

NEWSLETTER

Volume 18 No. 15 September 2008

To: Federally Qualified Health Centers (FQHCs)

Subject: Reimbursement for Deliveries and Specified Ob/Gyn Surgeries

Effective: For Dates of Service on and after July 1, 2008

Purpose: To inform FQHCs of the revised reimbursement method for

deliveries and specified Ob/Gyn surgeries performed by qualified

FQHC employees and the associated FQHC reporting

requirements

Background: All Medicaid covered services that are provided by an FQHC are reimbursed by an all-inclusive Prospective Payment System (PPS) rate. There was a one-time exception made at the inception of the PPS methodology (January 1, 2001) to allow FQHCs to exclude deliveries from the all-inclusive PPS rate. Only two FQHCs chose to exclude deliveries. FQHCs that did not choose to exclude deliveries may no longer be able to afford to provide necessary delivery services to Medicaid beneficiaries due to limited reimbursement.

Action: Pending approval from the Centers for Medicare and Medicaid Services, the Division of Medical Assistance and Health Services (DMAHS) shall be modifying the payment methodology for deliveries, specified Ob/Gyn surgeries and surgical assistants.

DMAHS is responding to existing disparities in reimbursement for deliveries because some FQHCs may no longer choose to provide deliveries to Medicaid beneficiaries. Additionally, DMAHS is modifying the reimbursement to FQHCs for the provision of specified Ob/Gyn surgical services by qualified FQHC practitioners in order to encourage FQHCs to perform these services. There will be no adjustment made to each FQHC's PPS rate as a result of the reimbursement policy indicated below.

Reimbursement for Medicaid Fee-for Service Beneficiaries

The fee-for-service procedure codes affected by this change in reimbursement policy are listed on the New Jersey Medicaid Management Information System website http://www.njmmis.com. Once on the website, FQHCs may click on the menu listing of Rate Information to view the delivery and Ob/Gyn procedures codes affected by this change in reimbursement policy.

For service dates beginning July 1, 2008, DMAHS, through its fiscal agent, will reimburse all FQHCs at the higher of the FQHC's PPS rate or the delivery and Ob/Gyn fee-for-service rates for NJ FamilyCare/Medicaid fee-for-service beneficiaries. Surgical

assistant services will be reimbursed at the NJ FamilyCare/Medicaid fee-for-service rate. Modifications to the fiscal agent's system are needed to implement this reimbursement change. Therefore, once the modifications to the fiscal agent's system are completed, FQHC claims for fee-for-service deliveries and specified Ob/Gyn surgeries will be recycled and reimbursed in compliance with this newsletter. Until that time, reimbursement will continue under the policy prior to July 1, 2008.

Reimbursement for Medicaid Managed Care Beneficiaries

FQHCs negotiate their payments with managed care organizations for NJ FamilyCare/Medicaid managed care beneficiaries. Managed care wraparound reimbursement will no longer be provided to FQHCs for deliveries and Ob/Gyn surgeries.

Beginning with the calendar quarter ending September 30, 2008, FQHCs are required to complete additional quarterly managed care wraparound reports. FQHCs will be required to separately report the managed care deliveries and Ob/Gyn surgeries provided during the quarter and separately report the managed care payments received during the quarter for deliveries and Ob/Gyn surgeries.

If the FQHC receives an all inclusive payment from an HMO for a Medicaid managed care beneficiary, that includes prenatal visits, delivery, and post partum visits or a combination thereof, all related encounters and full payment are excluded from wraparound reimbursement.

Beginning with calendar quarter ending September 30, 2008, FQHCs will be required to file two quarterly managed care wraparound reports. The first report is comprised of Worksheet 2, Support Schedules A and B. The second report is comprised of Worksheet 2, Support Schedules C, D, E and F.

Worksheet 2, Support Schedule A must contain managed care encounters (excluding encounters for deliveries and specified Ob/Gyn surgeries) for Medicaid managed care beneficiaries as required by Newsletter Vol. 8 No. 60, Quarterly Wrap-around Reporting Instructions and Annual Medicaid Cost Report Requirements.

Worksheet 2, Support Schedule B must contain managed care revenues (excluding revenues received for deliveries and specified Ob/Gyn surgeries) received for Medicaid managed care beneficiaries during the reporting period as required by Newsletter Vol. 8 No. 60, Quarterly Wrap-around Reporting Instructions and Annual Medicaid Cost Report Requirements.

Worksheet 2 Support Schedule C must contain delivery encounters by month and year of service for Medicaid managed care beneficiaries, including the procedure code for the service as well as the number of encounters for each procedure code. Attached is a copy of Worksheet 2, Support Schedule C and instructions to complete the report.

