Rules of
Department of Social Services
Division 70—MO HealthNet Division
Chapter 26—Federally-Qualified Health Center Services

Title 13—DEPARTMENT OF SOCIAL SERVICES
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13 CSR 70-26.010 MO HealthNet Program Benefits for Federally-Qualified Health Center Services

PURPOSE: This rule implements the payment methodology for federally-qualified health center services pursuant to section 6404 of the Omnibus Budget Reconciliation Act of 1989 (P.L. 101-239).

PUBLISHER'S NOTE: The secretary of state has determined that the publication of the entire text of the material which is incorporated by reference as a portion of this rule would be unduly cumbersome or expensive. This material as incorporated by reference in this rule shall be maintained by the agency at its headquarters and shall be made available to the public for inspection and copying at no more than the actual cost of reproduction. This note applies only to the reference material. The entire text of the rule is printed here.

(1) Pursuant to the Omnibus Reconciliation Act of 1989, this regulation provides the payment methodology used to reimburse federally-qualified health centers (FQHCs) the allowable costs which are reasonable for the provision of FQHC-covered services to MO HealthNet participants.

(2) General Principles.

(A) The MO HealthNet program shall reimburse FQHC providers based on the reasonable cost of FQHC-covered services related to the care of MO HealthNet participants (within program limitations) less any copayment or deductible amounts which may be due from MO HealthNet participants effective for services on and after July 1, 1990.

(B) Reasonable costs shall be determined by the MO HealthNet Division based on desk reviews of the applicable cost reports and may be subject to adjustment based on field audits. Reasonable costs shall not exceed the Medicare cost principles set forth in 42 CFR Part 413.

(C) Reasonable costs shall be apportioned to the MO HealthNet program based on a ratio of covered charges for beneficiaries to total charges. Charges mean the regular rate for various services which are established uniformly for both MO HealthNet participants and other patients. MO HealthNet charges shall include MO HealthNet managed care charges for covered services.

(D) An FQHC shall submit a cost report in the manner prescribed by the state MO HealthNet agency. The cost report and cost report instructions are incorporated by reference and made a part of this rule as published by the Department of Social Services, MO HealthNet Division, 615 Howerton Court, Jefferson City, MO 65109, August 1, 2011. This rule does not incorporate any subsequent amendments or additions. The cost report shall be submitted within five (5) months after the close of the FQHC's reporting period. A single extension, not to exceed thirty (30) days, may be granted upon the request of the FQHC and the approval of the MO HealthNet Division when the provider's operation is significantly affected due to extraordinary circumstances over which the provider had no control, such as fire or flood. The request must be in writing and postmarked prior to the first day of the sixth month following the FQHC's fiscal year end.

(E) An FQHC cost report shall be submitted and certified by an officer or administrator of the provider. Failure to file a cost report within the prescribed period, except as expressly extended in writing by the state agency, may result in the imposition of sanctions as described in 13 CSR 70-3.030.

(F) Authenticated copies of agreements and other significant documents related to the provider's operation and provision of care to MO HealthNet participants must be included with the cost report at the time of filing unless current and accurate copies have already been filed with the division. Material which must be submitted includes, but is not limited to, the following as applicable:

1. Audited financial statements prepared by an independent accountant and submitted to the MO HealthNet Division when available, including explanatory notes, disclosure statements, and management letter;
2. Contracts or agreements involving the purchase of facilities or equipment during the cost reporting period if requested by the division, the department, or its agents;
3. Contracts or agreements with related parties;
4. Schedule A detailing all grants, gifts, donations, and income from endowments, including amounts, restrictions, and use;
5. Explanations of grants, gifts, donations, or endowments for which related expenses have not been offset on Worksheet 1-B of the MO HealthNet Division FQHC cost report. If subsequently requested by the division or its contracted agents, documentation of related expenditures will also be submitted;
6. Leases or rental agreements, or both, related to the activities of the provider;
7. Management contracts; and
8. Working trial balance actually used to prepare the cost report with line number tracing notations or similar identifications.

