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General In accordance with Sec. 1902(a)(30) of the Social Security Act this attachment describes the policy and methods used in establishing reimbursement rates for non-institutional care and services provided by the state's Medical Assistance Program as iterated in Sec. 1905(a) of the Act. Reimbursement methodologies and standards for inpatient hospital care is found in Attachment 4.19A and, intermediate care and skilled nursing facilities, in Attachment 4.11D.

A. Reimbursement Limitations

1. In accordance with 42 CFR 447.200, payment for services is consistent with efficiency, economy and quality of care.

2. In general, the department will pay the lesser of a provider's usual and customary charge or a maximum fee established by the department. The maximum allowable fee is based primarily on the usual and customary charges submitted to the Medical Assistance Program, the Wisconsin State Legislature's budgetary constraints and other relevant economic limitations.

   The "usual and customary" charge is defined as the amount charged by a provider in the same service when rendered to non-Medicaid patients. If a provider uses a sliding fee scale for specific services, "usual and customary" means the median of the provider's charge for the services when rendered to non-Medicaid patients.

3. In no case will rate increases exceed those authorized by the Legislature and the Governor.

4. Provider rates are determined on an annual basis.

B. Audit - 42 CFR 447.202

The department ensures appropriate audit of records wherever reimbursement is based on cost of care or service, or based on fee plus cost of materials.

C. Documentation - 42 CFR 447.203

The department maintains required documentation of reimbursement rates and complies with the requirements regarding increases in reimbursement rates as described in 42 CFR 447.203. This information is available to HHS upon request.

D. Provider Participation - 42 CFR 447.204
1. The Reimbursement Methodologies are designed to enlist program participation by a sufficient number of providers so that MA recipients are assured that authorized medical care and services are available to the same extent those same services are available to the state's general population.

2. Program participation is limited to providers who accept as reimbursement in full the amounts paid in accordance with the rate methodology, or to providers who enter into contracts with the department to provide services for free or at a reduced reimbursement level.

E. Public Notice

In accordance with 42 CFR 447.205, the department will post public notice in advance of the effective date of any significant proposed change in its methods and standards for setting reimbursement rates.

F. Methods and Standards for Establishing Payment Rates for Non-Institutional Care

The Department will establish maximum allowable fees for the covered services listed below. Maximum fees may be adjusted to reflect reimbursement limits or limits on the availability of federal funding specified in federal law. Except as otherwise provided in the methods and standards for specific services set forth in this Attachment, for each covered service, the Department shall pay the lesser of a provider's usual and customary charge or the maximum fee established by the Department.

* 1. Physician Services
2. Chiropractic
3. Early and Periodic Screening, Diagnosis and Testing (EPSDT)
4. Medical Day Treatment, Mental Health and AODA Counseling (except physician services)
5. Optometrist/Optician
** 6. Private Duty Nursing
7. Transportation
*** a. Specialized Medical Vehicles
   b. Ambulance
8. Laboratory and X-ray
9. Blood Banks
10. Dental
11. Audiology
12. Occupational Therapy
13. Speech Therapy
14. Physical Therapy
15. Family Planning Clinics
* 16. Nurse-Midwife Services
17. Ambulatory Surgical Centers
18. Portable x-ray
19. Rehabilitation agencies
20. Personal Care effective 7-1-88
21. AODA Outpatient Services effective 1-1-89
22. AODA Day Treatment Services effective 3-1-89
23. Podiatry Services effective 7-1-90
24. Pediatric and Family Nurse Practitioner Services effective 7-1-90
25. Other Nurse Practitioner and Clinical Nurse Specialist Services effective 7-1-90
26. Psychosocial Rehabilitation Services effective 1-1-2015
27. Services (other than room and board) designed to encourage completion of regimens of prescribed drugs by outpatients, including services to observe directly the intake of prescribed drugs for TB-infected individuals, effective 7-1-95
28. Drugs (pharmacy)

* For reimbursement of obstetric and pediatric services, see page 8 of this Attachment. For reimbursement of physician primary care services in a HPSA, see item #15, page 6.

** For reimbursement of high-tech care for children - private duty nursing services see item #19 in this attachment, page 6c.

*** For reimbursement for trips where more than one recipient is transported at the same time, see item #23, page 16.
1. Physician services
   
a. Supplemental payments to certain physicians

(1) Supplemental payments are available under this paragraph to physicians who are recognized as essential to the Wisconsin Medicaid program. To be identified as an essential physician and qualify for a supplemental payment, the physician must be:

   (i) A physician licensed by the State of Wisconsin;

   (ii) A certified Wisconsin Medicaid provider; and

   (iii) Employed by an eligible physician group practice that is state-owned or operated.

The eligible physician group practice, the University of Wisconsin Medical Foundation is affiliated with the state academic teaching facility, the University of Wisconsin Hospital and Clinics.

(2) For services rendered by physicians affiliated with the practice at paragraph (1), a supplemental payment will be made that is equal to the difference between the Medicaid payments otherwise made and payments at the Medicare Equivalent (specifically the Medicare non-facility rate equivalent) of the Average Commercial Rate Payment. This supplemental payment will, for the same dates of service, be reduced by any other supplemental payment found elsewhere in the state plan.

   (i) Payment will be made quarterly and will not be made prior to the delivery of services.
(3) The Base Period Medicare Equivalent of the Average Commercial Rate to be paid to practitioners affiliated with physician group practice eligible under paragraph (1) (iii) will be determined as follows:

The following calculation will be performed separately for the practice that employs and/or contract and bill for eligible practitioners. Supplemental payment to the practice will be based on this calculation.

I. Compute Average Commercial Fee Schedule: For the base period, compute the average commercial allowed amount per CPT Code, including patient share amounts, for the top five payers for procedure codes with payment rates. The top five commercial third party payers will be determined by total billed charges reported by a practice plan as defined in paragraph (1) (iii).

II. Calculate the Base Period Average Commercial Payment Ceiling: Multiply the Average Commercial Fee Schedule as determined in paragraph (3) I. by the number of times each procedure code was rendered in the base period and paid to eligible plans on behalf of Medicaid beneficiaries as reported from the MMIS. The sum of the product for all procedure codes shall determine the Base Period Average Commercial Payment Ceiling.

III. Determine the Base Period Medicare Payment Ceiling: For each of the procedure codes used to determine the Average Commercial Payment Ceiling in paragraph (3) II., multiply the base period non-facility, Medicare allowed rate from the April release of the Resource Based Relative Value Scale (RBRVS) by the number of times each procedure code was rendered in the base period and paid to the eligible plan on behalf of Medicaid beneficiaries as reported from the MMIS. The sum of the product for all procedure codes shall represent the Base Period Medicare-equivalent Payment Ceiling.

IV. Determine the Base Period Medicare Equivalent of the Average Commercial Rate: Divide the Base Period Average Commercial Payment Ceiling computed in paragraph (3) II. by the Base Period Medicare Payment Ceiling determined in paragraph (3) III.

V. Periodic Updates to the Base Period Medicare Equivalent of the Average Commercial Rate: The State shall update this ratio at least every three years.
(4) Determination of Supplemental Payment

(i) The supplemental payment ceiling for a physician practice eligible under paragraph (1) (iii) will be determined as follows: The Medicare Equivalent of the Average Commercial Rate is multiplied by Medicare payment at the non facility rate per CPT Code then multiplied by Medicaid volume by CPT Code for the same period as reported through the MMIS.

\[(\text{Medicare Equivalent of the Average Commercial Rate}) \times (\text{Medicare Payment per CPT Code}) \times (\text{Medicaid Volume per CPT Code}) = \text{Payment Ceiling}.\]

Medicare payment at the non facility rate and Medicaid volume for those services are derived from the same period of time.

(ii) Determine the Medicaid Supplemental Payment Ceiling: The Medicaid Supplemental Payment for the plan, as described in paragraph (1) (iii), shall equal the current period payment ceiling at the Medicare Equivalent of the Average Commercial Rate less all Medicaid payments, including enhanced payments, for procedure codes rendered in the current period and paid to the eligible physician group practice on behalf of Medicaid beneficiaries as reported from the MMIS. Medicaid volume and payments shall include all available payments and adjustments.
The state reimburses for services provided by physicians meeting the requirements of 42 CFR 447.400(a) at the Medicare Part B fee schedule rate using the Medicare physician fee schedule rate in effect in calendar years 2013 and 2014 or, if greater, the payment rates that would be applicable in those years using the calendar year 2009 Medicare physician fee schedule conversion factor. If there is no applicable rate established by Medicare, the state uses the rate specified in a fee schedule established and announced by CMS.

☐ The rates reflect all Medicare site of service and locality adjustments.

☑ The rates do not reflect site of service adjustments, but reimburse at the Medicare rate applicable to the office setting.

☑ The rates reflect all Medicare geographic/locality adjustments. Wisconsin has only one GPCI.

☐ The rates are statewide and reflect the mean value over all counties for each of the specified evaluation and management and vaccine billing codes.

The following formula was used to determine the mean rate over all counties for each code:

Method of Payment

☑ The state has adjusted its fee schedule to make payment at the higher rate for each E&M and vaccine administration code. Wisconsin will use the fee schedule generated by Deloitte to determine payment amounts. No mid-year adjustments will be made to the fee schedule.

☐ The state reimburses a supplemental amount equal to the difference between the Medicaid rate in effect on July 1, 2009 and the minimum payment required at 42 CFR 447.405.

Supplemental payment is made: ☐ monthly ☐ quarterly

Primary Care Services Affected by this Payment Methodology

☐ This payment applies to all Evaluation and Management (E&M) billing codes 99201 through 99499.

☑ The State did not make payment as of July 1, 2009 for the following codes and will not make payment for those codes under this SPA (specify codes).

99399, 99340, 99358, 99359, 99363, 99364, 99366, 99367, 99368, 99374, 99375, 99377, 99378, 99379, 99380, 99406, 99407, 99408, 99409, 99411, 99412, 99420, 99429, 99441, 99442, 99443, 99444, 99450, 99455, 99456, 99466, 99467
Primary Care Services Affected by this Payment Methodology, continued

☑ The state will make payment under this SPA for the following codes which have been added to the fee schedule since July 1, 2009 (specify code and date added).

99224 (added 1/1/2011), 99225 (added 1/1/2011), 99226 (added 1/1/2011)

Physician Services – Vaccine Administration

For calendar years (CYs) 2013 and 2014, the state reimburses vaccine administration services furnished by physicians meeting the requirements of 42 CFR 447.400(a) at the lesser of the state regional maximum administration fee set by the Vaccines for Children (VFC) program or the Medicare rate in effect in CYs 2013 and 2014 or, if higher, the rate using the CY 2009 conversion factor.

☐ Medicare Physician Fee Schedule rate

☑ State regional maximum administration fee set by the Vaccines for Children program

☐ Rate using the CY 2009 conversion factor

Documentation of Vaccine Administration Rates in Effect 7/1/09

The state uses one of the following methodologies to impute the payment rate in effect at 7/1/09 for code 90460, which was introduced in 2011 as a successor billing code for billing codes 90465 and 90471.

☐ The imputed rate in effect at 7/1/09 for code 90460 equals the rate in effect at 7/1/09 for billing codes 90465 and 90471 times their respective claims volume for a 12 month period which encompasses July 1, 2009. Using this methodology, the imputed rate in effect for code 90460 at 7/1/09 is: ________.

☐ A single rate was in effect on 7/1/09 for all vaccine administration services, regardless of billing code. This 2009 rate is: $3.31.

