

Washington State
Health Care Authority

Managed Care Reimbursement

Federally Qualified Health Centers
Rural Health Clinics

FQHC/RHC Overview

- FQHCs and RHCs receive enhanced reimbursement in return for serving medically underserved areas and clients
- FQHCs and RHCs are unique only in the methodology used to calculate their reimbursement
- Currently, there are 25 FQHCs and about 120 RHCs with managed care clients

FQHC/RHC Reimbursement

- Every FQHC and RHC receives their own provider-specific **encounter rate**, which is based on their allowable costs
- They receive their encounter rate for every eligible visit, called an **encounter**, for both Medicaid FFS and managed care clients
- With few exceptions, encounters are limited to one per client, per day
- For Medicaid FFS clients, the State pays the full encounter rate upon receipt of a valid encounter claim from the FQHC/RHC

FQHC/RHC Reimbursement

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For managed care clients, the reimbursement is made in three steps:

1. The plan pays the FQHC/RHC according to their contract
2. Every month, the State pays each FQHC/RHC a supplemental payment, called the **enhancements**, for each managed care client assigned to them; each FQHC and RHC is paid at their own provider-specific **enhancement rate**; the enhancements are sometimes called **PMPM payments** (per member per month)
3. The State performs an annual reconciliation to determine how much each FQHC and RHC should have been paid, then pays or recoups the difference as appropriate

Annual Reconciliation

- Under the current reconciliation process, plans submit FQHC/RHC managed care claims data each year to Milliman, the State's actuarial consultant
- Milliman provides the plans with the necessary file layout to ensure that all eligible claims are captured
- If necessary, the plans work with Milliman and/or the FQHCs and RHCs to review the claims data and ensure that all appropriate encounters are used in the reconciliation process

Enhancement Process

- The enhancement payments are generated from monthly Excel files submitted to the State by the plans
- These files reflect each plan's enrollment roster **as of the first day of each month**
- The State uploads the files into ProviderOne and payments are made directly to the FQHCs/RHCs if all requirements are met

Monthly File Requirements

Following is the layout that must be used for each monthly file, as well as the Excel format and an example for each field:

MCO P1 ID	FQHC/RHC NPI	Client P1 ID	Client Last Name	Client DOB	Gender	Start Date	End Date	Reverse Payment
[General]	[General]	[General]	[General]	[Date]	[General]	[Date]	[Date]	[General]
201599901	1234567890	123456789WA	Lastname	1/1/2000	M [or] F	7/1/2012	7/31/2012	N [or] R

Monthly File Requirements

(cont.)

The monthly files are posted to the Tumbleweed secure website <https://sft.wa.gov> (also known as **Valicert**)

- The State will provide access to the appropriate individuals at each plan
- Plans must post each month's file to the website by the 15th of the month (e.g., July's file must be posted by July 15); if the 15th falls on a weekend, the files are due the following Monday (the 16th or 17th)
- Be sure to use Excel files with the *x/s* format (the version with only 65k rows); do not send files in the *x/sx* format

Monthly File Requirements

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- Files must be no larger than 10 MB; multiple files can be posted if necessary
- If sending multiple files in one month, please indicate the order of the files and the number of files in total (i.e., add "1 of 3", "2 of 3", etc., to the end of each filename, as appropriate)
- Files must be named as follows: [MCO]_enh_mmyy (e.g., AMG_enh_0712)
- Each row in the Excel file should reflect one client, one FQHC/RHC, and one month of enrollment

Monthly File Requirements

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- Regular monthly files should contain only “N” records for the current month; for **retro files** (which contain records from months prior to the current month), reversal records (“R”) and normal records (“N”) should be in separate files; no retro file should contain both “N” and “R” records
- Retro files can contain records from multiple months
- Information in the files should exactly match the corresponding information on the 834 enrollment reports sent by the State to the plans; any discrepancy (e.g., a client last name missing an apostrophe) can cause the payment to deny
- Whenever you post a file to the secure website, please send notification to kevin.collins@hca.wa.gov

Delivery Enhancements

- In addition to the monthly PMPM enhancement payments, FQHCs and RHCs that perform deliveries are also eligible to receive an additional payment, called a **delivery enhancement** (which is an example of a **service-based enhancement**, or SBE)
- Delivery enhancements are automatically paid by ProviderOne when managed care encounter data submitted by the plans to the State includes a valid delivery performed by an FQHC/RHC
- Neither the FQHC/RHC nor the plan submits a claim for a delivery enhancement

Delivery Enhancements

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A delivery enhancement is triggered to an FQHC/RHC only if the same NPI is:

- Used by the FQHC/RHC when billing the delivery to the plan
- Used by the plan in the managed care encounter data submitted to the State
- Used by the plan on the monthly PMPM enhancement file for the month of delivery

HCA Contact Info

Office of Rates Development

Please direct FQHC/RHC questions to any of the following:

- Jean Bui – Section Manager
 - 360-725-1973
 - jean.bui@hca.wa.gov
- Melissa Usitalo – Unit Manager
 - 360-725-1853
 - melissa.usitalo@hca.wa.gov
- Sandy Cashman – FQHC/RHC Program Manager
 - 360-725-1961
 - sandy.cashman@hca.wa.gov
- Kevin Collins – FQHC/RHC Program Manager
 - 360-725-2104
 - kevin.collins@hca.wa.gov