

MEDICAID POLICY INFORMATION SHEET

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Initial

Public Comment

Final

Brief description of policy:

Under the new alternative payment methodology (APM), Rural Health Clinics (RHCs) providing selected procedures in the RHC setting will be reimbursed pursuant to the payment methodology described under Attachment 4.19-B, Individual Practitioner Services section, of the Michigan Medicaid State Plan.

Reason for policy (problem being addressed):

This policy will provide financial relief to RHC providers in underserved areas.

Budget implication:

budget neutral

will cost MDHHS \$, and (select one) budgeted in current appropriation

will save MDHHS \$

Is this policy change mandated per federal requirements?

No.

Does policy have operational implications on other parts of MDHHS?

Yes, the Hospital and Clinic Reimbursement Division will be required to update their cost settlement systems. Additionally, the Medicaid Payments Division will be required to adjust claims back to August 1, 2017 for RHCs impacted by the updated payment methodology. Finally, the Grants Division will be required to issue and track Memorandums of Understanding for all clinics opting to receive the APM.

Does policy have operational implications on other departments?

No.

Summary of input:

controversial (Explain)

acceptable to most/all groups

limited public interest/comment

Supporting Documentation:

State Plan Amendment Required: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Public Notice Required: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please provide status:	If yes,
<input checked="" type="checkbox"/> Approved <input type="checkbox"/> Pending <input type="checkbox"/> Denied	Submission Date: 6/7/17
Date: 8/9/19 Approval Date:	

DRAFT FOR PUBLIC COMMENT		
	Michigan Department of Health and Human Services	Project Number: 1935-RHC Date: January 21, 2020

Comments Due: February 25, 2020
Proposed Effective Date: As Indicated
Direct Comments To: Tyler Wise
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<p>Policy Subject: Rural Health Clinic Reimbursement Methodology</p> <p>Affected Programs: Medicaid, MICHild, Healthy Michigan Plan</p> <p>Distribution: Rural Health Clinics, Medicaid Health Plans, Integrated Care Organizations, Prepaid Inpatient Health Plans</p> <p>Summary: Under the new alternative payment methodology (APM), Rural Health Clinics (RHCs) providing selected procedures in the RHC setting will be reimbursed pursuant to the payment methodology described under Attachment 4.19-B, Individual Practitioner Services section, of the Michigan Medicaid State Plan.</p> <p>Purpose: This policy updates the reimbursement methodology for RHC providers.</p> <p>Cost Implications: The Michigan Department of Health and Human Services (MDHHS) estimates the enactment of this policy will be budget neutral.</p> <p>Potential Hearings & Appeal Issues: N/A</p>

State Plan Amendment Required: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If yes, date submitted: August 24, 2017	Public Notice Required: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Submitted date: June 6, 2017
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Tribal Notification: Yes No - **Date:** April 25, 2017

THIS SECTION COMPLETED BY RECEIVER

<input type="checkbox"/> Approved	<input type="checkbox"/> No Comments
<input type="checkbox"/> Disapproved	<input type="checkbox"/> See Comments Below
	<input type="checkbox"/> See Comments in Text

Signature:	Phone Number
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Signature Printed:

Bureau/Administration <i>(please print)</i>	Date
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Proposed Policy Draft

Michigan Department of Health and Human Services
Medical Services Administration

Distribution: Rural Health Clinics, Medicaid Health Plans, Integrated Care Organizations, Prepaid Inpatient Health Plans

Issued: March 1, 2020 (Proposed)

Subject: Rural Health Clinic Reimbursement Methodology

Effective: As Indicated (Proposed)

Programs Affected: Medicaid, MICHild, Healthy Michigan Plan

Background

Rural Health Clinic (RHC) reimbursement conforms to Section 1902(bb) of the Social Security Act (the Act). As set forth in Section 1902(bb), all RHCs that provide services defined in 1905[a][2][B] after August 1, 2017 are reimbursed under either a prospective payment system (PPS) or an alternative payment methodology (APM) as selected by the RHC for Medicaid, MICHild, and Healthy Michigan Plan beneficiaries.