☐ Alternative methodology to calculate the vaccine administration rate in effect 7/1/09:

Note: This section contains a description of the state's methodology and specifies the affected billing codes.
Reimbursement Template - Physician Services, continued

**Effective Date of Payment**

E & M Services
This reimbursement methodology applies to services delivered on and after January 1, 2013, ending on 12/31/2014 but not prior to December 31, 2014. All rates are published at:

https://www.forwardhealth.wi.gov/WIPortal/Max%20Fee%20Home/tabid/77/Default.aspx

Vaccine Administration
This reimbursement methodology applies to services delivered on and after January 1, 2013, ending on 12/31/2014 but not prior to December 31, 2014. All rates are published at:

https://www.forwardhealth.wi.gov/WIPortal/Max%20Fee%20Home/tabid/77/Default.aspx
b. Physician Assistant Services

Reimbursement for physician assistant services is made at a percentage of a physician's payment for each specific procedure. Specifically, the physician assistant maximum allowable fee is based on 90 percent of a physician's maximum allowable fee for that procedure. Physician assistants are paid at a percentage of physician fees because they have less training, require physician supervision under state licensure, have a limited scope of practice and lower overhead costs.

Increased reimbursement is to encourage Medical Assistance Program participation by physician assistants who provide quality basic level care at a lower cost than physicians.

Effective 07/01/1993

2. Hearing Aids and Supplies

The Department will establish maximum reimbursement rates for all covered dispensing services, equipment and supplies. Providers will be reimbursed up to a maximum allowable dispensing fee and the next cash outlay cost to the provider of the materials and supplies purchased. "Net cash outlay cost" is defined as the actual cost to the provider to permit the provider to fully recover his out of pocket cost for the purchase of the hearing aid package furnished to Wisconsin Medical Assistance Program recipients.
Wisconsin Medicaid Pharmacy Fee Schedule

A. Wisconsin will reimburse the following prescribed drugs with an Ingredient Cost methodology in accordance with Actual Acquisition Cost (AAC) as defined at 42 CFR 447.512 and Professional Dispensing Fee as defined at 42 CFR 447.502.

1. Brand name and generic drugs and other drugs/products meeting the definition of covered outpatient drug in 42 CFR 447.502 will receive an ingredient cost based on AAC plus professional dispensing fee.
   a. AAC is defined as the lesser of:
      • National Average Drug Acquisition Cost (NADAC) plus a professional dispensing fee, or
      • The provider's usual and customary charge.
   b. If NADAC is unavailable, AAC is the lesser of:
      • Wholesale Acquisition Cost (WAC +0%) plus a professional dispensing fee,
      • State Maximum Allowable Cost (SMAC) rate, if available, plus a professional dispensing fee, or
      • The provider's usual and customary charge.
   c. State MAC rates use a two-step pricing factor calculation. SMAC rates are set based on the greater of 150% of the lowest-cost product in the most commonly used package size or 120% of the second lowest-cost product. All pricing is updated quarterly and ad hoc updates are made as needed to account for marketplace price increases, drug shortages or in response to provider inquiries.
   d. Professional Dispensing Fee will be based on the annual prescription volume of the enrolled pharmacy. The professional dispensing fee tiers are as follows:
      • Less than 34,999 prescriptions per year = $15.69
      • 35,000 or more prescriptions per year = $10.51
      An annual attestation by each Medicaid-enrolled pharmacy provider documents prescription volume and determines the tier under which the pharmacy will be paid for the subsequent year.
   e. Compound Drug Allowance is $7.79 and reimbursed in addition to a provider's assigned professional dispensing fee.
   f. Repackaging Allowance is $0.015 per unit billed and reimbursed in addition to a provider's assigned professional dispensing fee when repackaging occurs.

2. 340B covered entity purchased drugs under 1927(a)(5)(B) of the Act including designated 340B Indian Health Service/Tribal/Urban (I/T/U) pharmacies will receive an AAC Ingredient cost that is no more than the 340B ceiling price plus a professional dispensing fee as defined above in (A)(1)(d).

AAC is defined as:
   • The State calculated 340B ceiling price plus a professional dispensing fee, or
   • If the ceiling price is not available, WAC -50% plus a professional dispensing fee.
3. **Drugs purchased outside of the 340B program by covered entities** will be reimbursed an ingredient cost based on the AAC plus professional dispensing fee as noted in (A)(1) above.

4. **Drugs acquired through the federal 340B drug price program and dispensed by 340B contract pharmacies are not covered.**

5. **Drugs acquired via the Federal Supply Schedule (FSS)** will be reimbursed ingredient cost based on AAC plus a professional dispensing fee as defined above in (A)(1)(d).

6. **Drugs acquired at Nominal Price (outside of 340B or FSS)** will be reimbursed ingredient cost based on AAC plus a professional dispensing fee as defined above in (A)(1)(d).

**B. Wisconsin will reimburse the following drugs with the reimbursement methodology described as the drugs are not required to meet the AAC definition at 42 CFR 447.512.**

1. **Drugs dispensed by IHS/Tribal facilities paid using encounter rates** will be reimbursed AAC for drug costs and reimbursed an FQHC-specific professional dispensing fee of $24.92 and cost reconciled to their approved federal encounter rates. An IHS/Tribal facility is defined as an FQHC that receives funds under the Indian Self-Determination Act.

2. **Non-tribal Federally Qualified Health Centers (FQHCs)** are those entities designated by the federal Department of Health and Human Services as FQHCs. Non-tribal FQHCs will be reimbursed AAC for drug costs. Professional dispensing fees will be included in the non-tribal FQHC encounter rates except for SeniorCare members. For SeniorCare members, non-tribal FQHCs will receive ingredient cost based on AAC plus the FQHC-specific professional dispensing fee of $24.92.

3. **Specialty drugs not dispensed by a retail community pharmacy including drugs dispensed primarily through the mail (but not in institutions or long term care)** will receive an ingredient cost plus a professional dispensing fee as defined above in (A)(1)(d).

Rates for specialty drugs will be based on a State Specialty Maximum Allowable Cost. Specialty drug rates will be updated monthly based on a review of product availability and specialty pricing in the marketplace. The specialty drug list is comprised of drug therapy classes where the majority of drugs within the therapy class do not have an available NADAC rate.

State Specialty Maximum Allowable Cost rates for generic specialty products are developed using the SMAC methodology described above in (A)(1)(c). For select single-source brand specialty products, Wisconsin or its contractor will use benchmark provider reimbursement discounts (e.g., commercial and/or Medicaid Managed Care) to develop State Specialty Maximum Allowable Cost reimbursement rates.

Reimbursement is the lower of:

- The State determined State Specialty Maximum Allowable Cost rate plus a professional dispensing fee as defined above in (A)(1)(d) or
- The provider's usual and customary charge.
4. **Hemophilia clotting factor and other blood products used to treat hemophilia and other blood disorders** will receive an ingredient cost plus a professional dispensing fee as defined above in (A)(1)(d).

Rates for hemophilia clotting factor and other blood products will be based on a State Specialty Maximum Allowable Cost. State Specialty Maximum Allowable Cost rates will be updated monthly based on a review of product availability and specialty pricing in the marketplace. For hemophilia clotting factor and other blood products, Wisconsin or its contractor will use benchmark provider reimbursement discounts (e.g., commercial and/or Medicaid Managed Care) to develop hemophilia clotting factor and other blood products reimbursement rates.

State Specialty Maximum Allowable Cost rates for hemophilia clotting factor and other blood products will not exceed WAC +0%.

Reimbursement is the lower of:
- The State determined State Specialty Maximum Allowable Cost plus a professional dispensing fee as defined above in (A)(1)(d) or
- The provider's usual and customary charge.

5. **Covered outpatient drugs not dispensed by a community retail pharmacy, but dispensed through institutions or long term care when not included as part of an inpatient stay** will receive an ingredient cost plus professional dispensing fee as defined above in (A)(1)(d).

a. Ingredient cost is paid as the lesser of:
   - NADAC plus a professional dispensing fee or
   - The provider's usual and customary charge.

b. If NADAC is unavailable, ingredient cost is the lesser of:
   - WAC +0% plus a professional dispensing fee,
   - SMAC rate, if available, plus a professional dispensing fee, or
   - The provider’s usual and customary charge.

6. **Physician Administered Drugs (PAD)**
   - Drug ingredient costs are reimbursed at the Average Sale Price (ASP) Drug Price plus 6%.
   - If there is no ASP, then the drug ingredient costs are reimbursed at NADAC.
   - If there is no ASP or NADAC, then drug ingredient costs are WAC +0%.
   - No professional dispensing fee is reimbursed.

7. **Investigational Drugs** are not covered under the Medicaid State Plan.

C. Wisconsin will comply with the updated Federal Upper Limits requirements.

1. Overall agency payment will not exceed the federal upper limit based on the ACA FUL for ingredient reimbursement in the aggregate for multiple source drugs and other drugs, except prescription drugs which the prescriber certifies as being medically necessary for a beneficiary.

2. The State will ensure compliance, at the aggregate level, of MAC rates to not exceed the Federal Upper Limits on an annual basis.
3.a. Other practitioners’ services

**Medication Therapy Management Services Performed by a Pharmacist**

Medication therapy management services are paid at a maximum fee per unit of service as defined by CPT code.

The Department’s rates are effective for services on or after April 1, 2017. All rates are published in our Online Handbook for Pharmacy Providers. See:


Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers.
4. Vision Materials

Materials not covered under the Vision Care Volume Purchase Contract will be reimbursed at no more than the average wholesale costs of the materials.

5. Medical Supplies and Equipment

For HCPCS codes subject to Section 1903(i)(27) of the Social Security Act, reimbursement is set at the lowest corresponding Medicare max fee in Wisconsin as of January 1 each year, and updated on an annual basis as need, excluding oxygen systems, oxygen concentrators and continuous positive airway pressure devices.

Effective January 1, 2019, oxygen system, oxygen concentrator and continuous positive airway pressure device rates will be reduced 25 percent the difference between the current Wisconsin Medicaid max fee and the lowest corresponding Medicare max fee in Wisconsin as of January. These rates will be updated on an annual basis over the next four years. The final adjustment, January 1, 2023, will equal the lowest corresponding Medicare max fee in Wisconsin.

For HCPCS codes not subject to Section 1903(i)(27) of the Social Security Act or codes for which Medicare does not have an assigned rate, reimbursement is set at the following:
1. The Wisconsin Medicaid Fee Schedule amount;
2. Competitive bid contracted rate;
3. 80% of the Manufacturer Suggested Retail Price (MSRP); or
4. Acquisition cost plus 20%.

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers.
6. Rural Health Clinics

Claims for Rural Health Clinic (RHC) services are reimbursed by Wisconsin Medicaid on a fee-for-service basis at the lower of:

- The provider's usual and customary fee; or
- Medicaid's maximum allowable fee.

In addition to fee-for-service reimbursement, all RHCs, other than such clinics in rural hospitals with less than 50 beds, that complete a cost report are eligible to receive interim payments with final settlements based on 100% of reasonable costs, up to a maximum limit as established or allowed in HCFA publication 27, RHC and FQHC Manual, Chapter 505.1.

RHCs in rural hospitals with less than 50 beds that complete a cost report are eligible to receive interim payments with final settlements based on 100% of reasonable costs as determined according to Medicare cost reimbursement principles. This provision is effective for final settlements completed on or after October 1, 1998, for services provided on or after January 1, 1998.

RHC reasonable cost payments are made on a per encounter basis by ascertaining the average cost per day, per provider, per recipient at the RHC. An encounter is defined as a face-to-face encounter between a recipient and any Medicaid physician, physician assistant, nurse practitioner, certified nurse midwife, clinical psychologist or clinical social worker.

Effective 7-1-96

Prospective Payment System for Federally Qualified Health Centers and Rural Health Clinics

Section 702 of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 (BIPA) repeals the reasonable cost-based reimbursement provisions of the Social Security Act and replaces them with a prospective payment system (PPS) for Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs). States have the option to pay clinics under an alternative methodology, if the alternative methodology does not pay less than what would be paid under the PPS.

