

TO: Federally Qualified Health Centers (FQHCs) - For Action
Health Maintenance Organizations - For Information

SUBJECT: Cost Reporting Requirements for Medicaid Managed Care
Revenues and Encounters

EFFECTIVE: **Immediately**

PURPOSE: The purpose of this Newsletter is to clarify the reporting requirements for Medicaid Managed Care Revenues received by FQHCs. The Division of Medical Assistance and Health Services (DMAHS) and the FQHCs have agreed to a wraparound reimbursement for the difference between reasonable costs and the amounts the FQHCs are paid by managed care organizations for Medicaid beneficiaries. DMAHS will perform the necessary reconciliations through the reporting requirements addressed in this Newsletter.

POLICY: FQHCs must complete Worksheet 2 - Support Schedule B to identify all Managed Care Revenues received by the FQHC for Medicaid beneficiaries for each service period in which the FQHC files a Medicaid Cost Report. In accordance with the amendments to N.J.A.C. 10:66-4.1, adopted on July 15, 1996, FQHCs must complete Worksheet 2 - Support Schedule A to identify all Managed Care Encounters provided by the FQHC for Medicaid beneficiaries for each service period in which the FQHC files a Medicaid Cost Report (enclosed are the regulatory instructions for Support Schedule A). Both Schedule A and Schedule B must be accompanied by supporting documentation. If appropriate, this supporting documentation should be submitted in an electronic format. These worksheets are vital documents which will be used by DMAHS to perform the cost report reconciliation.

Worksheet 2 - Support Schedule B is due on or before the last day of the fifth month following the close of the period covered by the cost report, and should be submitted to the Director, Administrative and Financial Services, Division of Medical Assistance and Health Services, P.O. Box 712, Trenton, New Jersey 08625-0712.

The completion instructions for Worksheet 2 - Support Schedule B are as follows:

Line 1: Columns A through E and G through K: Enter the name of each Managed Care Company with which the FQHC contracts. If the FQHC is under contract with more than ten Medicaid HMOs, additional pages with all columns must be included.

Line 2: Columns A through E and G through K: Enter the beginning date of each contract the FQHC has with each HMO.

Lines 3 through 9: Columns A through E and G through K: Enter all revenues received from each HMO by revenue type. Revenue type may be capitation, referral fund revenues, fee-for-service revenues or any other revenue type. Add additional rows as necessary.

Line 10: Columns A through E and G through K: Enter the total revenues for each HMO, which is the sum of lines 3 through 9 for each column.

Line 10: Columns F and L: Enter the sum of the revenues reported in Columns A through E and G through K.

Line 11: Enter the sum of Column F, Line 10 and Column L, Line 10.

Questions regarding this Newsletter are to be directed to the Reimbursement Analysis Unit, Division of Medical Assistance and Health Services, at (609) 588-2693.

PLEASE RETAIN THIS NEWSLETTER NUMERICALLY BEHIND THE NEWSLETTER TAB
(BLUE TAB MARKED "5")