



State of New Jersey
Department of Human Services
Division of Medical Assistance & Health Services

NEWSLETTER

Volume 8 No. 60

August 1998

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

SUBJECT: Quarterly Wrap-around Reporting Instructions and
Annual Medicaid Cost Report Requirements

EFFECTIVE: February 1, 1998

BACKGROUND: The Division of Medical Assistance and Health Services (DMAHS) will provide wraparound reimbursement for the difference between reasonable costs and the amounts paid to FQHCs by managed care organizations for encounters provided to Medicaid and NJ KidCare-Plan A beneficiaries. The Division issued a Newsletter (Volume 7 No. 56, dated September 1997) clarifying the cost reporting requirements for Medicaid Managed Care Revenues.

PURPOSE: The purpose of this Newsletter is to inform FQHCs of the quarterly wrap-around reporting instructions and additional requirements for the annual Medicaid cost report that must be followed for managed care encounters (Enclosures 1, 3, 5, and 7) and receipts (Enclosures 2, 4, 6, and 8).

ACTION: **Quarterly Report Format:** Separate reports for Medicaid and NJ KidCare-Plan A managed care encounters and receipts must be completed for each month of the quarter (see Enclosures 1 through 4). Instructions for the Medicaid Managed Care Encounter Detail Reports (Enclosures 1 and 3) are contained in the reimbursement regulations adopted on July 15, 1996 (see enclosed copy of the relevant page from those regulations). Instructions for the Medicaid Managed Care Receipts Reports (Enclosures 2 and 4) are contained in the Newsletter issued by the Division of Medical Assistance and Health Services in September 1997 (copy enclosed). The supporting documentation for the encounters and receipts will be the records maintained by the provider. The verification of managed care encounters and receipts will be a component of the periodic audits performed by the Office of Auditing within the Department of Human Services.

Reporting Time Periods: Calendar Year Quarters (March, June, September, and December), regardless of a provider's fiscal year end.

Reporting Encounters and Receipts: Medicaid encounters provided during the calendar year quarter are reported on the Medicaid Managed Care Encounter Detail Report (Enclosure 3). NJ KidCare-Plan A encounters provided during the calendar year quarter are reported on the NJ KidCare Managed Care Encounter Detail Report (Enclosure 1). For example, all managed care encounters provided to Medicaid beneficiaries from October 1, 1997 through December 31, 1997, will be included on the Medicaid Managed Care Encounter Detail Reports for the quarter ended December 31, 1997. Each Medicaid and NJ KidCare-Plan A Managed Care Encounter Detail Report will contain encounters provided during one specific month. In total, there will be three Medicaid Managed Care Encounter Detail Reports and three NJ KidCare-Plan A Managed Care Encounter Detail Reports for each quarter.

All Medicaid managed care receipts received for the quarter, including capitation, fee-for-service, referral fund, and any other managed care receipts, from the first day of the quarter to the twenty-fifth day following the end of the calendar year quarter, must be reported on the Medicaid Managed Care Receipts Report (Enclosure 4). All NJ KidCare-Plan A managed care receipts received for the quarter, including capitation, fee-for-service, referral fund, and any other managed care receipts, from the first day of the quarter to the twenty-fifth day following the end of the calendar year quarter, must be reported on the NJ KidCare-Plan A Managed Care Receipts Report (Enclosure 2). All lump sum revenues (such as referral pools) that are not beneficiary-specific are to be allocated between Medicaid and NJ KidCare-Plan A. Referral pools are to be treated as current period revenues.

All Medicaid managed care receipts received from October 1, 1997, through January 25, 1998, for services provided from October 1, 1997, through December 31, 1997, will be included on the Medicaid Managed Care Receipts Reports for the quarter ending December 31, 1997. Each Medicaid and NJ KidCare-Plan A Managed Care Receipts Report will contain receipts received for one specific month. In total, there will be three Medicaid Managed Care Receipts Reports for each quarter. Beginning February 1, 1998, there will be three NJ KidCare-Plan A Managed Care Receipts Reports for each quarter. However, for the first calendar quarter of 1998, there will be only two NJ KidCare-Plan A Managed Care Receipts Reports for service dates February 1, 1998, through March 31, 1998.

Each FQHC is required to submit managed care encounters and receipts for NJ KidCare-Plan A beneficiaries and New Jersey Medicaid managed care beneficiaries (exclusive of NJ KidCare) for service dates February 1, 1998 through March 31, 1998. If you have already submitted the quarterly wraparound report for January 1, 1998 through March 31, 1998, please revise the schedules to separately report the NJ KidCare-Plan A encounters

and receipts and the New Jersey Medicaid managed care beneficiaries (exclusive of NJ KidCare) and receipts.