Wisconsin uses a cost-settlement system to reimburse clinics at 100% of reasonable costs. The Department will maintain this system under BIPA as an alternative methodology for payment. Furthermore, the Department will continue to reimburse RHCs their reasonable costs using the cost-settlement system while the Department implements BIPA's provisions. The Department will, if necessary, make retroactive adjustments to settlement amounts paid to clinics back to January 1, 2001. Wisconsin's RHCs have agreed to this alternative payment methodology.

TN # 01-002
Supercedes
TN # 98-019

Attachment 4.19-B
Page 6a
6. Rural Health Clinics (cont.)

Cost-Settlement Process – Fee for Service

RHCs bill fee-for-service (FFS) Medicaid for Medicaid services rendered to Medicaid patients. The RHCs then submit cost reports to the Department which indicate the number of Medicaid encounters and the amount already reimbursed by FFS Medicaid. The Department reimburses RHCs the difference between what has been received from FFS Medicaid and their reasonable costs.

Clinics receive settlement payments at least every four months. Annual audits of clinics may show that these clinics received excess payments throughout the year, which must be refunded to the Department.

Cost-Settlement Process – Managed Care

RHCs receive payments from a Medicaid-contracted managed care organization (MCO) for Medicaid services rendered to Medicaid patients. The RHCs then submit cost reports to the Department which indicate the number of Medicaid encounters and the amount already reimbursed by Medicaid-contracted MCOs. The Department reimburses RHCs the difference between what has been received from Medicaid MCOs and their reasonable costs.

Clinics receive settlement payments at least every four months. Annual audits of clinics may show that these clinics received excess payments throughout the year, which must be refunded to the Department.
6. Rural Health Clinics (cont.)

Methodology for Calculating a Baseline PPS Rate

The Division of Health Care Financing (DHCF) will calculate a baseline PPS rate using the following methodology:

1) Annual cost reports for an RHC's fiscal years 1999 and 2000 are submitted to the DHCF by the clinics.

2) The DHCF audits the submitted cost reports thereby establishing an annual encounter rate for each clinic for clinic fiscal years 1999 and 2000.

3) The PPS baseline rate is calculated by weighting the audited encounter rates for FY 1999 and FY 2000 based on the share of audited Medicaid RHC encounters during the respective fiscal years:

   A) The numbers of audited Medicaid RHC encounters for FY 1999 and FY 2000 are determined and then added together to obtain the total number Medicaid encounters at the clinic in both fiscal years. The share of total encounters that occurred in each fiscal year is then calculated.

   B) The share of total encounters that occurred in each fiscal year is then multiplied by that fiscal year's encounter rate to obtain an apportioned encounter rate for each fiscal year.

   C) The apportioned encounter rates for FY 1999 and FY 2000 are totaled to yield the PPS baseline rate.

The Department will compare the PPS rate calculated for each clinic to the encounter rate paid under the cost settlement methodology and will pay the clinic the higher of the two. For clinics for which the PPS rate is the higher of the two, the Department will use the PPS rate as the encounter rate when determining a clinic's interim and annual settlement payments using the cost settlement methodology described above.

For clinics that have not submitted FY 1999 and FY 2000 cost report data, the Department will request in writing that the clinic provide this data to the Department so that it can calculate a baseline PPS rate. In the interim, the Department will continue to pay clinics using the cost-settlement process. If a clinic has not submitted FY 1999 and FY 2000 cost report data to the Department one year after the Department has requested in writing from the clinic such data, the Department will use the PPS rate from a clinic in the same or adjacent area with a similar caseload as the baseline PPS rate for the clinic that has not submitted FY 1999 and FY 2000 cost report data requested by the Department.
6. Rural Health Clinics (cont.)

Subsequent Years (FY 2002 and beyond)

At the end of each clinic fiscal year, the Department will adjust the PPS rate by the Medicare Economic Index (MEI) in effect at the end of the clinic fiscal year and by expected changes in the scope of services provided to Medicaid patients at the clinic to determine the PPS rate for that clinic upcoming fiscal year. Clinics will be required to report to the Department expected staffing and service provision changes for the upcoming clinic fiscal year no later than one month prior to the end of the current clinic fiscal year. Staffing changes are to be estimated as changes in the number of full time equivalents (FTEs) employed by or contracting with the clinic to provide RHC services and their estimated costs. Clinics must also submit written documentation to the Department of the estimated costs of relevant capital changes that would affect the provision of RHC services at the clinic. Changes to the PPS rate based on expected staffing or service provision changes as reported by the clinic that do not occur in the upcoming clinic fiscal year are subject to reconciliation at the end of the clinic's fiscal year.

The adjusted PPS rate will be compared to the settlement rate for that clinic fiscal year, and the Department will pay the clinic the greater of the two. For clinics for which the PPS rate is the higher of the two, the Department will use the PPS rate as the encounter rate when determining a clinic's interim and annual settlement payments using the cost settlement methodology described above.

New Clinics

For clinics that qualify for RHC status after FY 2000, the Department will use the PPS rate from a clinic in the same or adjacent area with a similar caseload. This rate will be compared to the rate paid by the settlement process, and the Department will pay the higher of the two. In subsequent years, the Department will inflate the PPS rate by the MEI and by changes in the scope of services provided and will compare this rate to that from the settlement process. The Department will pay the clinic the greater of the two. In the absence of a clinic in the same or adjacent area with a similar caseload, the cost settlement rate will be paid to the clinic.
6. Rural Health Clinics (cont.)

Supplemental Payments under Managed Care

RHCs that provide services under a contract with a Medicaid managed care organization (MCO) will receive state supplemental payments for the cost of furnishing such services. These supplemental payments are an estimate of the difference between the payments the RHC receives from MCO(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 MCO payments received by the RHC will be reviewed against the amount that the actual number of visits provided under the RHC's contract with MCO(s) would have yielded under the alternative methodology. The RHC will be paid the difference between the amount calculated using the alternative methodology and actual number of visits, and the total amount of supplemental and MCO payments received by the RHC, if the alternative amount exceeds the total amount of supplemental and MCO 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 MCO payments received by the RHC, if the alternative amount is less than the total amount of supplemental and MCO payments.

Effective 1-1-01
7. End Stage Renal Disease

The Department will pay free-standing End Stage Renal Disease (ESRD) providers the Medicare reimbursement rate for the services that they provide.

Effective 11/01/04
8. Case Management Services
EPSDT

Providers are reimbursed by a flat fee which is a percentage of the provider's average cost, established by the Department.

Effective 4-8-86

9. Case Management Services
Community Care Organizations

For case management services performed by Community Care Organizations, reimbursement will be made through the per diem rate as established by the department.

Certified providers will be reimbursed upon submission of an appropriate claim form, documenting recipient eligibility and services provided. This is true for all other MA-certified providers. Payments made from Title XIX funds for MA eligible clients will be appropriately matched with state and local funds, and will not duplicate other federal or state payments or match requirements.

Effective 10-1-86

9a. Case Management Services
Target Group N

This rate applies to clients in Target Group N where the child has been placed in substitute (out-of-home) care determined to be ineligible for Title IV-E administrative costs. The Department's proposal requires no change in the definition of the existing group and the benefits remain the same.

The rate methodology will employ the Random Moment Time Study (RMTS) as a tool in developing the monthly rate per client. The billing process will be established in such a manner as to prevent the processing of duplicate billings for the same client for the same service period. This will be accomplished by installing edits between procedure codes in the MMIS system. The methodology also contains a provision for adjusting the rate to an actual cost basis after completion of the Federal Fiscal Year.

Effective 10-1-01

TN #04-009
Supersedes New

Approval Date 12/14/2004  Effective Date 07-01-04
9.b. For self-directed personal assistance services under 1915(j) (see Supplement to Attachment 3.1-A for a full description) the rate will be determined as follows:

Wisconsin's methodology for determining the participant's budget is based on the assessment of needs for the participant and the development of the service plan. The cost of providing the services included in the service plan is calculated based on the expected reimbursement for personal care under the state plan referenced in Item 20 on page 3 of 4.19-B and are adjusted to account for the self-directed service delivery model. Based on historical utilization patterns and differences in set-up and oversight, the State will use an adjustment factor of 83.9% of the expected waiver/state plan service reimbursement to calculate the participant's service budget for self-directed personal assistance services.

Approval date: JUN 22 2010
Effective date: 10/01/2009
9.c. Case Management Services

Children with Medical Complexity (CMC) Target Group R

For children with medical complexity (CMC) the Department established maximum allowable fees for targeted case management services. Reimbursement will be made to certified children’s hospitals as determined by the department. For each covered service, the Department shall pay the lesser of a provider’s usual and customary charge or the maximum fee established by the Department.

Providers will be reimbursed at a uniform rate for the completion of a comprehensive patient assessment and the development of an individualized care plan; and ongoing care management and care coordination activities. The actuarially developed rate is based on a three-month time study of care management and care coordination activities completed by the Medicaid-enrolled children’s hospitals for Medicaid members in the target group.

The Department will limit reimbursement to one claim per eligible individual per calendar month. A unit of service will be one (1) month. Providers must provide a minimum of one (1) contact that can include face-to-face, telephone, or written contact with, or on behalf of, the eligible individual.

The agency’s fee schedule rates were set as of September 1, 2017 and are effective for services provided on or after that date. All current and adjusted rates are published on the Wisconsin ForwardHealth website:

https://www.forwardhealth.wi.gov/WIPortal/Max%20Fee%20Home/tabid/77/Default.aspx
10. Case Management Services
All Other Target Populations

Providers are reimbursed at a uniform statewide contracted hourly rate for each hour of allowable assessment, case planning, or ongoing monitoring services. The rate is based on the statewide average rate for a social worker with annual increases based on the Consumer Price Index.

Effective 7-1-93

11. Home Health Services

The maximum fee schedule is based on the Medicare cost reports filed with the fiscal intermediary, Blue Cross/Blue Shield United of Wisconsin by each home health agency. The fiscal intermediary took the cost per visit from the settled Medicare cost reports for state fiscal year 1990 and brought these costs to the common period of June 30, 1990. The costs were further adjusted for inflation to 1992. These rates were arrayed by discipline from high to low. A maximum fee per visit, per discipline was set so that 58% of the certified home health agencies have their Medicaid costs met.

Effective Payments will be made at the lesser of usual and customary agency charges, or maximum allowable fees. These rates include travel, recordkeeping, RN supervision and other administrative costs as well as direct care expenses. In comparing established rates-per-visit to inflated costs, it is anticipated that some agencies may receive reimbursement equal to or exceeding their individual anticipated costs per discipline. It should be noted that at no time will an agency be reimbursed more than its usual and customary fee or the WMAP maximum rate, whichever is less.

TN #16-0011
Supersedes Approval date: 12/15/16
TN #98-010 Effective date: 10/01/2016
State: Wisconsin

12. Hospice Care Services

Hospice services are reimbursed at the rates published by the federal Centers for Medicare and Medicaid Services at 42 CFR Part 418 Subpart G, as updated by annual Federal Register notices. Additionally, the rates are adjusted for regional differences in wages using the hospice wage index published by CMS.

This rate schedule provides rates for each of the four levels of hospice care, with the exception of payment for physician services.

Medicaid reimbursement for hospice services will be made at one of six (6) predetermined rates for each day in which a Medicaid members is under the care of the hospice provider. The reimbursement amounts are determined within each of the following categories:

1. Routine home care where most hospice care is provided-Days 1-60.
2. Routine home care where most hospice care is provided-Days over 60.
3. Continuous home care which is furnished during a period of crisis and primarily consists of nursing care to achieve palliation and management of acute medical symptoms.
4. Inpatient respite care which is short-term care and intended to relieve family members or others caring for the individual.
5. General inpatient hospice care which is short term and intended for pain control or acute or chronic symptom management which cannot be provided in other settings.
6. Service Intensity Add-on (SIA), effective for hospice services with dates of service on or after January 1, 2016, will be made for a visit by a social worker or a registered nurse (RN), when provided during routine home care provided in the last 7 days of a Medicaid member’s life. The SIA payment is in addition to the routine home care rate. The SIA Medicaid reimbursement will be equal to the Continuous Home Care hourly payment rate (as calculated annually by CMS), multiplied by the amount of direct patient care hours provided by an RN or social worker for up to four (4) hours total that occurred on the day of service, and adjusted by the appropriate hospice wage index published by CMS.

