WISCONSIN MEDICAID
COST REPORT FOR PROVIDER-BASED RURAL HEALTH CLINICS
(AFFILIATED HOSPITAL HAVING 50 OR FEWER BEDS) INSTRUCTIONS

Wisconsin Medicaid requires certain information to enable the programs to certify providers and to authorize and pay for medical services provided to eligible members. Although these form instructions refer to Wisconsin Medicaid, these instructions also apply to BadgerCare Plus.

Personally identifiable information about providers is used for purposes directly related to program administration, such as determining the certification of providers or processing provider claims for reimbursement. Non-submission of cost report data will result in no settlement determination being made.

The use of this form is voluntary, but providers are required to submit the information required on the form for a settlement determination and payment to take place. Mail completed forms to:

Rural Health Clinic Auditor
Bureau of Program Integrity
Office of the Inspector General
PO Box 309
Madison WI 53701-0309

Wisconsin Medicaid-certified rural health clinics (RHCs) interested in receiving a cost settlement for services rendered to Wisconsin Medicaid members for a given calendar/fiscal year are required to file a cost report with the Office of the Inspector General's RHC auditor.

RHCs that are affiliated with hospitals that have 50 or fewer beds are required to file the Cost Report for Provider-Based Rural Health Clinics form, F-11023, and the Cost Report for Provider-Based Rural Health Clinics (Affiliated Hospital Having 50 or Fewer Beds) form, F-11023B. The forms may be filed at any time within the subsequent calendar/fiscal year for prior year activity. Cost settlements are only calculated and executed 365 days after the last date of service (DOS) for a given calendar/fiscal year by Wisconsin Medicaid.

Cost reports will be accepted if they are submitted within five years of the last DOS in the fiscal year. If a cost report is not completed and submitted to Wisconsin Medicaid within five years of the DOS, providers will not receive a cost settlement.

Quarterly cost reports may be filed during the current year to streamline cash flow. Quarterly payments made by Wisconsin Medicaid to RHCs are subjected to recoupment at the time of settlement calculation if the sum of payments exceeds the annual cost settlement calculation. RHCs are encouraged to be conservative in their quarterly requests.

SECTION I – PROVIDER INFORMATION

This section requires the following information from the provider:

- Facility name
- RHC provider's National Provider Identifier (NPI) and Medicaid provider numbers
- Date span of the reporting period

SECTION II – DETERMINATION OF RURAL HEALTH CLINIC (RHC) ENCOUNTER RATE

This section determines the cost-based encounter rate for the cost settlement. All costs listed per the Cost Report for Provider-Based Rural Health Clinics form should be represented in the appropriate summary section line.

Non-RHC costs are proportioned to RHC costs to determine the appropriate primary care service overhead.

The direct costs and overhead associated with primary care services are then divided among the total encounter volume experienced by the RHC in the reporting time frame for all members.

Due to the encounter rate being based on actual costs of operations, no health personnel shortage area (HPSA) percentage will be applied for the Medicaid member population seen at the provider-based RHC (affiliated hospital having 50 or fewer beds).

SECTION III – COST SETTLEMENT CALCULATION, MEDICAID-ONLY ENCOUNTERS
This section determines the interim cost settlement due to the RHC based on the Medicaid covered and reimbursed RHC services. Settlement is determined by calculating the number of encounters multiplied by the encounter rate minus any fee-for-service or HMO reimbursement received for RHC services rendered during the encounter's DOS.

This is an interim value to be used in the final calculation of Section VII.

SECTION IV – COST SETTLEMENT CALCULATION, MEDICARE / MEDICAID CROSSOVER ENCOUNTERS
This section determines the interim cost settlement due to the RHC based on the Medicare/Medicaid crossover covered and reimbursed RHC services. Settlement is determined by calculating the number of encounters multiplied by the encounter rate minus the prorated Medicare reimbursable costs (per filed Medicare Cost Report) and fee-for-service reimbursement received for RHC services rendered during the encounter's DOS.

This is an interim value to be used in the final calculation of Section VII.

SECTION V – COST SETTLEMENT CALCULATION, COMMERCIAL INSURANCE / MEDICAID ENCOUNTERS
This section determines the interim cost settlement due to the RHC based on commercial insurance and Medicaid covered and reimbursed RHC services. Settlement is determined by the lesser of the encounter rate or amount billed for the encounter minus any fee-for-service, HMO, and commercial insurance reimbursement received for RHC services rendered during the encounter's DOS.

Commercial insurance encounters are capped at the lesser of the straight non-HPSA encounter rate (for example, allowable cost) or amount billed. Therefore, any encounters where insurance payments are in excess of the encounter rate should be discarded from the settlement data.

This is an interim value to be used in the final calculation of Section VII.

SECTION VI – COST SETTLEMENT CALCULATION, COMMERCIAL INSURANCE / MEDICARE / MEDICAID ENCOUNTERS
This section determines the interim cost settlement due to the RHC based on the commercial insurance/Medicare/ Medicaid crossover covered and reimbursed RHC services. Settlement is determined by the lesser of the encounter rate or amount billed for the encounter minus the averaged Medicare reimbursable costs and fee-for-service reimbursement received for RHC services rendered during the encounter's DOS.

Commercial insurance encounters are capped at the lesser of the straight non-HPSA encounter rate (for example, allowable cost) or amount billed. Therefore, any encounters where insurance payments are in excess of the encounter rate should be discarded from the settlement data.

This is an interim value to be used in the final calculation of Section VII.

SECTION VII – COST SETTLEMENT DETERMINATION FOR RHC
This section calculates the actual cost settlement due to the RHC. The interim calculated settlement amounts for each section are listed minus the relevant copayments that could have been collected and the quarterly interim payments made by Wisconsin Medicaid to the RHC.

The balance due is then tendered via a Remittance Advice statement to the RHC.