STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Nebraska

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES

__X__ The payment methodology for RHCs will conform to Section 702 of the BIPA 2000 legislation. (All States should check this one.)

____ The payment methodology for RHCs will conform to the BIPA 2000 requirements Prospective Payment System.

__X__ The payment methodology for RHCs will conform to the BIPA 2000 requirements for an alternative payment methodology. The payment amount determined methodology will:

1) be agreed to by the State and the center or clinic in a written memorandum form; and
2) will result in payment to the center or clinic of an amount which is at least equal to the PPS payment rate.

RURAL HEALTH CLINICS

A provider-based RHC is defined as an integral part of a hospital, nursing facility, or home health agency that is participating in Medicare and is licensed, governed, and supervised with departments of the facility.

PROSPECTIVE PAYMENT SYSTEM (PPS)

Effective January 1, 2001, the Prospective Payment System (PPS) base rate will be computed as follows:

1. Combine reasonable costs from the RHC center/clinic fiscal year 1999 and 2000 cost reports.
2. Divide the costs by the combined Total Adjusted Visits from the two fiscal year cost reports (Form HCFA - 222-92 Worksheet C, Part 1, Line 6; or Form HCFA - 2552-96 Worksheet M-3, Line 6).

This PPS base rate will be the center's final rate for January 1, 2001 through September 30, 2001. Beginning October 1, 2001, the PPS base rate will be updated annually based on the Medicare Economic Index (MEI).

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ALTERNATIVE PAYMENT METHODOLOGY (APM)

For the rate period January 1, 2001, through September 30, 2001 centers/clinics may choose to have their rate computed under the Alternative Payment Methodology. To choose this method, the center/clinic must make this selection on the written memorandum form provided by the Department.

Under the Alternative Payment Method, the rate for Rural Health Clinic (RHC) services provided by provider-based RHCs associated with hospitals of 50 beds or less is the lower of cost or charges, as established by Medicare. Rates for the provider-based RHC centers/clinics associated with hospitals of 50 beds or more and Independent Rural Health Clinics are computed at the all inclusive encounter rate established by Medicare. The center/clinic's final rate for January 1, 2001 through September 30, 2001, is the greater of the APM rate or the PPS base rate. Beginning October 1, 2001, the PPS base rate will be updated annually based on the Medicare Economic Index (MEI).

For those non-RHC services for which no charge has been established by Medicare, Nebraska Medicaid makes payment according to the applicable Nebraska Medicaid fee schedule.

RATES FOR NEW RHC CENTERS/CLINICS

Effective January 1, 2001, initial interim rates for new RHCs entering the program after 1999, will be the average PPS rate of all RHC clinic/centers in Nebraska. The RHC's individual PPS base rate will be computed later, using its initial cost report. Once the PPS base rate has been established, it will be updated annually based on the Medicare Economic Index (MEI). The interim rate will be retroactively settled based on the RHC clinic/center's initial cost report.

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RHC MANAGED CARE PAYMENT

RHCs that provide services under a contract with a Medicaid managed care entity (MCE) will receive quarterly State supplemental payments for the cost of furnishing such services, the difference between the payment the RHC receives from MCE(s) and the payments the RHC would have received under the alternative methodology. At the end of each RHC fiscal year, the total amount of supplemental and MCE payments received by the RHC will be reviewed against the amount that the actual number of visits provided under the RHCs contract with MCE(s) would have yielded under the alternative methodology. The RHC will be paid the difference between the amount calculated using the alternative methodology and the actual number of visits, and the total amount of the supplemental and MCE payments received by the RHC, if the alternative amount exceeds the total amount of supplemental and MCE payments. The RHC will refund the difference between the alternative amount calculated using the actual number of visits, and the total amount of supplemental and MCE payments received by the RHC if the alternative method is less than the total amount of the supplemental and MCE payments.

Reimbursement for radiology services is included in the encounter rate.

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It is the responsibility of the centers/clinics to inform and supply the State of Nebraska with necessary documentation regarding changes to types of service, cost reports and any other documentation.

Payment for Telehealth Services: Payment for the professional service performed by the distant site practitioner (i.e., where the practitioner is physically located at time of telehealth encounter) will be equal to what would have been paid without the use of telehealth. If a core service is appropriately provided via telehealth and the center or clinic is the distant site, the RHC will be reimbursed at the PPS or the APM encounter rate (whichever was chosen at the time of the service). Non-RHC services provided via telehealth would not be eligible for PPS/APM payment. Non-RHC services appropriately delivered via telehealth will be paid according to the applicable Nebraska Medicaid fee schedule (i.e., Physician or Mental Health and Substance Use Fee Schedule), as authorized elsewhere in the plan. For services appropriately provided via telehealth where the center or clinic is the originating site, the RHC will be reimbursed at the Nebraska Medicaid originating site fee as set forth in state regulations, as amended.

The provider must be in compliance with the standards for real time, two way interactive audiovisual transmission as set forth in state regulations, as amended.