Hospice nursing facility room and board per diem rates are reimbursed to the hospice provider at a rate equal to 95% of the skilled nursing facility rate, less any Post Eligibility Treatment of Income (PETI) amount, for Medicaid clients who are receiving hospice services. The hospice provider is responsible for passing the room and board payment through to the nursing facility.

For each hospice, the total number of inpatient days (both for general inpatient care and inpatient respite care) must not exceed 20 percent of the aggregate total number of days of hospice care provided to all Medicaid members enrolled in the hospice during the same period, beginning with services rendered November 1 or each year and ending October 31 or the next year.

TN #16-0011
Supersedes Approval date: 12/15/16
TN #98-010 Effective date: 10/01/2016
13. Respiratory Care Services

Providers are reimbursed at statewide hourly rates for services performed by an RN, LPN or respiratory therapist. These hourly rates are established by the Legislature in statute.

Effective 7-1-97

14. Medicare Part B Coinsurance Payment

Payment is limited to the MA maximum allowable fee or rates, less the Medicare payment for a service provided to a recipient who is eligible for both Medicare and Medical Assistance. For Medicare services not otherwise covered by Wisconsin Title XIX, reimbursement will be established at Medicare rates.

Effective 7-1-89

15. Health Personnel Shortage Area (HPSA) Reimbursement for Primary Care Services

Physicians with primary care specialties and mid-level health professionals who practice in or provide primary care services to recipients residing in Health Personnel Shortage Areas (HPSAs) receive an incentive payment of 20% over and above the maximum allowable fees paid by the Medical Assistance Program for primary care procedures. A HPSA is a medically underserved area designated by the United State's Department of Health and Human Services under the Public Health Service Act.

The components of this benefit are:

- Primary care physicians have specialties in pediatric, general practice, family practice, internal medicine, emergency medicine, obstetric and gynecology;

- Mid-level health professionals are physician assistants, nurse practitioners and nurse midwives; and

- Primary care services are evaluation and management office, emergency department and preventive medicine procedures, immunizations and selected obstetric procedures.

When obstetric services are provided by the primary care physicians and mid-level health professionals these providers will receive an additional HPSA incentive payment of 25% over the regular bonus amount.
HPSA incentive payments encourage primary care physicians and mid-level health professionals to provide primary care services to Medical Assistance recipients who live in medically underserved areas of Wisconsin. The HPSA incentive program is an adaptation of the Medicare HPSA program, with a special emphasis on primary care services. The enhanced payment assists HPSA areas in recruitment and retention of physicians and mid-level health professionals.

The reasons for targeting primary care services are discussed in the Primary Care Provider Incentive Payment (number 22 below).

Effective for payments made on or after October 16, 1993 for dates of service on and after July 1, 1993.
16. Non-Tribal Federally Qualified Health Centers (FQHCs)

The purpose of this State Plan is to set forth policies and guidelines to be administered by the Wisconsin Department of Health Services (DHS) for non-tribal Federally Qualified Health Centers (FQHCs) operating in the State of Wisconsin.

FQHC reasonable cost payments are made on a per encounter basis. An encounter is a face to face visit between a client and a qualified Wisconsin Medicaid FQHC provider who is providing a Medicaid-covered medical, dental, and/or behavioral ambulatory service on a single day, at an approved FQHC location, for a diagnosis, treatment or preventative service. Only one medical, one dental, and one behavioral encounter will be paid per patient per day, except in the event of a subsequent illness or injury.

A. Prospective Payment System for Federally Qualified Health Centers

Section 702 of the Medicare, Medicaid and SCHIP Benefits Improvement and Protection Act of 2000 (BIPA) repeals the reasonable cost-based reimbursement provisions of the Social Security Act and replaces them with a prospective payment system (PPS) for non-tribal Federally Qualified Health Centers (FQHCs).

B. Methodology for Calculating a Baseline PPS Rate

In compliance with BIPA, the Department of Health Services (DHS) has calculated baseline PPS rates using the following methodology:

1) Annual cost reports for a FQHC’s fiscal years 1999 and 2000 were submitted to the DHS by the centers.

2) DHS audited the submitted cost reports and established an annual encounter rate for each center for center fiscal years 1999 and 2000.

3) The PPS baseline rate was calculated by weighting the audited encounter rates for FY 1999 and FY 2000 based on the share of audited Medicaid FQHC encounters during the respective fiscal years:

   i) The numbers of audited Medicaid FQHC encounters for FY 1999 and FY 2000 were determined and then added together to obtain the total number Medicaid encounters at the center in both fiscal years. The share of total encounters that occurred in each fiscal year was then calculated.

   ii) The share of total encounters that occurred in each fiscal year was then multiplied by that fiscal year’s encounter rate to obtain an apportioned encounter rate for each fiscal year.

   iii) The apportioned encounter rates for FY 1999 and FY 2000 were totaled to yield the PPS baseline rate.

Approval date: __5/2/18_______
Effective date: 07/01/2017
4) FQHCs receiving their initial designation after FY 2000, will be paid an average encounter rate of other FQHCs located in the same or adjacent area with similar caseloads, on an interim basis. Within two years of receiving its initial designation, the FQHC must demonstrate its actual costs using standard cost reporting methods maintained by the Department, to establish its baseline PPS rate. The Department will review the new center’s CMS-approved cost report to ensure the costs are reasonable and necessary.

C. Subsequent Year MEI Adjustments
Effective each year on January 1, the Department will adjust the PPS rate by the Medicare Economic Index (MEI) in effect for that upcoming calendar year.

D. Scope Change Definition
The PPS rate will also be adjusted to reflect changes in the scope of services provided by the FQHC. Adjustments to the PPS rate for the increase or decrease in scope of services will be reflected in the PPS rate and, subsequent to rate approval, will be made retroactively effective beginning the first day of the month in which the qualifying event occurred. The adjustment may result in either an increase or decrease in the PPS Rate paid to the FQHC.

Following the end of an FQHC fiscal year, each FQHC has the option to submit documentation identifying whether or not a change in the scope of services has occurred. A scope change adjustment will be granted only if the FQHC demonstrates a change in the type, intensity, duration, and/or amount of services has occurred and the change in scope of services resulted in at least a three (3) percent increase or decrease in the center’s MEI-adjusted PPS rate for the FQHC fiscal year in which the change in scope of service took place. To determine if the 3% threshold is met, the portion of the FQHC’s cost-per-visit specifically attributable to the scope change will be divided by the PPS rate in effect during the fiscal year in which the qualifying event occurred.

It is the responsibility of the FQHC to submit documentation to the Department of Health Services identifying whether or not a scope change has occurred within one hundred twenty (120) days of the FQHC’s fiscal year end.
E. Scope Change Adjustment Process

In the event that documentation submitted by the FQHC demonstrates that a scope change has occurred, PPS rates will be updated through the completion and submission of a CMS-approved FQHC cost report in accordance with the FQHC cost reporting guidance maintained by the Department. The Department will review each submitted report to ensure that the PPS rates are based upon reasonable costs of providing FQHC services. Cost and visit data from the report will be used to set the FQHC's PPS reimbursement rate. Adjustments to the PPS rate for the increase or decrease in scope of services will be reflected in the PPS rate and, subsequent to rate approval, will be made retroactively effective beginning the first day of the month in which the qualifying event occurred. If the qualifying event begins during a fiscal year that does not meet the 3% threshold, but meets the 3% threshold in a subsequent fiscal year, then the rate will be made effective the first day of the fiscal year in which it qualifies.

If during the Department’s review, the Department requests additional documentation to calculate the rate for the change(s) in scope of service, the FQHC must provide the additional documentation within thirty (30) days. If the FQHC does not submit the additional documentation within the specified timeframe, this may delay implementation of any approved scope-of-service rate adjustment.

The department will provide an appeals process for providers requesting further review of denied scope change requests.

F. Drug Cost Carve-Out

The cost of drugs associated with FQHC pharmacy claiming will be excluded from PPS rates and reimbursed pursuant to the fee schedule for drugs set forth by the Wisconsin Department of Health Services.

G. Supplemental Payments under Managed Care

In the case of any FQHC that contracts with a managed care organization, supplemental wrap-around payments will be made pursuant to a payment schedule agreed to by the State and the FQHC, but in no case less frequently than every 4 months, for the difference between the payment amounts paid by the managed care organization, not including financial or quality incentive payments, and the amount to which the center is entitled under the Prospective Payment System rate or the applicable Alternative Payment Method rate.
16.B Tribal Federally Qualified Health Centers (Tribal FQHCs)

The purpose of this State Plan is to set forth policies and guidelines to be administered by the Wisconsin Department of Health Services (DHS) for tribal Federally Qualified Health Centers (FQHCs) operating in the State of Wisconsin.

Tribal FQHC reasonable cost payments are made on a per encounter basis by ascertaining the average cost per day, per provider, per recipient at the Tribal FQHC. An encounter is defined as a face-to-face contact for the provision of medical services between a single Wisconsin Medical Assistance Program (WMAP) certified provider (e.g., physician, dentist, or physical therapist) on a single day, at a single location, for a single diagnosis or treatment. When a recipient receives care from multiple WMAP-certified providers in a day, multiple encounters are recorded.

Prospective Payment System for Tribal Federally Qualified Health Centers

Section 702 of the Medicare, Medicaid and SCHIP Benefits Improvement and Protection Act of 2000 (BIPA) repeals the reasonable cost-based reimbursement provisions of the Social Security Act and replaces them with a prospective payment system (PPS) for Tribal Federally Qualified Health Centers (FQHCs). States have the option to pay clinics under an alternative methodology, if the alternative methodology does not pay less than what would be paid under the PPS.

1) Annual Cost Report
   i. Wisconsin uses a cost-settlement system to reimburse clinics at 100% of reasonable costs. The Tribal FQHC must submit a CMS-approved cost report to receive 100% of reasonable costs for FQHC services due within five years of the last day of the corresponding fiscal year. The identification of direct and indirect and overhead costs must comply with 45 Code of Federal Regulations (CFR) §75 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards and 42 CFR §413 Principles of Reasonable Cost Reimbursement. The Department will maintain this system under BIPA as an alternative methodology for payment. Furthermore, the Department will continue to reimburse Tribal FQHCs and Rural Health Clinics their reasonable costs using the cost-settlement system while the Department implements BIPA's provisions. The Department will, if necessary, make retroactive adjustments to settlement amounts paid to clinics or centers back to January 1, 2001. Wisconsin's Tribal FQHCs have agreed to this alternative payment methodology.
2) Cost Reconciliation and Settlement
   i. After receiving the Annual Cost report, the Department verifies the allowable costs and
      validates the encounters performed during the fiscal year by using a combination of
      data pulled from the MMIS system and on-site medical records. The Department will
      determine if Tribal FQHCs were underpaid or overpaid based on the number
      of encounters multiplied by the PPS (or APM) rate less revenues in the reporting period.
      Examples of revenues received include, but are not limited to: payments from fee-for-
      service activity, supplemental interim (wraparound) payments, and payments from third
      party insurers. If it is found the Tribal FQHC was underpaid, the Department will issue an
      additional settlement to 100% of reasonable costs. If it is found the Tribal FQHC was
      overpaid, the Department will issue a recoupment in the amount needed to reconcile to
      100% of reasonable costs and return the Federal share to CMS.