Worksheet 2, Support Schedule D must contain managed care revenues received for deliveries for Medicaid managed care beneficiaries during the reporting period. Attached is a copy of Worksheet 2, Support Schedule D and instructions to complete the report.

Worksheet 2 Support Schedule E, must contain the specified Ob/Gyn surgical encounters by month and year of service for Medicaid managed care beneficiaries, including the procedure code for the service as well as the number of encounters for each procedure code. Attached is a copy of Worksheet 2, Support Schedule E and instructions to complete the report.

Worksheet 2, Support Schedule F must contain managed care revenues received for specified Ob/Gyn surgeries for Medicaid managed care beneficiaries during the reporting period. Attached is a copy of Worksheet 2, Support Schedule F and instructions to complete the report.

Adjustments for prior period encounters and receipts for all periods prior to July 1, 2008 service dates, must be reported on Worksheet 2, Support Schedules A and B.

Effective for dates of service beginning July 1, 2008, the quarterly wraparound payment calculated by DMAHS will exclude encounters for deliveries and specified Ob/Gyn surgeries and managed care revenues received by the FQHC for deliveries and specified Ob/Gyn surgeries.

For questions on the content of this newsletter, please contact the DMAHS Office of Reimbursement at 609-588-3747.

Federally Qualified Health Center Medicaid Managed Care Delivery Encounters

<u>Instructions for Completing Worksheet 2, Support Schedule C – Medicaid Managed Care Delivery Encounters</u>

Effective for dates of service beginning July 1, 2008, Medicaid managed care encounters for delivery encounters provided by Federally Qualified Health Center practitioners must be segregated by calendar month of service.

- <u>Line 1</u>: Enter the name and provider number of the Federally Qualified Health Center.
- <u>Line 3</u>: Enter the month and year in which services were rendered.
- Line 4: Enter the name of the Health Maintenance Organization in columns B through F.
- <u>Lines 5 30, Column A</u>: Enter the procedure code(s) for delivery encounters provided during the service month and year.

<u>Lines 5 – 30, Columns B through F</u>: Enter all delivery encounters by procedure code provided during the quarter, from the first day of the quarter to the end of the calendar year quarter. The encounters must be segregated by month of service. <u>If the FQHC receives an all inclusive payment from an HMO for a Medicaid managed care beneficiary, that includes prenatal visits, delivery, and post partum visits or a combination thereof, all related encounters should be reported.</u>

Any corrections to prior period encounter reports should be entered on a separate Worksheet 2 Support Schedule C, and indicate the service month and year for the prior period adjustments. Adjustments for periods prior to July 1, 2008 must be reported on Worksheet 2, Support Schedule A.

Lines 5 – 30, Column G: Enter the sum of Columns B through F for each line.

Line 31: Enter the sum of Lines 5 through 30 in Columns B through G.

Federally Qualified Health Center Medicaid Managed Care Delivery Receipts

<u>Instructions for Completing Worksheet 2, Support Schedule D – Medicaid Managed Care</u> Delivery Receipts

Effective for dates of service beginning July 1, 2008, Medicaid managed care receipts received during the quarter for delivery encounters provided by Federally Qualified Health Center practitioners to Medicaid/NJ FamilyCare beneficiaries, must be segregated by calendar month of service.

- <u>Line 1</u>: Enter the name and provider number of the Federally Qualified Health Center.
- <u>Line 3</u>: Enter the month and year in which services were rendered.
- Line 4: Enter the name of the Health Maintenance Organization in columns B through F.
- <u>Lines 5 30, Column A</u>: Enter each procedure code for which delivery receipts have been received during the quarter.

<u>Lines 5 – 30, Columns B through F</u>: Enter all delivery receipts by procedure code provided during the quarter, from the first day of the quarter to the end of the calendar year quarter. The receipts must be segregated by month of service. <u>If the FQHC receives an all inclusive payment from an HMO for a Medicaid managed care beneficiary, that includes prenatal visits, delivery, and post partum visits or a combination thereof, the full payment should be reported.</u>

Any corrections to prior period receipts reports should be entered on a separate Worksheet 2 Support Schedule C, and indicate the service month and year for the prior period adjustments. Adjustments for periods prior to July 1, 2008 must be reported on Worksheet 2, Support Schedule B.

- <u>Lines 5 30, Column G</u>: Enter the sum of Columns B through F for each line.
- Line 31: Enter the sum of Lines 5 through 30 in Columns B through G.