PPS Reimbursement Methodology

An RHC that is not reimbursed under an APM will have eligible qualifying visits reconciled to the Medicaid PPS rate as described in the RHC chapter of the Medicaid Provider Manual. Under the PPS, an RHC will be reimbursed on a per visit basis. The per visit payment was based on the average of the RHCs reasonable costs of providing Medicaid services during Fiscal Year (FY) 1999 and FY 2000. The baseline per visit amount is adjusted annually using the Medicare Economic Index (MEI) as designated in Section 1902(bb)(3)(A).

Alternate Payment Methodology

Effective for dates of service on or after August 1, 2017, RHCs may agree in writing, through a Memorandum of Understanding (MOU), to be reimbursed under the APM as described in Attachment 4.19-B, Rural Health Clinic Services, subsection 5(b) of the Michigan Medicaid State Plan.

RHCs providing selected procedures in the RHC setting will be reimbursed pursuant to the payment methodology described under Attachment 4.19-B, Individual Practitioner Services section, of the Michigan Medicaid State Plan. Selected procedures include:

- Endometrial Ablation (all methods)
- Hysteroscopy and Coloscopy
- Post-Partum Care
- Insertion and Removal of Non-Biodegradable Drug Delivery Implant

All other procedures performed at the RHC that are considered qualifying visits will be reimbursed at the PPS rate.

RHC providers are expected to practice in accordance with the accepted standards of care and professional guidelines applicable to medical and behavioral health services and comply with all applicable policies published in the Michigan Medicaid Provider Manual. Inappropriate payments identified in post-payment review are subject to recoupment. The RHC has the full responsibility to maintain proper and complete documentation to verify the services provided.

MOUs will be distributed to all RHCs for review and signature. Once the signature process is complete, MOUs must be mailed back to the address provided with the MOU. The signed agreement does not supersede any corresponding policy in the Michigan Medicaid Provider Manual but documents the clinics' acceptance of the terms outlined in the Michigan Medicaid State Plan. The Michigan Department of Health and Human Services (MDHHS) Hospital and Clinic Reimbursement Division and Grants Division will retain a copy of the signed MOU in their files. If an RHC does not sign the MOU, reimbursement defaults to that which is described in the PPS base rate methodology of the Act. Newly created RHCs will be permitted to choose between the PPS or APM during the rate setting process.

Reimbursement for Drugs and Biologicals

RHCs providing Advisory Committee on Immunization Practice recommended vaccines for individuals age 19 years and older, physician administered drugs, and long acting reversible contraceptives in the RHC setting will be reimbursed according to the methodology described under Attachment 4.19-B, Drug Product Reimbursement of the Medicaid State Plan.

Excluded Technical Payments

If a code from the "Clinic – Excluded Technical Payments" is billed by an independent RHC, the Community Health Automated Medicaid Processing System (CHAMPS) will pay the applicable procedure code rate. Claims must include modifier "TC." Payment will be listed on the associated code line.

Allowable Places of Service

Services provided to beneficiaries within the four walls of the RHC are allowable for reimbursement under the PPS. Off-site services provided by employed practitioners of the RHC to patients temporarily homebound or in any assisted living or skilled nursing facility because of a medical condition that prevents the patient from traveling to the RHC are also allowable for reimbursement under the PPS.

If a practitioner employed by an RHC provides services at an inpatient hospital, the service must be billed under the individual practitioner's Medicaid provider number and will be reimbursed the appropriate fee screen rate. Services performed in an inpatient hospital setting are not included in the PPS. The costs associated with these services must be excluded from the RHCs Medicaid Reconciliation Report.

Clinic Reimbursement and Reconciliation

Previously adjudicated fee-for-service claims with dates of service on and after August 1, 2017 will be adjusted in CHAMPS to reflect appropriate reimbursement amounts for impacted services. Medicaid Health Plan (MHP) encounter claims with dates of service on and after August 1, 2017 will be reconciled accordingly during clinic cost settlement. Claim adjudication and cost settlement related to the updated RHC reimbursement methodology will be initiated by the applicable MDHHS division. RHCs do not have to request retroactive reimbursement for the updated reimbursement methodology.