Effective for service dates April 1, 1998 through June 30, 1998, each FQHC is required to submit managed care receipts and encounters by HMO, by month of payment, for NJ KidCare-Plan A beneficiaries and for New Jersey Medicaid managed care beneficiaries.

All Medicaid managed care receipts received from January 1, 1998 through April 25, 1998 for services provided from January 1, 1998 through March 31, 1998 will be included in the Medicaid Managed Care Receipts Report for the quarter ending March 31, 1998. Additionally, all Medicaid managed care receipts received from January 26, 1998 through April 25, 1998, for services provided prior to January 1, 1998 will be included in the Medicaid Managed Care Receipts Report for the quarter ending March 31, 1998 as a prior period adjustment (see section on Adjustments for Prior Periods).

Date of Quarterly Report: Providers must submit the Medicaid and NJ KidCare-Plan A Managed Care Encounter Detail Reports and the Medicaid and NJ KidCare-Plan A Managed Care Receipts Report with managed care receipts data through the twenty-fifth day following the end of the calendar year quarter. For example, the receipts report for the quarter ending December 31, 1997 will be submitted with the receipts received through January 25, 1998. This will allow for most, if not all, managed care receipts for the quarter to be received by the submission date of the quarterly wrap-around report. These reports are due to Medicaid by the 55th day following the end of each calendar quarter.

Adjustments for Prior Periods: A separate Medicaid and NJ KidCare-Plan A Managed Care Encounter Detail Report and/or Medicaid Managed Care Receipts Report must be prepared for receipts and/or encounters not previously reported. Use separate Enclosures 1 through 4 to report prior period adjustments. An adjustment for a prior period is a correction to an earlier report. Managed care additions and subtractions relating to prior periods will be adjusted in the State's payment to the FQHC for the most recent quarter. This will not be an issue for the quarter ending December 31, 1997 because the effective date of this policy is October 1, 1997. However, this is expected to be an issue for subsequent quarters.

These prior period adjustments must be separated by a provider's fiscal year. For example, a provider with a December fiscal year end receives managed care receipts in June 1998 for services rendered in December 1997 and January 1998. The provider must prepare a separate Enclosure 2 and/or Enclosure 4 for each prior period: the provider's fiscal years ending 1997 and 1998; these attachments should be clearly identified as adjustments for fiscal years 1997 and 1998. Similarly, if a provider becomes aware of differences in encounters for prior fiscal year periods, the provider must prepare a separate Enclosure 1 and/or Enclosure 3 for each prior fiscal year period.

If a provider with a December fiscal year end receives managed care receipts in September 1998 for services rendered in March and June 1998, the provider is only required to prepare an Enclosure 2 and/or Enclosure 4 for a single prior period; these attachments should be clearly identified as a prior period adjustment for the 1998 fiscal year. Similarly, if a provider becomes aware of a difference in encounters for a single prior fiscal year period, the provider is only required to prepare an Enclosure 1 and/or Enclosure 3 for that single prior fiscal year period.

A provider is not required to prepare an Enclosure 1 or Enclosure 3 if there is a shifting of NJ KidCare-Plan A managed care receipts and/or encounters between managed care organizations, without a change in total NJ KidCare-Plan A managed care receipts and/or encounters. In addition, a provider is not required to prepare an Enclosure 2 or Enclosure 4 if there is a shifting of Medicaid (exclusive of NJ KidCare-Plan A) managed care receipts and/or encounters between managed care organizations, without a change in total Medicaid (exclusive of NJ KidCare-Plan A) managed care receipts and/or encounters.

Reconciliation Process: Based on the provider's Medicaid and NJ KidCare-Plan A managed care encounters and receipts reports, State staff will compare the Medicaid and NJ KidCare-Plan A managed care receipts to what the provider would have received under Medicaid's reasonable cost reimbursement. If the reasonable cost reimbursement is higher than the Medicaid and NJ KidCare-Plan A managed care receipts, the provider will receive eighty-five percent (85%) of the difference, subject to interim and final settlements, within thirty days of receipt of the provider's report. If the Medicaid and NJ KidCare-Plan A managed care receipts are higher than reasonable cost reimbursement, the State will initiate recovery of eighty-five percent (85%) of the difference, subject to interim and final settlements, within thirty days of the receipt of the provider's report. If there is a provider obligation after thirty days from the date recovery is initiated, interest will be assessed in accordance with State regulations.