3) Supplemental Interim Payments
   i. Fee-For-Service (FFS): Tribal FQHCs bill FFS Medicaid for Medicaid services rendered to
      Medicaid patients. The Tribal FQHCs then submit cost reports to the department which
      indicate the number of Medicaid encounters and the amount already reimbursed by FFS
      Medicaid through the State’s MMIS system. The Department reimburses Tribal FQHCs
      the difference between what has been received from FFS Medicaid and their reasonable
      costs.
         • Centers receive settlement payments at least every four months. Annual audits
           of centers may show that these centers received excess payments throughout
           the year, which must be refunded to the Department.
   ii. Managed Care: Tribal FQHCs receive payments from a Medicaid-contracted managed
       care organization (MCO) for Medicaid services rendered to Medicaid patients. The Tribal
       FQHCs then submit cost reports to the Department which indicate the number of
       Medicaid encounters and the amount already reimbursed by Medicaid-contracted
       MCOs. The Department reimburses Tribal FQHC the difference between has been
       received from Medicaid MCOs and their reasonable costs.
         • Centers receive settlement payments at least every four months. Annual audits
           of centers may show that these centers received excess payments throughout
           the year, which must be refunded to the Department.

Cost-Settlement Process -Fee for Service

Tribal FQHCs bill fee-for-service (FFS) Medicaid for Medicaid services rendered to Medicaid patients. The
Tribal FQHCs then submit cost reports to the Department which indicate the number of Medicaid
encounters and the amount already reimbursed by FFS Medicaid. The Department reimburses Tribal
FQHCs the difference between what has been received from FFS Medicaid and their reasonable costs.

Centers receive settlement payments at least every four months. Annual audits of centers may show
that these centers received excess payments throughout the year, which must be refunded to the
Department.
Cost-Settlement Process -Managed Care

Tribal FQHCs receive payments from a Medicaid-contracted managed care organization (MCO) for Medicaid services rendered to Medicaid patients. The Tribal FQHCs then submit cost reports to the Department which indicate the number of Medicaid encounters and the amount already reimbursed by Medicaid-contracted MCOs. The Department reimburses Tribal FQHC the difference between what has been received from Medicaid MCOs and their reasonable costs.

Centers receive settlement payments at least every four months. Annual audits of centers may show that these centers received excess payments throughout the year which must be refunded to the Department. This is in compliance with Section 1932(h) of the Social Security Act and Section 5006(d) if the American Recovery and Investment Act of 2009.

Methodology for Calculating a Baseline PPS Rate

The Division of Medicaid Services (DMS) will calculate a baseline PPS rate using the following methodology:

1) Annual cost reports for a Tribal FQHC fiscal years 1999 and 2000 are submitted to the DMS by the centers.

2) The DMS audits the submitted cost reports thereby establishing an annual encounter rate for each center for center fiscal years 1999 and 2000.

3) The PPS baseline rate is calculated by weighting the audited encounter rates for FY 1999 and FY 2000 based on the share of audited Medicaid Tribal FQHC encounters during the respective fiscal years:
   A) The numbers of audited Medicaid Tribal FQHC encounters for FY 1999 and FY 2000 are determined and then added together to obtain the total number Medicaid encounters at the center in both fiscal years. The share of total encounters that occurred in each fiscal year is then calculated.
   B) The share of total encounters that occurred in each fiscal year is then multiplied by that fiscal year's encounter rate to obtain an apportioned encounter rate for each fiscal year.
   C) The apportioned encounter rates for FY 1999 and FY 2000 are totaled to yield the PPS baseline rate.

The Department will compare the PPS rate calculated for each center to the encounter rate paid under the cost settlement methodology and will pay the center the higher of the two. For centers for which the PPS rate is the higher of the two, the Department will use the PPS rate as the encounter rate when determining a center’s interim and annual settlement payments using the cost settlement methodology described above.
For centers that have not submitted FY 1999 and FY 2000 cost report data, the Department will request in writing that the center provide this data to the Department so that it can calculate a baseline PPS rate. In the interim, the Department will continue to pay centers using the cost-settlement process. If a center has not submitted FY 1999 and FY 2000 cost report data to the Department one year after the Department has requested in writing from the center such data, the Department will use the PPS rate from a center in the same or adjacent area with a similar caseload as the baseline PPS rate for the center that has not submitted FY 1999 and FY 2000 cost report data requested by the Department.

Subsequent Years (FY 2002 and beyond)

At the end of each center fiscal year, the Department will adjust the PPS rate by the Medicare Economic Index (MEI) in effect at the end of the center fiscal year and by expected changes in the scope of services provided to Medicaid patients at the center to determine the PPS rate for that center upcoming fiscal year.

Centers will be required to report to the Department expected staffing and service provision changes for the upcoming center fiscal year no later than one month prior to the end of the current center fiscal year. Staffing changes are to be estimated as changes in the number of full time equivalents (FTEs) employed by or contracting with the center to provide Tribal FQHC services and their estimated costs. Centers must also submit written documentation to the Department of the estimated costs of relevant capital changes that would affect the provision of Tribal FQHC services at the center. Changes to the PPS rate based on expected staffing or service provision changes as reported by the center that do not occur in the upcoming center fiscal year are subject to reconciliation at the end of the center’s fiscal year.

The adjusted PPS rate will be compared to the settlement rate for that center fiscal year, and the Department will pay the center the greater of the two. For centers for which the PPS rate is the higher of the two, the Department will use the PPS rate as the encounter rate when determining a center’s interim and annual settlement payments using the cost settlement methodology described above.

New Clinics

For clinics that qualify for Tribal FQHC status after FY 2000, the Department will use the PPS rate from a center in the same or adjacent area with a similar caseload. This rate will be compared to the rate paid by the settlement process, and the Department will pay the higher of the two. In subsequent years, the Department will inflate the PPS rate by the MEI and by changes in the scope of services provided and will compare this rate to that from the settlement process. The Department will pay the center the greater of the two. In the absence of a center in the same or adjacent area with a similar caseload, the cost settlement rate will be paid to the center.
Supplemental Payments under Managed Care

Tribal FQHCs that provide services with a Medicaid managed care organization (MCO) will receive state supplemental payments for the cost of furnishing such services at least every 4 months in compliance with Section 1932(h) of the Social Security Act and Section 5006(d) if the American Recovery and Investment act of 2009. These supplemental payments are an estimate of the difference between the payments the Tribal FQHC receives from MCO(s) and the payments the Tribal FQHC would have received under the alternate methodology. At the end of each Tribal FQHC fiscal year, the total amount of supplemental and MCO payments received by the Tribal FQHC will be reviewed against the amount that the actual number of visits provided under the Tribal FQHC contract with MCO(s) would have yielded under the alternative methodology. The Tribal FQHC will be paid the difference between the amount calculated using the alternative methodology and actual number of visits and the total amount of supplemental and MCO payments received by the Tribal FQHC, if the alternative amount exceeds the total amount of supplemental and MCO payments. The Tribal FQHC will refund the difference between the alternative amount calculated using the actual number of visits, and the total amount of supplemental and MCO payments received by the Tribal FQHC, if the alternative amount is less than the total amount of supplemental and MCO payments.

Attachment 4.19-B
Page 10.h.

TN # 17-0010
Supersedes
New

Approval date: 5/2/18
Effective date: 07/01/2017
17. Reimbursement for HealthCheck (EPSDT) Other Services

Mental Health
a. In-home psychotherapy: An hourly rate based on usual and customary charges will be applied by type of provider rendering service (psychiatrist, psychologist, psychiatric social worker, etc.).
b. Mental health day treatment: A comprehensive hourly rate based on usual and customary charges will be applied.
c. Specialized psychological evaluation: An hourly rate based on usual and customary charges will be applied by type of provider rendering service (psychiatrist, psychologist, psychiatric social worker, etc.).

Dental Services
a. Oral examinations: Usual and customary charges subject to a maximum fee.
b. Pit and Fissure Sealants: Usual and customary charges subject to a maximum fee.
c. Single unit crowns: Usual and customary charges subject to a maximum fee.

Over-the-Counter Drugs
Manual pricing based on estimated acquisition cost plus 50% mark-up.

Assurances
All services have been reviewed to ensure that service limitations will not adversely affect HealthCheck recipients. Organ transplant services will continue to be available to children as well as adults. All payments for these services are consistent with efficiency, economy, and quality of care.

Effective 7-1-91
17. Reimbursement for HealthCheck (EPSDT) Other Services, continued

HealthCheck (EPSDT) Other Services – Comprehensive Treatment

“Health Check (EPSDT) Other Services – Comprehensive Treatment” refers to HealthCheck Other Services services defined in section 4. of Attachment 3.1-A Supplement 1 and Attachment 3.1-B Supplement 1.

The Department establishes maximum allowable fees for all other practitioners for behavioral treatment services. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of behavioral treatment services.

The agency’s fee schedule rates were set as of January 1, 2016 and are effective for services provided on or after that date. All rates are published on the Wisconsin ForwardHealth website: https://www.forwardhealth.wi.gov/

For each covered service, the Department shall pay the lesser of the provider’s usual and customary charge or the maximum fee established by the Department.

Provider travel time is not separately reimbursed.
18. Prenatal Care Coordination Services, Health Education and Nutrition Counseling Extended Services to Pregnant Women

The Department will establish maximum allowable reimbursement rates for all covered prenatal care coordination, health education and nutrition counseling services. The risk assessment and case plan services will be paid at a flat fee, while all other services will be paid at an hourly rate. The maximum rates for prenatal care coordination, health education, and nutrition counseling services and the maximum amount allowed per recipient for all services are based on cost and payment information from eleven pilot projects and from other states with similar services. The hourly rates were derived from service specific cost and payment information. The flat rates were established by multiplying the average hourly rate for the specified service by the average length of time needed to complete the department-required procedures. All reimbursement rates were reviewed by a statewide advisory committee. The advisory committee included provider agency and consumer representatives who advised the Department on the service components, the reimbursement methodology and the risk assessment.

Payments will be made at the lesser of usual and customary charges or maximum allowable fees to certified prenatal care coordination agencies. A maximum amount per recipient is paid for all prenatal care coordination, health education, nutrition counseling and outreach services. (Prenatal care coordination outreach services are administrative services.) This maximum amount for all services was established by multiplying the hourly rate by the typical number of hours needed to provide services. The maximum amount is sufficient to ensure adequate levels of service for very high risk recipients.

Effective 1-1-93

TN #93-036
Supersedes Approval Date 12/15/93
TN #92-032 Effective Date 10-16-93

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Private Duty Nursing Reimbursement for Children

Private duty nursing services for children under age 21 are reimbursed at the provider's usual and customary charges or maximum allowable fees, whichever is less.

The maximum allowable fees were established to reflect the fragile medical condition of children receiving private duty nursing services. These conditions result in more complex care, requiring a higher level of skill by providers.

The maximum allowable fees are based primarily on the average hourly costs from sample data reported on the Medicare cost reports filed with the Medicare fiscal intermediary, United Government Services, by providers providing private duty nursing services for children. Based on this data, the fees are calculated to assure providers' reasonable costs will be met for skilled nursing direct care, which includes nurse salaries and fringe benefits, transportation, payroll taxes, and nurse supervision when it includes patient care and for at least 15% of providers' administrative costs for this care. The base rate was initially established years ago and is periodically increased by legislative action. The fees apply on a state-wide basis.

Effective 10-1-99
20. Dental Services

The Department establishes maximum allowable fees for dental services. For each covered service, the Department shall pay the lesser of a provider’s usual and customary charge or the maximum fee established by the Department. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of dental services.

