



Ohio Administrative Code

Rule 5160-28-07.1 FQHC and RHC services: alternate payment method (APM) for determining payment for government-operated FQHCs.

Effective: July 1, 2024

(A) This rule describes an APM that may be selected, with approval from the Ohio department of medicaid (ODM), by a government-operated FQHC such as a public health department. Under this APM, a government-operated FQHC may receive payment in addition to amounts established under the prospective payment system (PPS) method described in rule 5160-28-05 of the Administrative Code. To qualify for additional payment under this APM, a government-operated FQHC site submits a fully audited cost report for each cost-reporting period. The government-operated FQHC may also submit an optional preliminary cost report for a cost-reporting period. For purposes of this rule, a cost-reporting period is the fiscal year used by the government-operated FQHC. For a government-operated FQHC that has newly selected the APM, ODM may agree to an initial cost-reporting period covering not less than six months nor more than seventeen months.

(B) The APM involves the following steps:

(1) Submission of at least one cost report each cost-reporting period.

(a) Within one hundred twenty days after the close of a cost-reporting period, the government-operated FQHC site may submit an optional preliminary cost report of all PPS services rendered during that cost-reporting period.

(b) Within five-hundred days after the close of a cost-reporting period, the government-operated FQHC site submits a fully audited cost report. Government-operated FQHC sites of the same parent organization compile and submit separate cost reports. When it submits a cost report, a government-operated FQHC site certifies that its costs were an expenditure of public funds not derived from a federal funding source and not otherwise used as a state or local match for federal funds.

(2) Calculation of an APM payment. After it receives a cost report and certification, ODM performs a desk review of the cost report and determines the amount for which the government-operated FQHC site is eligible to receive payment, in the form of federal matching funds, in addition to



amounts established under the PPS. The cost report is not used in any way to alter amounts established under the PPS.

(a) No additional limitation, test of reasonableness, or ceiling described in rule 5160 28-06.1 of the Administrative Code is applied to the cost report. The resulting figures represent the total actual allowable costs during the cost-reporting period.

(b) From these figures, the "average cost per visit" for each PPS service offered at the site is obtained by dividing the total actual allowable costs for the service by the total number of visits.

(c) For each PPS service, the "total allowable medicaid cost" for the cost-reporting period is the product of the average cost per visit and the number of visits made by medicaid-eligible individuals.

(d) The "total medicaid payment" for a PPS service during the cost-reporting period is the sum of the per-visit payment amounts (PVPAs) paid to an FQHC site under the PPS, payments made by MCEs, and medicaid wraparound payments.

(e) The "total medicaid variance" for a PPS service is the difference obtained by subtracting the total medicaid payment from the total allowable medicaid cost. The "aggregate add-on" is the sum of the products of the FQHC PVPA add-on amount for each PPS service and the number of visits for each PPS service. The "matchable expenditure" is the sum of the total medicaid variance and the aggregate add-on. ODM calculates the federal share of the matchable expenditure by applying the appropriate federal match percentage and then remits this amount to the government-operated FQHC site.

(f) Payment is expected to be made within ninety days after submission of a cost report. If the total expenditure derived from the fully audited cost report differs from the total expenditure derived from the optional preliminary cost report, then the difference in the federal share is remitted to the FQHC or to ODM, as appropriate. Amounts owed to ODM are paid within ninety days.

(C) For payment purposes, the federal share amounts for the various PPS services offered at an FQHC site may be aggregated.