The following examples illustrate how the reconciliation process will be implemented:

Quarter Ending December 31, 1997

Managed Care Receipts

\$50,000 in managed care receipts received from 10-1-97 to 1-25-98 for the quarter ending 12-31-97

Number of managed care encounters	1,000	
Medicaid fee-for-service rate	\$100	
Medicaid reasonable cost	\$100,000	
Less: managed care receipts	\$50,000	
Difference	\$50,000	
Times	85%	
Payment to FQHC	\$42,500	(although it is 85% of the difference, added to the managed care receipts, it represents 93% of reasonable cost)

Quarter Ending March 31, 1998

Managed Care Receipts

\$50,000 Attributable to quarter ending 3-31-98 (Received from 1-1-98 through 4-25-98)

\$30,000 Attributable to quarter ending 12-31-97 (Received from 1-26-98 through 4-25-98)

\$80,000 = Total managed care receipts from 1-1-98 to 4-25-98

Number of managed care encounters	1,000
Medicaid fee-for-service rate	\$100
Medicaid reasonable cost	\$100,000
Less: managed care receipts	\$80,000
Difference	\$20,000
Times	85%
Payment to FQHC	\$17,000

(although it is 85% of the difference, added to the managed care receipts, it represents 97% of reasonable cost)

Quarter ending June 30, 1998

Managed Care Receipts

\$70,000 Attributable to quarter ending 6-30-98 (Received from 4-1-98 through 7-25-98)

\$40,000 Attributable to quarter ending 3-31-98 (Received from 4-26-98 through 7-25-98)

\$10,000 Attributable to quarter ending 12-31-97 (Received from 4-26-98 through 7-25-98)

\$120,000 = Total managed care receipts from 4-1-98 to 7-25-98

Number of managed care encounters	1,000
Medicaid fee-for-service rate	\$100
Medicaid reasonable cost	\$100,000
Less: managed care receipts	\$120,000
Difference	(\$20,000)
Times	85%
FQHC payment to State	\$17,000

Please note that the quarterly wraparound reimbursement will be made for a provider after both the Medicaid and NJ KidCare-Plan A Managed Care Encounter Detail Reports and the Medicaid and NJ KidCare-Plan A Managed Care Receipts Reports are received by DMAHS.

DMAHS will not process an underpayment from the FQHC Medicaid cost report to an FQHC without up-to-date completed Medicaid and NJ KidCare-Plan A managed care encounters and receipts reports.

Annual Medicaid Cost Report Requirements: Effective with cost reports whose reporting period begins in calendar year 1998 (i.e., January 1, 1998 through December 31, 1998), each FQHC is required to submit separate supplementary schedules of managed care encounters and receipts for NJ KidCare-Plan A managed care beneficiaries. Please use the enclosed schedules to report the number of encounters and receipts for NJ KidCare Plan-A beneficiaries (Enclosures 5 and 6). Also enclosed are revised supplementary encounters and receipts schedules for Medicaid managed care beneficiaries (exclusive of NJ KidCare) (Enclosures 7 and 8).

DMAHS will not process an underpayment from the cost report to your center without completed NJ KidCare-Plan A managed care encounters and receipts schedules and NJ Medicaid (exclusive of NJ KidCare-Plan A) managed care schedules.

All managed care encounters provided to NJ KidCare-Plan A beneficiaries should be reported on the annual Medicaid cost report, Worksheet 2, column 2, "Medicaid Managed Care Encounters." All fee-for-service encounters provided to NJ KidCare-Plan A beneficiaries should be reported on the annual Medicaid cost report, Worksheet 2, column 1, "Medicaid Fee-For-Service Encounters."

All managed care encounters provided to NJ KidCare-Plans B and C beneficiaries should be reported on the annual Medicaid cost report, Worksheet 2, column 4, "Managed Care Encounters." All fee-for-service encounters provided to NJ KidCare-Plans B and C beneficiaries should be reported on the annual Medicaid cost report, Worksheet 2, column 8, "Other Encounters."