The agency’s fee schedule rates were set as of October 1, 2016 and are effective for services provided on or after that date. All rates are published on the Wisconsin ForwardHealth website:

https://www.forwardhealth.wi.gov/WIPortal/Subsystem/Publications/MaxFeeDownload.aspx#Dental
21. Nurse Midwife Service

Reimbursement for nurse midwife services is made at a percentage of a physician's payment for each specific procedure. Specifically, the nurse midwife maximum allowable fee is based on 90 percent of a physician's maximum allowable fee for that procedure. Nurse midwives are paid at a percentage of physician fees because they have less training, require physician supervision under state licensure, have a limited scope of practice and lower overhead costs.

Increased reimbursement is to encourage Medical Assistance Program participation by nurse midwives who provide quality basic level care at a lower-cost than physicians.

Effective 7-1-93
22. Primary Care Provider Incentive Payment

Primary care providers are reimbursed at a rate, when annualized, that is an estimated 2 percent over and above the established maximum allowable fee for all services they provide. For this enhanced payment, primary care providers are defined as physician assistants, nurse midwives, nurse practitioners and physician specialists in general and family practice, internal medicine, pediatrics, obstetrics and gynecology.

The intent of this rate increase is to improve Medical Assistance recipient access to primary care services, including pediatric and obstetric services, by increasing compensation to those providing primary care. In addition, many studies document that primary care providers furnish high quality health care at lower cost than other specialists.

The findings of the Physician Payment Review Commission indicate that over the past decades physician reimbursement for primary care services has grown at a much slower rate than reimbursement for other specialists. This increased reimbursement is an effort to begin to correct the imbalance in payment between primary care and other specialist providers.

Effective for payments made on and after 10-16-93 for dates of service on and after July 1, 1993.

23. Specialized Medical Vehicle (SMV) Multiple Carry

On trips where more than one recipient is being transported at the same time, providers are paid at a lower rate for the second and subsequent recipients.

Effective 4-1-95


Reimbursement for these services is limited to those claims with a TB-related diagnosis. Reimbursement is through an hourly rate and a maximum amount per recipient depending on whether the recipient was TB-infected only or a suspected or confirmed TB case. Prior authorization is required for claims that exceed the maximum limitations to assure the medical necessity of exceeding these limits. Hourly rates and maximums are based on current averages to provide tuberculosis-related services by public health nursing staff at local health departments.

Effective 7-1-95
25. Reimbursement to County Health, Human Services, Social Services and Community Programs Agencies for Certain Services

Programs operated by local County Health, Human Services, Social Services and Community Programs Agencies provide outpatient mental health and alcohol and other drug abuse treatment and other services, including services by a psychiatrist, medical day treatment services, AODA day treatment, child/adolescent day treatment, personal care services, case management services, psychosocial services mental health crisis intervention services, prenatal care coordination services and/or home health services (or nursing services if home health services are not available). Covered services are defined in Attachment 3.1-A.

A. Payments for Covered services covered under Attachment 3.1-A rendered by providers other than local County Health, Human Services, Social Services and Community Programs Agencies are equal to the lower of the submitted charge or the appropriate maximum fee from the Wisconsin Department of Health Services Fee Schedule. The agency's fee schedule rate was set as of January 1, 2015 and is effective for services provided on or after that date. All rates are published on the Department of Health Services Forward Health website at https://www.forwardhealth.wi.gov/WIPortal/Subsystem/Publications/MaxFeeHome.aspx.

B. Payments to Local County Health, Human Services, Social Services and Community Programs Agencies

Local County Health, Human Services, Social Services and Community Programs Agencies will be paid reconciled cost. Interim payments will be made using the Wisconsin fee schedule.

To assure payments do not exceed cost, County Health, Human Services, Social Services and Community Programs Agency interim payments will be cost settled annually to Medicaid incurred costs. Effective for cost reporting periods beginning on or after January 1, 2015, Medicaid incurred cost will be determined by the Department of Health Services using a cost reporting methodology and cost report approved by CMS in accordance with 2 CFR 200.

Counties shall not claim FFP for any services rendered by providers who do not meet the applicable Federal and/or state definition of a qualified Medicaid provider. Additionally, counties shall not claim FFP for non-Medicaid covered services or non-allowed cost such as room and board.

A. Direct Medical Services Payment Methodology:

The annual cost settlement methodology will consist of a CMS approved cost report and reconciliation. If Medicaid payments exceed Medicaid incurred costs, the excess will be recouped and the Federal share will be returned on the CMS-64 report.

TN # 15-0005
Supersedes
TN # 03-005

Approval date: 4/22/16
Effective date: 01/01/2015
To determine the Medicaid incurred direct and indirect costs of providing direct medical services to Medicaid recipients receiving Covered services the following steps are performed:

Allowable Cost Centers

(1) Direct costs for medical service include direct medical service provider costs and other costs that can be directly charged to direct medical services. Direct medical service costs include total salary, benefits and contract costs associated with personnel providing direct medical services.

(2) Other direct service non-personnel costs include non-personnel costs directly related to the delivery of medical services, such as clinician travel, training and direct medical service materials and supplies. These direct costs are accumulated on the annual cost report.

(3) Direct support costs include payroll costs and other costs which directly support medical service personnel furnishing direct medical services. Direct support payroll costs include total compensation of clinical administrative personnel furnishing direct support services. In compliance with 2 CFR § 200, Subpart E, Section 200.413(c) direct support costs also include the salaries of administrative and clerical staff in instances where the following conditions are met: administrative or clerical services are integral to a project or activity; individuals involved can be specifically identified with the project or activity, and these costs are not also recovered as indirect costs.

(4) Indirect costs include payroll costs and other costs related to the administration and operation of the county. Indirect payroll costs include total compensation of Health, Human Services, Social Services and Community Programs Department administrative personnel providing administrative services.

Other indirect costs include non-personnel costs related to the administration and operation of the Health, Human Services, Social Services and Community Programs Department such as purchased services, capital outlay, materials and supplies. Other indirect costs also include indirect costs allocated from the county to the Health, Human Services, Social Services and Community Programs Department via the county Cost Allocation Plan.

Determination of Direct Medical Cost

(5) A CMS approved time tracking methodology meeting the requirements of 2 CFR 200.430 is used to determine the percentage of time spent by medical service personnel from item A1 above and direct support personnel from item A3 above on direct service activities for each individual service, direct support activities for each individual service, and non-reimbursable activities.

TN # 15-0005
Supersedes TN # 03-005

Approval date: 4/22/16
Effective date: 01/01/2015
25. Reimbursement to County Health, Human Services, Social Services and Community Programs Agencies for Certain Services, continued

(6) The total allowable direct support cost for each clinician providing allowable direct support services is allocated to each applicable program by multiplying the percentage of actual time spent on direct support for each program from Item A5 by the accumulated cost in direct support cost centers for that individual clinician from Items A3 above.

(7) Total indirect costs from Item A4 above are allocated based on FTEs or other approved allocation methodology to covered programs as well as non-reimbursable cost centers.

Reductions

(8) Total direct, direct support and indirect costs allocated to individual covered programs are reduced on the cost report by any restricted public health service grant payments as defined in CMS Publication 15-1 resulting in adjusted allowable costs for direct medical services.

B. Certification of Expenditures:

On an annual basis, each local County Health, Human Services, Social Services and Community Programs Agency providing covered services will certify through its cost report its total actual, incurred Medicaid allowable costs. Providers are only permitted to certify Medicaid allowable costs.

C. Annual Cost Report Process:

For Medicaid covered services each local County Health, Human Services, Social Services and Community Programs Agency shall file an annual cost report as directed by the Department of Health Services in accordance with 42 CFR 413 Subpart B and 42 CFR 447.202. The Medicaid cost report is due nine (9) months after the calendar year end. Providers that fail to fully and accurately complete Medicaid cost reports within the time period specified by the Department of Health Services or that fail to furnish required documentation and disclosures for Medicaid cost reports required under this Plan within the time period specified by the Department, may be subject to withhold penalties for non-compliance.

Providers that fail to fully and accurately complete the Medicaid cost reports within the time period specified by the Department of Health Services or that fail to furnish required documentation and disclosures for Medicaid cost reports required under this Plan within the time period specified by the Division, may be subject to withhold penalties for non-compliance. At the discretion of the Department of Health Services, a 20 percent withhold of Medicaid payments may be imposed upon the delinquent provider 30 days after the Medicaid cost report filing deadline unless the provider has made a written request for an extension of the Medicaid cost report filing due date to the Department of Health Services and has received a written approval from the Department of Health Services. The withholding of monies may continue until the Medicaid cost report filing requirements have been satisfied. Once all requirements have been satisfied, withheld monies will be released to the provider. Any monies withheld will not accrue interest to the benefit of the provider.

Approval date: 4/22/16

Effective date: 01/01/2015

Attachment 4.19-B
State: Wisconsin
Page 16a-2
25. Reimbursement to County Health, Human Services, Social Services and Community Programs Agencies for Certain Services, continued

The primary purposes of the governmental cost report are to:
(1) Document the provider's total CMS-approved, Medicaid incurred costs of delivering Medicaid covered services using a CMS-approved cost allocation methodology and cost report.
(2) Reconcile annual interim payments to total CMS-approved, Medicaid incurred costs using a CMS approved cost allocation methodology and cost report.

D. **The Cost Reconciliation Process:**

Total direct medical service cost for the County Health, Human Services, Social Services and Community Programs Agency including direct cost, direct support and indirect program cost net of reductions is divided by total units of direct medical service calculated based on reported direct service hours to determine a per unit rate for each covered service.

Total Medicaid incurred cost is calculated by multiplying the per unit rate, based on cost as calculated in item A8 above, by fee for service claims which are also based on the same unit of service, reimbursed by Medicaid for each program to ensure that only cost associated with units of service reimbursed by Medicaid are eligible for cost settlement.

The cost reconciliation process must be completed within fourteen (14) months of the end of the reporting period covered by the annual county Cost Report. The total Medicaid incurred costs are determined based in accordance with 42 CFR 413 Subpart B and the CMS Provider Reimbursement Manual methodology and are compared to the Health Department Medicaid interim payments delivered during the reporting period as documented in the Medicaid Management Information System (MMIS), resulting in a cost reconciliation.

E. **The Cost Settlement Process:**

If a provider's interim fee schedule payments exceed the provider's certified cost for Medicaid services furnished in health departments to Medicaid recipients, the Department of Health Services will remit excess federal share of the overpayment at the time the cost report is submitted. The federal share will be returned via CMS-64 Report. State recoveries for the collection of overpayment will be conducted in compliance with 42 CFR §433.316.

If the certified cost of a Health, Human Services, Social Services and Community Programs Department provider exceeds the interim payments, the Department of Health Services will pay the federal share of the difference to the provider in accordance with the final actual certification agreement and submit claims to the CMS for reimbursement of that payment in the federal fiscal quarter following payment to the provider.
Reimbursement for Ambulance Services

Reimbursement for ambulance services will be made through initial and supplemental payments. Interim rates for CY 03 and CY 04 will be the current base rate. In the future, the Department may adjust the initial rate periodically based on charge, cost and other relevant data. For ambulance services for which a comparable Medicare procedure code exists, total reimbursement shall be determined by the Department using a Medicare payment methodology. The Medicare payment methodology that will be used to calculate a final rate for CY 2003 and CY 2004 will sum the Medicare rate on file for the service (weighted 40%) and the average billed amount for Wisconsin municipal providers for the service (weighted 60%). The Medicare rate on file will be the Wisconsin specific Part B Medicare rate approved by CMS. For ambulance services for which no comparable Medicare procedure code exists, total reimbursement shall be the earliest rate on the Department's claims processing file for the service on or after January 1, 1990 trended forward by inflation. (Inflation factors used will be those published by Global Insight, Inc. or its successor.) Supplemental payments will be based on the difference between initial rates and total reimbursement as determined above. Supplemental payments will be made in lump sums and will occur in the fall of 2003 for services provided during the period following July 1, 2003. Thereafter, the Department will make supplemental payments to providers eligible for additional reimbursement on a periodic basis.
Medication Management

The maximum allowable fee for medication management is based on the maximum fee for home health skilled nursing as well as the relative amount of time and the relative level of skill to provide the service. The fee is adjusted for travel time, overhead costs and indirect costs. The maximum allowable fee for medication management is the same for all providers because the service is virtually the same whoever provides it.

