

MEDICAID POLICY INFORMATION SHEET

Policy Analyst: Abigail Kowalczyk

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Initial ☐

Public Comment ☒

Final ☐

Brief description of policy:

The purpose of this bulletin is to remind providers of the Medicaid timely submission requirements for Federally Qualified Health Center (FQHC) and Rural Health Clinic (RHC) Medicaid Cost Reports and update the process of suspending selected Medicaid payments when cost reports are not submitted by the required due date. FQHCs and RHCs that fail to submit a Medicaid Cost Report in a timely manner will be issued a notice of delinquency letter. The facility will have 30 days from the date on the letter to submit a Medicaid Cost Report for review and approval. Failure to submit a cost report by the due date will result in the suspension of Medicaid fee-for-service (FFS) claims and gross adjustment payments.

Reason for policy (problem being addressed):

This policy will internally align clinic policy on late cost reports with that of other areas that require timely filing of cost reports.

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 (HCRD)

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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please provide status: <input type="checkbox"/> Approved <input type="checkbox"/> Pending <input type="checkbox"/> Denied Date: Approval Date:	Public Notice Required: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, Submission Date:
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DRAFT FOR PUBLIC COMMENT Michigan Department of Health and Human Services		
	Project Number: 2505-Clinic	Date: March 18, 2025

Comments Due: April 22, 2025
Proposed Effective Date: July 1, 2025
Direct Comments To: Abigail Kowalczyk
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Fax:

<p>Policy Subject: Timely Submission of Medicaid Cost Reports; Payment Suspension</p> <p>Affected Programs: Medicaid, Healthy Michigan Plan, Plan First, MOMS</p> <p>Distribution: Federally Qualified Health Centers (FQHC), Rural Health Clinics (RHC)</p> <p>Summary: The purpose of this bulletin is to remind providers of the Medicaid timely submission requirements for FQHC and RHC Medicaid Cost Reports and update the process of suspending selected Medicaid payments when cost reports are not submitted by the required due date. FQHCs and RHCs that fail to submit a Medicaid Cost Report in a timely manner will be issued a notice of delinquency letter. The facility will have 30 days from the date on the letter to submit a Medicaid Cost Report for review and approval. Failure to submit a cost report by the due date will result in the suspension of Medicaid fee-for-service (FFS) claims and gross adjustment payments.</p> <p>Purpose: This policy will internally align clinic policy on late cost reports with that of other areas that require timely filing of cost reports.</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:</p>

State Plan Amendment Required: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, date submitted:	Public Notice Required: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Submitted date:
Tribal Notification: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> - Date:	
THIS SECTION COMPLETED BY RECEIVER	
<input type="checkbox"/> Approved <input type="checkbox"/> Disapproved	<input type="checkbox"/> No Comments <input type="checkbox"/> See Comments Below <input type="checkbox"/> See Comments in Text
Signature:	Phone Number
Signature Printed:	
Bureau/Administration (please print)	Date

Proposed Policy Draft

Michigan Department of Health and Human Services
Behavioral & Physical Health and Aging Services Administration

Distribution: Federally Qualified Health Centers (FQHC), Rural Health Clinics (RHC)

Issued: May 30, 2025 (Proposed)

Subject: Timely Submission of Medicaid Cost Reports; Payment Suspension

Effective: July 1, 2025 (Proposed)

Programs Affected: Medicaid, Healthy Michigan Plan, Plan First, Maternity Outpatient Medical Services (MOMS)

The purpose of this bulletin is to remind providers of the Medicaid timely submission requirements for FQHC and RHC Medicaid Cost Reports and update the process of suspending selected Medicaid payments when cost reports are not submitted by the required due date. The information in this bulletin is effective July 1, 2025.

Each clinic, unless specifically exempt, is required to submit a Medicaid Cost Report to the Facility Settlement sub-system in the Community Health Automated Medicaid Processing System (CHAMPS) on or before the last day of the fifth month following the close of its cost reporting period. The Michigan Department of Health and Human Services (MDHHS) Hospital and Clinic Reimbursement Division (HCRD) grants extensions only when a clinic's operation is adversely affected due to circumstances beyond its control (e.g., staffing turnovers are considered within the control of the clinic, whereas fires and floods would be considered beyond its control).

If a clinic fails to submit a completed Medicaid Cost Report via the MDHHS Facility Settlement system on time and has not been granted an extension of the time limit, a notice of delinquency is issued. If the Medicaid Cost Report is not submitted within 30 calendar days from the date of the notice of delinquency, the clinic's fee-for-service (FFS) payments and gross adjustment payments are suspended until the Medicaid Cost Report is received and accepted by MDHHS HCRD in the Facility Settlement System. Payments withheld due to late submission are paid upon acceptance of the Medicaid Cost Report. Managed care encounters are not subject to payment suspension.