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

NJ KidCare Plan A

Federally Qualified Health Center

FOHC Number:

Worksheet 2

MEDICAID MANAGED CARE ENCOUNTER DETAIL

Reporting Month:
Dates of Service:

Support Schedule A
Total
Medicaid
HMO
Encounters
(10)

Detail all Medicaid Reimbursable Managed Care Encounters

HMO #1 Name	HMO #2 Name	HMO #3 Name	HMO #4 Name	HMO #5 Name	HMO #6 Name	HMO #7 Name	HMO #8 Name	HMO #9 Name
11								

Core Services

1	Physician								
2	Nurse Practitioner								
3	Nurse - Mid-Wife								
4	Clinical Psychologist								
5	Clinical Social Worker								
6	Physician Services Under Arr.								
7	Total Core Encounter (Lines 1-6)								
8									

Other Specialized Services

10	Dentist								
11	Dental Hygienist								
12	Ob/Gynecology								
13	Ob/Gynecology-Delivery ONLY								
14	Home Care Services								
15	Norplant								
16	*Pneumococcal/Influenza Vaccine Injections								
17	Podiatry								
18	Eye Care Program								
19	Chiropractic Services								
20	Family Planning								
21	EPSDT Services								
22	Other (Specify)								
23									
24									
25									
26	Total Other Spec. Svs. (Lines 10-15 + 17-25)								
27	Total Medicaid Managed Care								
28	Encounters: (Sum Line 7 + Line 26)								

State of New Jersey Medicaid Form FOHC-96-01

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NJ Medicaid Managed Care (exclusive of Kidcare)

Federally Qualified Health Center

FQHC Number:

Worksheet 2

MEDICAID MANAGED CARE ENCOUNTER DETAIL

Reporting Month:
Dates of Service:

Detail all Medicaid Reimbursable Managed Care Encounters

	HMO #1 Name	HMO #2 Name	HMO #3 Name	HMO #4 Name	HMO #5 Name	HMO #6 Name	HMO #7 Name	HMO #8 Name	HMO #9 Name	Total Medicaid HMO Encounters (10)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

Core Services

1	Physician									
2	Nurse Practitioner									
3	Nurse - Mid-Wife									
4	Clinical Psychologist									
5	Clinical Social Worker									
6	Physician Services Under Arr.									
7	Total Core Encounter (Lines 1-6)									
8										

Other Specialized Services

10	Dentist									
11	Dental Hygienist									
12	Ob/Gynecology									
13	Ob/Gynecology-Delivery ONLY									
14	Home Care Services									
15	Norplant									
16	* Pneumococcal/Influenza Vaccine Injections									
17	Podiatry									
18	Eye Care Program									
19	Chiropractic Services									
20	Family Planning									
21	EPSDT Services									
22	Other (Specify)									
23										
24										
25										
26	Total Other Spec. Svs. (Lines 10-15 + 17-25)									
27	Total Medicaid Managed Care									
28	Encounters (Sum Line 7 + Line 26)									

State of New Jersey Medicaid Form FQHC-96-01

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NJ KidCare Plan A

Federally Qualified Health Center MEDICAID MANAGED CARE RECEIPTS		Detail all Medicaid Managed Care Receipts					Worksheet 2 Support Schedule B	
Reporting Month: Dates of Service:		FQHC Number:						
		A	B	C	D	E	F	
1 HMO Name		HMO #1	HMO #2	HMO #3	HMO #4	HMO #5	Total Medicaid HMO Receipts	
2 Date of Contract								
3 Capitation Payments								
4 Referral Fund payments								
5 Case Management Fees								
6 Fee for Service								
7 Other(Specify)								
8 Other(Specify)								
9 Other(Specify)								
10 Total Receipts (Lines 3-9)								
		G	H	I	J	K	L	
1 HMO Name		HMO #6	HMO #7	HMO #8	HMO #9	HMO #10	Total Medicaid HMO Receipts	
2 Date of Contract								
3 Capitation Payments								
4 Referral Fund payments								
5 Case Management Fees								
6 Fee for Service								
7 Other(Specify)								
8 Other(Specify)								
9 Other(Specify)								
10 Total Receipts (Lines 3-9)								
11 Grand Total (Col. F, Line 10 + Col. L, Line 10)								

NJ Medicaid Managed Care (exclusive of Kidcare)

Federally Qualified Health Center MEDICAID MANAGED CARE RECEIPTS		FQHC Number:				Worksheet 2 Support Schedule B
Reporting Month:						
Dates of Service:						
Detail all Medicaid Managed Care Receipts						
	A	B	C	D	E	F
1 HMO Name	HMO #1	HMO #2	HMO #3	HMO #4	HMO #5	Total Medicaid HMO Receipts
2 Date of Contract						
3 Capitation Payments						
4 Referral Fund payments						
5 Case Management Fees						
6 Fee for Service						
7 Other(Specify)						
8 Other(Specify)						
9 Other(Specify)						
10 Total Receipts (Lines 3-9)						
	G	H	I	J	K	L
1 HMO Name	HMO #6	HMO #7	HMO #8	HMO #9	HMO #10	Total Medicaid HMO Receipts
2 Date of Contract						
3 Capitation Payments						
4 Referral Fund payments						
5 Case Management Fees						
6 Fee for Service						
7 Other(Specify)						
8 Other(Specify)						
9 Other(Specify)						
10 Total Receipts (Lines 3-9)						
11 Grand Total (Col F, Line 10 + Col L, Line 10)					[07/01/96]	(XI)