(3) Nonallowable Costs. Any costs which exceed those determined in accordance with the Medicare cost reimbursement principles set forth in 42 CFR Part 413 are not allowable in the determination of a provider's total reimbursement. 42 CFR Part 413 (Revised as of October 1, 2010), incorporated by reference in this rule, is published by the U.S. Government Printing Office; for sale by the Superintendent of Documents, U.S. Government Printing Office; Internet: bookstore.gpo.gov; telephone toll free 1-866-512-1800; Washington, DC area 202-512-1800; fax 202-512-2250; mail: Stop SSOP, Washington, DC 20401-0001. The rule does not incorporate any subsequent amendments or additions. In addition, the following items specifically are excluded in the determination of a provider's total reimbursement:

(A) Grants, gifts, and income from endowments will be deducted from total operating costs, with the following exceptions:

1. Grants awarded by federal government agencies, such as the Health Resources and Services Administration and Public Health Service, directly to an FQHC;
2. Grants received from the Missouri Primary Care Association (MPCA) in accordance with contractual agreements between the MO HealthNet Division and MPCA;
3. Grants to FQHCs for covered services provided to uninsured patients resulting in uninsured FQHC charges that are included on Worksheet 2 of the MO HealthNet Division FQHC cost report;
4. Grants or incentive payments, either paid directly to FQHCs or assigned to FQHCs by their performing providers, for the meaningful use of electronic health records (EHR) systems; and
5. Payments to FQHCs for participation in MO HealthNet Division Medical Home initiatives.

(B) The value of services provided by nonpaid workers, including members of an organization having an agreement to provide those services;

(C) Bad debts, charity, and courtesy allowances;

(D) Return on equity capital;

(E) Attorney fees related to litigation involving state, local, or federal governmental entities, and attorney fees which are not related to the provision of FQHC services;

(F) Late charges and penalties; and

(G) Research costs.

(4) Interim Payments.

(A) FQHC services shall be reimbursed on an interim basis up to ninety-seven percent (97%) of charges for covered services billed to the MO HealthNet program. Interim billings will be processed in accordance with the claims processing procedures for the applicable programs.

(B) An FQHC in a MO HealthNet managed care region shall be eligible for supplemental reimbursement of up to ninety-seven percent (97%) of managed care charges. This reimbursement shall make up the difference between ninety-seven percent (97%) of the FQHC's managed care charges for a reporting period, and payments made by the managed care health plans to the FQHC for covered services rendered to managed care patients during that period. The supplemental reimbursement shall occur pursuant to the schedule agreed to by the division and the FQHC, but shall occur no less frequently than every four (4) months. Supplemental reimbursement shall be requested on forms provided by the division. Supplemental reimbursement for managed care charges shall be considered interim reimbursement of the FQHC's MO HealthNet costs.

(5) Final Settlement.

(A) An annual desk review will be completed following submission of the FQHC's Medicaid cost report. The MO HealthNet Division will make an additional payment to the FQHC when the allowable reported MO HealthNet costs exceed interim payments made for the cost-reporting period. The FQHC must reimburse the division when its allowable reported MO HealthNet costs for the reporting period are less than interim payments.

(B) The annual desk review may be subject to adjustment based on the results of a field audit which may be conducted by the division or its contracted agents.

(C) Cost reports must be fully, clearly, and accurately completed. If any additional information, documentation, or clarification requested by the division or its contracted agents is not provided within fourteen (14) days of the date of receipt of the division's request, payments may be withheld from the facility until the information is submitted.

(D) The division will notify an FQHC by letter of a cost report settlement after completion of the division's cost report desk review. The FQHC shall review the notification letter and attachments and shall respond with an acceptance of the settlement within fifteen (15) calendar days from receipt of the cost report settlement letter. If the FQHC believes revisions to the division's desk review and cost settlement are necessary before it can accept a cost settlement, it must submit additional, amended, or corrected data within the fifteen (15)-day deadline. Data received from the FQHC after the fifteen (15)-day deadline will not be considered by the division for desk review and cost settlement revisions unless the FQHC requests and receives, prior to the end of the fifteen (15)-day deadline, an extension for submitting additional information. If the fifteen (15)-day deadline passes without a response from the provider, the division will proceed with the cost report settlement as stated in the division's notification letter, and the cost report settlement shall be deemed final. The division will not accept an amended cost report or any other additional information to revise the cost report after the finalization of the cost report settlement.

AUTHORITY: sections 208.153 and 208.201, RSMo Supp. 2010. Emergency rule filed June 4, 1990, effective July 1, 1990, expired Oct. 28, 1990. Original rule filed June 4, 1990, effective Nov. 30, 1990. Amended: Filed Sept. 4, 1991, effective Jan. 13, 1992. Amended: Filed July 30, 2002, effective Jan. 30, 2003. Amended: Filed Jan. 14, 2005, effective July 30, 2005. Amended: Filed June 2, 2008, effective Dec. 30, 2008. Amended: Filed June 17, 2011, effective Dec. 30, 2011.*

**Original authority: 208.153, RSMo 1967, amended 1967, 1973, 1989, 1990, 1991, 2007 and 208.201, RSMo 1987, amended 2007.*