Effective 7-1-95
27. Clozapine Management

The maximum allowable fee for Clozapine management is based on the average salaries for Clozapine management providers as well as the relative amount of time and the relative level of skill to provide the service. The maximum allowable fee is adjusted for travel time, overhead costs and indirect costs. The maximum allowable fee is the same for all providers because the service is essentially the same whoever provides it.

Effective 7-1-95
28. Medicaid-Covered Services Included in Medicaid-eligible Students' Individualized Education Programs (IEPs) Provided by Local Education Agencies

Overview

This section of the plan describes how:

1. The Department establishes rates for interim Medicaid reimbursement,
2. Local education agency providers (LEA providers) identify total allowable Medicaid costs, including the Federal and non Federal share of expenditures for Medicaid covered services provided by Medicaid qualified providers.
3. The Department reconciles interim payments to total, allowed cost as reported on the CMS-approved cost report for direct medical services and specialized transportation services.

This section of the plan applies only to Medicaid covered services identified in the child's individualized education program (IEP).

Payment for Medicaid-Covered Services Included in Medicaid-eligible Students’ Individualized Education Programs (IEPs) Provided by Local Education Agencies

Local education agency (LEA) providers shall be reimbursed on an interim basis and those payments shall retrospectively be reconciled to cost. Section A and B cover the interim payment process. Sections C through F cover the process for certification and reconciliation.

Interim Payment for Covered Services Provided by LEA Providers

A. Before July 2007 statewide rates will be set on an interim basis using the July 2004 school year's reimbursement updated for inflation at a rate not to exceed the qualified economic offer (QEO) annual rate. In negotiating teacher’s contracts, the QEO identifies the minimum offer required by state statute that a local school district may make to avoid binding arbitration on salaries and fringe benefits.

B. After July 2007, LEA specific rates will be set on an interim basis using the LEA’s most recent cost information updated to the current year for inflation at a rate not to exceed the QEO.
Identification of Total Allowed Cost

C. LEA providers are required to report annually total allowed cost, including the Federal and non federal share of expenditures using a CMS-approved cost report. The following steps will be used to determine cost:

1. The provider will identify cost to be included in the direct services cost pool.

   The pool of cost will consist of compensation to practitioners and some additional cost for clinical materials and supplies. Practitioners are licensed medical providers and other qualified providers doing delegated medical tasks under the school-based services section Attachment 3.1-A Supplement 1 and 3.1-B Supplement 1 of the Wisconsin Medicaid State Plan. Only those practitioners who are expected to deliver hands-on services to clients and who are expected to generate a service unit that may be attributed through the medical record may be included in the direct services cost pool. The cost of supervisors, program coordinators, special education teachers, administrators and other personnel are included in the cost pool only to the extent they are qualified providers and are expected to provide hands-on care. The LEA will identify individually the practitioners eligible for inclusion in the direct services cost pool. Their compensation data will be reported on a subsidiary spreadsheet of the CMS-approved cost report and will reflect offsetting amounts to the extent required by law for all other sources of revenue.

   Only Medicaid qualified providers that are the direct practitioners may be included in the direct services cost pool. The following practitioners must meet the requirements of 42 CFR 440.110 to report their costs: physical therapist, occupational therapist, speech language pathologist and aides providing medical services under the direction of physical therapist, occupational therapist and speech language pathologist.

   The Department shall specify the method for identifying these costs using the CMS-approved cost report which employs the use of data derived from the Wisconsin Uniform Financial Accounting Requirements (WUFAR), the Special Education Fiscal Report project codes and other data classifications maintained by the Department of Public Instruction (DPI). These costs shall be identified in compliance with the scope of cost that CMS has approved.

2. The provider/LEA will identify the amount of cost in the direct services cost pool that may be attributed to the provision of medical services.

   To allocate this cost, the provider multiplies the statewide direct medical services time study percentage by the total direct services cost pool amount. The source of the direct medical services time study percentage is the expanded Medicaid Administrative Claiming Time Study for Schools (MACS). The State will supply the time study percentage for direct medical services to providers. The use of this CMS-approved time study assures that no more than 100 percent of time is captured for administrative activities and direct medical services and that the time study is statistically valid.

3. The indirect cost is determined through use of the cognizant agency unrestricted indirect cost rate.

   One plus the cognizant agency’s unrestricted indirect cost rate assigned to each LEA provider is multiplied by total direct medical services cost as determined under the previous step.

4. Medicaid’s portion of total direct services cost will be calculated.

   The results of the previous step are multiplied by the ratio of the total number of IEP students receiving medical services and eligible for Medicaid to the total number of IEP students receiving medical services. One IEP ratio is applied to cost for each practitioner type.
Methodology for Determining Specialized Transportation Cost

D. Transportation is reimbursed only on days when a covered Medicaid service was provided pursuant to an IEP and only if specialized transportation is listed as a service in the IEP.

Each LEA provider shall report to the Department, on an annual basis, the total allowed costs incurred under the Special Education Transportation account using the following steps.

1. Each LEA will use the CMS-approved cost report to accumulate annually direct cost, which will include some personnel cost, contracting cost, and special education school bus depreciation, fuel, repairs and servicing costs necessary for the provision of school-based IEP transportation services.

2. Total specialized transportation cost will be determined by multiplying cost identified under Step 1 by one plus the cognizant agency's unrestricted indirect cost rate.

3. Medicaid’s portion of specialized transportation cost will be identified by multiplying the results of Step 2 by the ratio of the total number of one-way Medicaid specialized transportation trips pursuant to the IEP over all one-way specialized transportation trips that were provided. The provider is responsible to maintaining one-way trip documentation.

Approval Date 10/11/04
Effective date 07/01/2005
E. Cost Reconciliation and Cost Settlement

Each LEA provider shall be required to do all of the following activities:

1. Each LEA provider must complete annually the CMS-approved cost report for direct medical services and specialized transportation. It will contain total cost incurred to provide Medicaid covered services to Medicaid beneficiaries, including the Federal and non-Federal share of incurred cost. This cost report will be filed with the Department by March 31, 2007 for the 2005-06 state fiscal year, and the December 31 following the end of the state fiscal year for all other school years. The Department will inform the provider of whether there has been an over- or underpayment.

2. The LEA provider is required to keep, maintain and have readily retrievable financial records that fully either identify or support its allowable costs eligible for FFP in accordance with Federal and Wisconsin Medicaid records requirements. The LEA provider is also required to participate in statewide time studies conducted by the Department.

3. The LEA provider shall be paid at cost. Using the reconciled cost as reported on the CMS-approved cost report any settlement amount will be identified. LEA providers shall be required to reimburse overpayment of interim payments. If the interim payments underpay an LEA provider, the Department will reimburse the provider up to its cost. All cost will be settled no later than 24 months after the close of the applicable state fiscal year. The State cannot adjust its interim rates prospectively to account for overpayment. The provider will be required to refund any overpayment within the 24-month timeframe. Similarly, the State must reimburse providers, within 24 months of the end of the applicable state fiscal year, separately when there has been an underpayment.

4. Special Rule for Cost Reconciliation and Cost Settlement

Applicable to the Fiscal Year July 2005-June 2006

For the fiscal year July 2005 - June 2006 only, cost reconciliation will be performed in accordance with a methodology submitted by the Department and approved by CMS.
F. Department's Responsibilities

1. The Department shall assure that it utilizes the CMS-approved scope of cost as reflected in the CMS-approved cost report. For costs that were reported using invoices instead of object codes, the State will assure that by 7/1/07 all cost will be reported using object codes. The changes in coding will be made in consultation with CMS. The Department shall review future changes in the DPI WUFAR and Special Education Fiscal Report project codes and other data and procedures as they occur to assure that costs included in cost reports are consistent with CMS-approved cost categories. Whenever there is a change in the object codes used in the cost report, the State will seek approval from CMS. This action may or may not result in the required submission of a state plan amendment. The Department shall conduct time studies that meet CMS guidelines for approved Administrative Claiming Time Studies to determine that percentage of time that school staff spend on activities related to the provision of Medicaid allowable medical services.

2. All cost will be settled no later than 24 months after the close of the applicable school year. The State cannot adjust its interim rates prospectively to account for overpayment. The provider will be required to refund any overpayment separately within the 24-month timeframe. Similarly, the State must reimburse providers, within 24 months of the end of the applicable state fiscal year, separately when there has been an underpayment.

3. As part of the financial oversight responsibilities, the Department shall develop review procedures for the certified expenditures that include procedures for assessment of risk that expenditures and other information submitted by the LEAs is incorrect. The financial oversight of all LEA providers shall include reviewing the allowable costs in accordance with the scope of cost approved by CMS.

If the Department becomes aware of potential instances of fraud, misuse, or abuse, it shall perform timely audits and investigations to identify and take the necessary actions to remedy and resolve the problems.
29. Reimbursement for Unusual High Cost Home Care Cases

The Department, in its sole discretion, may establish an alternative payment for home health, personal care, private duty nursing and respiratory care services provided to a recipient if all the following requirements are met:

a. Medically necessary community based services, such as home health, personal care, respiratory care and private duty nursing services, are appropriate;

b. All applicable prior authorization requirements are met; and

c. The Department, in its sole discretion, determines, on an individual basis, that the recipient meets all the following criteria:

   i. Annual cost of home care services is greater than $100,000;
   ii. Institutional services are inappropriate; and
   iii. Medical condition is not expected to improve; as a result, the need for services is not expected to change.

The home care services that may be considered for alternative payment include home health, personal care, private duty nursing and respiratory care services using the definitions and limitations described in the state plan. Services selected for an alternative payment will be those that are provided to the individual recipient consistently with little day-to-day variation and in relatively large quantities. Development of the per diem amount will include a determination of what proportion of the per-diem is for which category of service. Claims for FFP for the per diem amounts will be separated into claims for each category of services based on the proportions.

The per diem amounts, which are interim payments, will be adjusted to reflect changes in services provided and provider-incurred costs on an as-needed basis, but no less than annually. Providers will be required to submit to the Department on at least an annual basis documented, audited costs for provision of services to individuals who qualify for alternative payments. The Department will also review the recipient’s care plan and the prior authorization request. The per diem amount will not exceed the prevailing charges in the locality for comparable services under comparable circumstances. Per diem amounts will be redetermined annually, or earlier if there are changes in circumstances, such as changes in the recipient’s condition or need for services, or in the quantity, quality, or cost of services being provided.

Upon determining the amount of an alternate payment to a provider, the Department will sign an agreement with that provider requiring appropriate recordkeeping and documentation. The Department will conduct periodic audits to assure that the recipient is receiving the authorized services, that the circumstances continue unchanged, and that FFP is claimed in appropriate portions. The Department will reconcile provider billing with provider-incurred cost at some specified point in time at least annually, and make necessary adjustments to reflect any over or under payment.

Effective 10-1-95
30. Reimbursement for Mental Health Crisis Intervention (MHCI) Services

Reimbursement for MHCI services will be based on the provider's actual cost to provide MHCI services. Interim rates will be established and providers will be required to complete yearly cost reports which will be used to make settlements. Cost reporting will be based on the allowable cost and cost findings principles detailed in the Office of Management and Budget Circular A-87. Costs will be based on the hourly cost to provide allowable services and will be determined for various levels of professionals and paraprofessionals working in the program (e.g., psychiatrist, psychologist, registered nurse). All the requirements of 42 CFR 447.325 will be met.

