan covering these CHIP services.
- The contract must provide for the MICHild health plan to reimburse the FQHC or RHC at a fair market rate for similarly situated beneficiaries served by non-PPS eligible providers.
- The FQHC and RHC must submit an electronic document of the encounters and payments associated with these CHIP plans when requesting their annual settlement.

For Healthy Kids – Expansion and MOMS beneficiaries, the HCRD will perform an annual reconciliation of these encounters provided by FQHCs and RHCs. The FQHC and RHC PPS rates established for eligible CHIP services are equivalent to those applicable to Medicaid for each respective year they are in effect. Reimbursement of the PPS rate for these encounters has been made retroactive to October 1, 2009, in accordance with the SSA, through the reconciliation process.

Manual Maintenance

Retain this bulletin until the information has been incorporated into the Michigan Medicaid Provider Manual.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Community Health, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at ProviderSupport@michigan.gov. When you submit an e-mail, be sure to include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

Approved



Stephen Fitton, Director
Medical Services Administration