

### **59G-6.090 Payment Methodology for County Health Departments.**

(1) This rule applies to all county health departments (CHD)s rendering Florida Medicaid clinic services to recipients in accordance with Rule 59G-4.055, Florida Administrative Code, (F.A.C.).

(2) Definitions.

(a) Allowable Cost – Cost(s) incurred for recipient-related health care services, except as outlined in subsection (5).

(b) Buy-back – A provision that allows a CHD to decrease the Medicaid Trend Adjustment from the established percent to zero percent.

(c) County Health Department (CHD) Clinic Services – Florida Medicaid primary and preventive health care services, related diagnostic services, and dental services.

(d) Encounter – A visit occurring on a specific day between a recipient and health care professional(s). Two Encounters occurring on the same day will not be reimbursed separately, even if the Encounters are for different types of services.

(e) Filing Due Date – Date that is no later than five calendar months after the close of a CHD’s cost reporting year; or, date that is within six months of a CHD’s cost reporting year, if a certified report is filed.

(f) Legislative Unit Cost – The weighted average per diem of the state anticipated expenditure after all rate reductions, but prior to any Buy-back.

(g) Medicaid Trend Adjustment – A proportional percentage rate reduction that is uniformly applied to all Florida Medicaid providers’ Rate Period, which equals all recurring and nonrecurring budget reductions on an annualized basis and is applied to all components of the prospective per diem.

(h) Rate Period – July 1 of a calendar year through June 30 of the next calendar year.

(i) Rate Setting Due Date – April 15: all cost reports received by Florida Medicaid on or before April 15 of each Rate Period will be used to establish the reimbursement rates for the subsequent Rate Period.

(j) Rate Setting Unit Cost – The weighted average per diem after all rate reductions but prior to any Buy-backs, which is based on submitted cost reports.

(3) Reimbursement. The Agency for Health Care Administration (AHCA) will reimburse for Florida Medicaid services rendered by Florida Medicaid-enrolled CHDs at a rate-per-Encounter, based upon the total Allowable Cost for each clinic in accordance with Section 409.908, Florida Statutes (F.S.).

(4) Reimbursement Methodology.

The Agency for Health Care Administration establishes reimbursement Encounter rates for each CHD that renders services in accordance with Title 42, Code of Federal Regulations (CFR), section 440.90. The rates become effective on July 1 of the applicable Rate Period and are calculated as follows:

(a) Setting Individual CHD Rates. To determine reimbursement Encounter rates, AHCA will perform the following:

1. Review and adjust each CHD’s cost report (available to AHCA as of the Rate Setting Due Date) to reflect the results of desk and field audits.

2. Determine each CHD’s Encounter rate by dividing total Allowable Cost by total allowable Encounters.

3. Adjust each CHD’s Encounter rate with an inflation factor based on the Consumer Price Index (CPI) at the midpoint of the CHD’s cost reporting period divided by the CPI projected for the midpoint of each Rate Period.

(b) Method of Establishing Historical Rate Reductions.

1. To establish historical rate reductions, AHCA will apply a recurring methodology that incorporates the reductions imposed in the following manner:

a. Divide the total amount of each recurring reduction imposed by the number of Encounters originally used in the rate calculation for each rate setting period, which will yield a rate reduction per diem for each Rate Period.

b. Multiply the resulting rate reduction per diem for each Rate Period by the projected number of Encounters used in establishing the current budget estimate, which will yield the total current reduction amount to be applied to current rates.

c. In the event that the total current reduction amount is greater than the historical reduction amount, AHCA will hold the rate reduction to the historical reduction amount.

2. The recurring methodology includes an efficiency calculation wherein the reduction amount is subtracted from the CHD prospective rate to calculate the final prospective rate, which cannot exceed the \$180 ceiling rate nor be lower than the \$100 floor rate. If the floor rate is higher than the CHD prospective rate, the CHD prospective rate (which cannot exceed cost) will be used.

(c) Applying Historical Reductions to Rates. The Agency for Health Care Administration will perform the following:

1. Apply the first rate reduction based on the calculations outlined above and proportionately reduce the rates until the required savings is achieved.

2. Compare the unit cost for the current rate setting to the budgeted unit cost for state fiscal year (SFY) 2010-2011, which is (\$163.10). If the unit cost for the current rate setting is less than the budgeted unit cost for SFY 2010-2011, no further rate reduction will be required.

3. Utilize the Buy-back CHD Clinic Services amount provided in the General Appropriations Act for the applicable Rate Period for rate reductions that were effective on or after July 1, 2008.

4. The total Buy-back amount must not exceed the total reductions.

(5) Exclusion. Costs related to the following services are excluded from each CHD's reimbursement Encounter rate and will be reported in the cost report under non-allowable service(s):

(a) Ambulance services.

(b) Home health services.

(c) Women, Infant and Children (WIC) certifications and recertifications.

(d) Any health care services rendered away from the clinic, at a hospital, or a nursing home, including off-site radiology and clinical laboratory services. However, services rendered away from the clinic may be reimbursable under a Florida Medicaid service-specific coverage policy, if the services were provided in accordance with the applicable coverage policy.

(e) Prescription drugs and immunization costs.

(6) Cost Settlement. Reimbursement rates may be adjusted under one of the following conditions:

(a) Submission of amended cost reports.

(b) The results of a desk or on-site audit.

*Rulemaking Authority 409.919 FS. Law Implemented 409.908, 409.913 FS. History—New 6-3-93, Formerly 10P-6.090, Amended 7-21-02, 3-10-94, 11-21-04, 1-11-09, 3-24-10, 2-23-11, 5-3-12, 4-3-13, 4-23-14, 5-3-15, 8-10-15, 6-15-16, 4-12-17, 3-11-18, 2-27-20.*