

**WAC 182-548-1450 Federally qualified health centers—General payment information.** (1) The agency limits FQHC encounter rate reimbursement to one per client, per day except in the following circumstances:

(a) There is a subsequent visit in the same cost center that requires separate evaluation and treatment on the same day for unrelated diagnoses; or

(b) There are separate visits in different types of cost centers that occur with different health care professionals. (For example, a client with a separate medical and dental visit on the same day.)

(2) All services provided within the same cost center performed on the same day must be included in the same encounter, except for in the circumstance outlined in subsection (1)(a) of this section.

(3) Services and supplies incidental to an encounter are included in the encounter rate payment and must be billed on the same claim.

(4) FQHCs must provide services in a single encounter that are typically rendered in a single visit based on clinical guidance and standards of care.

(a) FQHCs must not split services into multiple encounters unless there is clinical justification. (For example, fluoride treatment must be provided on the same day as an encounter-eligible service.)

(b) Clinical justification must be based on medical necessity and documented in the client's record.

(5) Services provided in an FQHC that are not encounter-eligible are paid on a fee-for-service basis according to agency rules, billing guides and fee schedules.

(6) Managed care organization (MCO) contracted services provided in an FQHC for clients enrolled in an MCO are paid for by the MCO.

(7) For clients enrolled with an MCO, the agency pays each FQHC a supplemental payment in addition to the amounts paid by the MCO. The supplemental payments, called enhancements, are paid in amounts necessary to ensure compliance with 42 U.S.C. 1396a (bb) (5) (A).

(a) The FQHCs receive an enhancement payment each month for each managed care client assigned to them by an MCO.

(b) To ensure that the appropriate amounts are paid to each FQHC, the agency performs an annual reconciliation of the enhancement payments.

(i) For each FQHC, the agency compares the amount paid in enhancement payments to the amount determined by the following formula:

$$\frac{(\text{Managed care encounters} \times \text{encounter rate}) - \text{MCO payments for FQHC services}}{\text{services}}$$

(ii) If the agency determines that the FQHC was overpaid, the agency recoups the appropriate amount. If the agency determines that the FQHC was underpaid, the agency pays the difference.

(iii) The agency may prospectively adjust the FQHC's monthly enhancement payments if the agency determines the FQHC has been overpaid or underpaid in the annual reconciliation.

(A) The agency uses the FQHC's most current reconciliation data, and any supplemental information provided by the FQHC to determine if any adjustment to the enhancement rate is necessary.

(B) If the agency determines a prospective adjustment to enhancement payments is necessary, the agency notifies the FQHC in writing at least 30 calendar days prior to the enhancement payment adjustment.

(8) The agency pays the encounter rate and the enhancement payments with respect to services provided to encounter-eligible clients.

Services provided to clients who are enrolled in medical programs that are paid only in state funds are not encounter-eligible; these claims are paid on a fee-for-service basis regardless of the type of service performed.

[Statutory Authority: 42 U.S.C. 1396a(bb), 42 U.S.C. 1396d (2)(A), RCW 41.05.021, and 41.05.160. WSR 22-22-049, § 182-548-1450, filed 10/27/22, effective 1/1/23. Statutory Authority: RCW 41.05.021, 41.05.160 and 42 U.S.C. 1396a (bb)(5)(A). WSR 20-24-083, § 182-548-1450, filed 11/25/20, effective 1/1/21. Statutory Authority: RCW 41.05.021 and 41.05.160. WSR 17-12-016, § 182-548-1450, filed 5/30/17, effective 7/1/17.]