

# Title: FQHC/RHC Encounter Rates

**Issuance Date: June 1, 2023**

(Must be reviewed annually)

## Applicable Regulations, Guidelines, and AHS Policy:

### Federal statute or rule:

- 42 USC 254b
- CMS Medicare Economic Index

### State Plan:

Attachment 4.19-B Page 2a(2)

### Other:

BIPA 2000

## Purpose:

Conduct an annual review to update reimbursement rates for the Federally Qualified Health Centers and Rural Health Clinics pursuant with the CMS Medicare Economic Index (MEI) updates. Updating fee schedules at regular intervals enables DVHA to be a reliable and predictable payer of health care services.

## Procedure:

- 1) DVHA Reimbursement (RU) initiates the annual FQHC/RHC fee schedule update by completing the following tasks:
  - a) Identify most recently available CMS Medicare Economic Index (MEI) inflationary factor update.
  - b) Create a rate model to calculate the fiscal impact of applying the MEI inflation factor.
- 2) Outside consultant reviews DVHA rate model for quality assurance.
- 3) DVHA Director of Managed Care Operations approves the final rate model.
- 4) DVHA RU initiates the Policy, Budget, and Reimbursement (PBR) process outlining the fiscal impact associated with the change and any changes to the reimbursement methodologies or policies.
- 5) Once the PBR is approved, DVHA RU assists in drafting updates to the State Plan and Global Commitment Register (GCR) notification which is used for provider review and feedback.

- 6) DVHA RU drafts and sends rate notification letters to the FQHC/RHC providers informing them of the new encounter rates.
- 7) DVHA RU prepares the final rate update file and performs a quality assurance review to ensure the file is without error.
- 8) DVHA RU sends the final FQHC/RHC fee schedule update to DVHA’s fiscal agent to implement the rate changes in MMIS.
- 9) Once the rate updates have been entered in MMIS, DVHA RU performs a quality assurance review to ensure the rate information in the MMIS is accurate.

### Revision History:

Date	Summary of Revisions
12/2/19	Draft
12/3/19	Returned for edits
12/3/19	Director approval
3/3/22	No updates, director approval.
3/11/2022	OMU review, update to ADA template.
05/25/2023	Update to Purpose and Procedure.

Table 1 Revision History