Federally Qualified Health Center Medicaid Managed Care Ob/Gyn Surgical Encounters

<u>Instructions for Completing Worksheet 2, Support Schedule E – Medicaid Managed Care</u> Ob/Gyn Surgical Encounters

Effective for dates of service beginning July 1, 2008, Medicaid managed care encounters for Ob/Gyn surgical encounters provided by Federally Qualified Health Center practitioners must be segregated by calendar month of service.

- <u>Line 1</u>: Enter the name and provider number of the Federally Qualified Health Center.
- <u>Line 3</u>: Enter the month and year in which services were rendered.
- <u>Line 4</u>: Enter the name of the Health Maintenance Organization in columns B through F.
- <u>Lines 5 30, Column A</u>: Enter the procedure code(s) for Ob/Gyn surgical encounters provided during the service month and year.
- <u>Lines 5 30, Columns B through F</u>: Enter all Ob/Gyn surgical encounters by procedure code provided during the quarter, from the first day of the quarter to the end of the calendar year quarter. The encounters must be segregated by month of service. Any corrections to prior period encounter reports should be entered on a separate Worksheet 2 Support Schedule C, and indicate the service month and year for the prior period adjustments. Adjustments for periods prior to July 1, 2008 must be reported on Worksheet 2, Support Schedule A.
- <u>Lines 5 30, Column G</u>: Enter the sum of Columns B through F for each line.
- Line 31: Enter the sum of Lines 5 through 30 in Columns B through G.

Federally Qualified Health Center Medicaid Managed Care Ob/Gyn Surgical Receipts

<u>Instructions for Completing Worksheet 2, Support Schedule F – Medicaid Managed Care Ob/Gyn Surgical Receipts</u>

Effective for dates of service beginning July 1, 2008, Medicaid managed care receipts received during the quarter for Ob/Gyn surgical encounters provided by Federally Qualified Health Center practitioners to Medicaid/NJ FamilyCare beneficiaries, must be segregated by calendar month of service.

<u>Line 1</u>: Enter the name and provider number of the Federally Qualified Health Center.

<u>Line 3</u>: Enter the month and year in which services were rendered.

Line 4: Enter the name of the Health Maintenance Organization in columns B through F.

<u>Lines 5 - 30, Column A</u>: Enter each procedure code for which Ob/Gyn surgical receipts have been received during the quarter.

<u>Lines 5 – 30, Columns B through F</u>: Enter all Ob/Gyn surgical receipts by procedure code provided during the quarter, from the first day of the quarter to the end of the calendar year quarter. The receipts must be segregated by month of service. Any corrections to prior period receipts reports should be entered on a separate Worksheet 2 Support Schedule C, and indicate the service month and year for the prior period adjustments. Adjustments for periods prior to July 1, 2008 must be reported on Worksheet 2, Support Schedule B.

Lines 5 – 30, Column G: Enter the sum of Columns B through F for each line.

Line 31: Enter the sum of Lines 5 through 30 in Columns B through G.

1	Federally Qualified Health Center	Worksheet 2					
	Medicaid Managed Care Ob/Gyr		Support Schedule F				
3	Service Month/Year						
	A	В	С	D	E	F	G
_		HMO #1	HMO #2	HMO #3	HMO #4	HMO #5	Total Medicaid
4	HMO Name						OB/GYN Surgical
	Ob/Gyn Surgical Procedure Code						Receipts
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31	Total (Lines 5 through 30)						

1	Federally Qualified Health Center NameFQHC Number						Worksheet 2
2	Medicaid Managed Care Ob/Gyr	Support Schedule E					
3	Service Month/Year						
	A	В	С	D	E	F	G
		HMO #1	HMO #2	HMO #3	HMO #4	HMO #5	Total Medicaid
4	HMO Name						OB/GYN
	Ob/Gyn Surgical Procedure Code						Surgical Encounters
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31	Total (Lines 5 through 30)						

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	Medicaid Managed Care Delive	Support Schedule D					
3	Service Month/Year	''					
	A	В	С	D	E	F	G
		HMO #1	HMO #2	HMO #3	HMO #4	HMO #5	Total Medicaid
4	HMO Name						Delivery
	Delivery Procedure Code						Receipts
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31	Total (Lines 5 through 30)						

1	Federally Qualified Health Center NameFQHC Number						Worksheet 2
	Medicaid Managed Care Delive	Support Schedule C					
3	Service Month/Year						
	Α	В	С	D	E	F	G
4	HMO Name	HMO #1	HMO #2	HMO #3	HMO #4	HMO #5	Total Medicaid Delivery
	Delivery Procedure Code						Encounters
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31	Total (Lines 5 through 30)						
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