NJ KidCare Plan A

Federally Qualified Health Center

FQHC Number:

Worksheet 2

MEDICAID MANAGED CARE ENCOUNTER DETAIL

Reporting Period:
Dates of Service:

Detail all Medicaid Reimbursable Managed Care Encounters

HMO #1 Name (1)	HMO #2 Name (2)	HMO #3 Name (3)	HMO #4 Name (4)	HMO #5 Name (5)	HMO #6 Name (6)	HMO #7 Name (7)	HMO #8 Name (8)	HMO #9 Name (9)	Total Medicaid HMO Encounters (10)
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Core Services

1	Physician								
2	Nurse Practitioner								
3	Nurse - Mid-Wife								
4	Clinical Psychologist								
5	Clinical Social Worker								
6	Physician Services Under Aft.								
7	Total Core Encounter (Lines 1-6)								
8									

Other Specialized Services

10	Dentist								
11	Dental Hygienist								
12	Ob/Gynecology								
13	Ob/Gynecology-Delivery ONLY								
14	Home Care Services								
15	Norplant								
16	* Pneumococcal/Influenza Vaccine Injections								
17	Podiatry								
18	Eye Care Program								
19	Chiropractic Services								
20	Family Planning								
21	EPSDT Services								
22	Other (Specify)								
23									
24									
25									
26	Total Other Spec. Svs. (Lines 10-15 + 17-25)								
27	Total Medicaid Managed Care Encounters (Sum Line 7 + Line 26)								
28									

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NJ Medicaid Managed Care (exclusive of Kidcare)

Federally Qualified Health Center

FOHC Number:

Worksheet 2

MEDICAID MANAGED CARE ENCOUNTER DETAIL

Reporting Period:
Dates of Service:

Detail all Medicaid Reimbursable Managed Care Encounters

	Managed Care Encounters										Total Medicaid HMO Encounters (10)
	HMO #1 Name (1)	HMO #2 Name (2)	HMO #3 Name (3)	HMO #4 Name (4)	HMO #5 Name (5)	HMO #6 Name (6)	HMO #7 Name (7)	HMO #8 Name (8)	HMO #9 Name (9)		
Core Services											
1	Physician										
2	Nurse Practitioner										
3	Nurse - Mid-Wife										
4	Clinical Psychologist										
5	Clinical Social Worker										
6	Physician Services Under Arr.										
7	Total Core Encounter (Lines 1-6)										
8											
Other Specialized Services											
10	Dentist										
11	Dental Hygienist										
12	Ob/Gynecology										
13	Ob/Gynecology-Delivery ONLY										
14	Home Care Services										
15	Norplant										
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19	Chiropractic Services										
20	Family Planning										
21	EPSDT Services										
22	Other (Specify)										
23											
24											
25											
26	Total Other Spec. Svs. (Lines 10-15 + 17-25)										
27	Total Medicaid Managed Care										
28	Encounters - (Sum Line 7 + Line 26)										

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NJ Medicaid Managed Care (exclusive of Kidcare)

Federally Qualified Health Center
MEDICAID MANAGED CARE RECEIPTS

FQHC Number: _____

Worksheet 2
 Support Schedule B

Reporting Period:
 Dates of Service:

Detail all Medicaid Managed Care Receipts

	A B C D E					F
	HMO #1	HMO #2	HMO #3	HMO #4	HMO #5	
1 HMO Name						Total Medicaid HMO Receipts
2 Date of Contract						
3 Capitation Payments						
4 Referral Fund payments						
5 Case Management Fees						
6 Fee for Service						
7 Other(Specify)						
8 Other(Specify)						
9 Other(Specify)						
10 Total Receipts (Lines 3-9)						

	G H I J K					L
	HMO #6	HMO #7	HMO #8	HMO #9	HMO #10	
1 HMO Name						Total Medicaid HMO Receipts
2 Date of Contract						
3 Capitation Payments						
4 Referral Fund payments						
5 Case Management Fees						
6 Fee for Service						
7 Other(Specify)						
8 Other(Specify)						
9 Other(Specify)						
10 Total Receipts (Lines 3-9)						
11 Grand Total (Col. F, Line 10 + Col. L, Line 10)						

State of New Jersey Medicaid Form FQHC-96-01

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