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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 in the center's fiscal year beginning January 1, 2002, or later, payment to RHC's and FQHC's will be made at the greater of the federal PPS payment level with any adjustment for changes in scope, or allowable costs up to the Medicaid upper limit. For RHC's subject to the Medicare upper limit, the Medicaid upper limit shall be calculated at 100 percent of the Medicare amount. For FQHC's, the Medicaid upper limit shall be calculated at 125 percent of the Medicare upper limit for that year. For RHC's not subject to the Medicare upper limit, the Medicaid upper limit shall be 125 percent of the non-urban FQHC Medicare upper limit. The Commissioner may waive the application of the upper limit, in part or in whole, for good cause shown.

Thirty days prior to a fiscal year the DVHA shall set the interim payment for the next year at the greater of the PPS rate or the rate derived from the most recent adjudicated cost report up to the Medicaid upper limit. If the entity submits a timely cost report, the DVHA will settle on the basis of reasonable costs up to the limit. If the entity does not file a timely cost report and the interim payment was based on the costs, the DVHA will settle the interim payments at the PPS levels.

If a facility elects to be paid by the PPS system, it need not file a Medicaid cost report for that year. If a center elects to be paid by the cost-based system, it must include a declaration of agreement to use the cost-based alternative with its cost report.

3. Other Laboratory and X-Ray Services

Payment is limited to laboratories and laboratory services certified by Medicare. Reimbursement is made at the lower of the provider's charge or the Medicaid rate on file. The Agency's rates were set as of July 1, 2009 and are effective for services on for after that date. All rates are published on <http://dvha.vermont.gov/for-providers>. Except as otherwise noted in the plan, State developed fee schedule rates are the same for both governmental and private.

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