Effective 10-1-96
31. Ambulatory Surgery Centers

The Department establishes maximum allowable fees for ambulatory surgery centers. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of ambulatory surgery center services.

The agency’s fee schedule rates were set as of July 1, 2015 and are effective for services provided on or after that date. All rates are published on the Wisconsin ForwardHealth website:

https://www.forwardhealth.wi.gov/WIPortal/Max%20Fee%20Home/tabid/77/Default.aspx

These rates were last updated on July 1, 2008.

For each covered service, the Department shall pay the lesser of a provider’s usual and customary charge or the maximum fee established by the Department.
32. Audiology Services

The Department establishes maximum allowable fees for audiology services. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of audiology services.

The agency’s fee schedule rates were set as of July 1, 2015 and are effective for services provided on or after that date. All rates are published on the Wisconsin ForwardHealth website:

https://www.forwardhealth.wi.gov/WIPortal/Max%20Fee%20Home/tabid/77/Default.aspx

These rates were last updated on July 1, 2008.

For each covered service, the Department shall pay the lesser of a provider’s usual and customary charge or the maximum fee established by the Department.
33. Chiropractic Services

The Department establishes maximum allowable fees for chiropractic services. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of chiropractic services.

The agency’s fee schedule rates were set as of July 1, 2015 and are effective for services provided on or after that date. All rates are published on the Wisconsin ForwardHealth website:

https://www.forwardhealth.wi.gov/WIPortal/Max%20Fee%20Home/tabid/77/Default.aspx

These rates were last updated on July 1, 2008.

For each covered service, the Department shall pay the lesser of a provider’s usual and customary charge or the maximum fee established by the Department.

Attachment 4.19-B
Non-Institutional Services
34. Family Planning Clinics

The Department establishes maximum allowable fees for family planning services. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of family planning services.

The agency’s fee schedule rates were set as of July 1, 2015 and are effective for services provided on or after that date. All rates are published on the Wisconsin ForwardHealth website:

https://www.forwardhealth.wi.gov/WIPortal/Max%20Fee%20Home/tabid/77/Default.aspx

These rates were last updated on July 1, 2008.

For each covered service, the Department shall pay the lesser of a provider’s usual and customary charge or the maximum fee established by the Department. Providers participating in the federal 340B Drug Discount Program (340B Program) are required to bill no more than the actual acquisition cost for drugs purchased under the 340B program.
35. Laboratory and X-Ray Services

The Department establishes maximum allowable fees for laboratory and x-ray services. As required by section 1903(i)(7), payments for clinical diagnostic laboratory services are limited, on a per test basis, to no more than the amount paid by Medicare for those services. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of laboratory and x-ray services.

The agency’s fee schedule rates were set as of July 1, 2015 and are effective for services provided on or after that date. All rates are published on the Wisconsin ForwardHealth website:

https://www.forwardhealth.wi.gov/WIPortal/Max%20Fee%20Home/tabid/77/Default.aspx

These rates were last updated on July 1, 2008.

For each covered service, the Department shall pay the lesser of a provider’s usual and customary charge or the maximum fee established by the Department.
36. Mental Health and AODA Counseling Services

The Department establishes maximum allowable fees for mental health and AODA counseling services. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of mental health and AODA counseling services.

The agency’s fee schedule rates were set as of July 1, 2015 and are effective for services provided on or after that date. All rates are published on the Wisconsin ForwardHealth website:

https://www.forwardhealth.wi.gov/WIPortal/Max%20Fee%20Home/tabid/77/Default.aspx

These rates were last updated on July 1, 2008.

For each covered service, the Department shall pay the lesser of a provider’s usual and customary charge or the maximum fee established by the Department.
37. Nurse Practitioner – Family and Pediatric Services

The Department establishes maximum allowable fees for family and pediatric nurse practitioner services. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of family and pediatric nurse practitioner services.

The agency’s fee schedule rates were set as of July 1, 2015 and are effective for services provided on or after that date. All rates are published on the Wisconsin ForwardHealth website:

https://www.forwardhealth.wi.gov/WIPortal/Max%20Fee%20Home/tabid/77/Default.aspx

These rates were last updated on July 1, 2008.

For each covered service, the Department shall pay the lesser of a provider’s usual and customary charge or the maximum fee established by the Department.
38. Other Nurse Practitioner and Clinical Nurse Specialist Services

The Department establishes maximum allowable fees for other nurse practitioner and clinical nurse specialist services. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of other nurse practitioner and clinical nurse specialist services.

The agency’s fee schedule rates were set as of July 1, 2015 and are effective for services provided on or after that date. All rates are published on the Wisconsin ForwardHealth website:

https://www.forwardhealth.wi.gov/WIPortal/Max%20Fee%20Home/tabid/77/Default.aspx

These rates were last updated on July 1, 2008.

For each covered service, the Department shall pay the lesser of a provider’s usual and customary charge or the maximum fee established by the Department.
Other Practitioners' Services

"Other Practitioners' Services" refers to other practitioners of behavioral treatment services defined in section 6.d. of Attachment 3.1-A Supplement 1 and Attachment 3.1-B Supplement 1.

The Department establishes maximum allowable fees for all other practitioners for behavioral treatment services. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of behavioral treatment services.

The agency’s fee schedule rates were set as of January 1, 2016 and are effective for services provided on or after that date. All rates are published on the Wisconsin ForwardHealth website: https://www.forwardhealth.wi.gov/

For each covered service, the Department shall pay the lesser of the provider's usual and customary charge or the maximum fee established by the Department.

Provider travel time is not separately reimbursed.
39. Occupational Therapy Services

The Department establishes maximum allowable fees for occupational therapy services. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of occupational therapy services.

The agency’s fee schedule rates were set as of July 1, 2015 and are effective for services provided on or after that date. All rates are published on the Wisconsin ForwardHealth website:

https://www.forwardhealth.wi.gov/WIPortal/Max%20Fee%20Home/tabid/77/Default.aspx

These rates were last updated on July 1, 2008.

For each covered service, the Department shall pay the lesser of a provider’s usual and customary charge or the maximum fee established by the Department.
40. Optometrist/Optician Services

The Department establishes maximum allowable fees for optometrist/optician services. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of optometrist/optician services.

The agency’s fee schedule rates were set as of July 1, 2015 and are effective for services provided on or after that date. All rates are published on the Wisconsin ForwardHealth website:

https://www.forwardhealth.wi.gov/WIPortal/Max%20Fee%20Home/tabid/77/Default.aspx

These rates were last updated on July 1, 2008.

For each covered service, the Department shall pay the lesser of a provider’s usual and customary charge or the maximum fee established by the Department.
41. Personal Care Services

The Department establishes maximum allowable fees for personal care services. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of personal care services.

The agency’s fee schedule rates were set as of July 1, 2017 through June 30, 2018 and are effective for services provided on or after that date. All rates are published on the Wisconsin ForwardHealth website:

https://www.forwardhealth.wi.gov/WIPortal/Subsystem/Publications/MaxFeeHome.aspx

The agency’s fee schedule rates were set as of July 1, 2018 and are effective for services provided on or after that date. All rates are published on the Wisconsin ForwardHealth website:

https://www.forwardhealth.wi.gov/WIPortal/Subsystem/Publications/MaxFeeHome.aspx

For each covered service, the Department shall pay the lesser of a provider’s usual and customary charge or the maximum fee established by the Department.
42. Physical Therapy Services

The Department establishes maximum allowable fees for physical therapy services. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of physical therapy services.

The agency’s fee schedule rates were set as of July 1, 2015 and are effective for services provided on or after that date. All rates are published on the Wisconsin ForwardHealth website:

https://www.forwardhealth.wi.gov/WIPortal/Max%20Fee%20Home/tabid/77/Default.aspx

These rates were last updated on July 1, 2008.

For each covered service, the Department shall pay the lesser of a provider’s usual and customary charge or the maximum fee established by the Department.
43. Podiatry Services

The Department establishes maximum allowable fees for podiatry services. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of podiatry services.

The agency’s fee schedule rates were set as of July 1, 2015 and are effective for services provided on or after that date. All rates are published on the Wisconsin ForwardHealth website:

https://www.forwardhealth.wi.gov/WIPortal/Max%20Fee%20Home/tabid/77/Default.aspx

These rates were last updated on July 1, 2008.

For each covered service, the Department shall pay the lesser of a provider’s usual and customary charge or the maximum fee established by the Department.
44. Speech Therapy

The Department establishes maximum allowable fees for speech therapy services. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of speech therapy services.

The agency’s fee schedule rates were set as of July 1, 2015 and are effective for services provided on or after that date. All rates are published on the Wisconsin ForwardHealth website:

https://www.forwardhealth.wi.gov/WIPortal/Max%20Fee%20Home/tabid/77/Default.aspx

These rates were last updated on July 1, 2008.

For each covered service, the Department shall pay the lesser of a provider’s usual and customary charge or the maximum fee established by the Department.
45. Transportation – Emergency Ambulance

The Department establishes maximum allowable fees for emergency ambulance services. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of emergency ambulance services.

The agency’s fee schedule rates were set as of July 1, 2015 and are effective for services provided on or after that date. All rates are published on the Wisconsin ForwardHealth website:

https://www.forwardhealth.wi.gov/WIPortal/Max%20Fee%20Home/tabid/77/Default.aspx

These rates were last updated on July 1, 2008.

For each covered service, the Department shall pay the lesser of a provider’s usual and customary charge or the maximum fee established by the Department.

TN # 15-009
Supersedes New

Approval date: 5/9/17 Effective date: 07/01/2015
STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM
STATE WISCONSIN

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE

Item ______ Payment of Title XVIII Part A and Part B Deductible/Coinsurance

Except for a nominal recipient copayment, if applicable, the Medicaid agency uses the following method:

<table>
<thead>
<tr>
<th></th>
<th>Medicare-Medicaid Individual</th>
<th>Medicare-Medicaid/QMB Individual</th>
<th>Medicare-QMB Individual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Part A Deductible</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>limited to State plan rates*</td>
<td>limited to State plan rates*</td>
<td>limited to State plan rates*</td>
</tr>
<tr>
<td></td>
<td>X full amount</td>
<td>X full amount</td>
<td>X full amount</td>
</tr>
<tr>
<td><strong>Part A Coinsurance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>limited to State plan rates*</td>
<td>limited to State plan rates*</td>
<td>limited to State plan rates*</td>
</tr>
<tr>
<td></td>
<td>X full amount</td>
<td>X full amount</td>
<td>X full amount</td>
</tr>
<tr>
<td><strong>Part B Deductible</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>limited to State plan rates*</td>
<td>limited to State plan rates*</td>
<td>limited to State plan rates*</td>
</tr>
<tr>
<td></td>
<td>X full amount</td>
<td>X full amount</td>
<td>X full amount</td>
</tr>
<tr>
<td><strong>Part B Coinsurance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>limited to State plan rates*</td>
<td>limited to State plan rates*</td>
<td>limited to State plan rates*</td>
</tr>
<tr>
<td></td>
<td>X full amount</td>
<td>X full amount</td>
<td>X full amount</td>
</tr>
</tbody>
</table>

* For those title XVIII services not otherwise covered by the title XIX State plan, the Medicaid agency has established reimbursement methodologies that are described in Attachment 4.19-B, Item(s) outpatient hospital.

** Legal authority to implement is pending in state legislature, to be effective 7/1/89.

TN #93-039
Supersedes TN #89-0013

Approval Date 12/15/93 Effective Date 10-16-93
18. Other licensed practitioners

Section 440.60 (a) of 42 CFR defines "Medical care or any other type of remedial care provided by licensed practitioners" to mean any medical or remedial care or services, other than physicians' services, provided by licensed practitioners within the scope of practice as defined under State law.

Pharmacists.

Reimbursement rates for the fee for administering the 2009 H1N1 vaccine will be reviewed by the Department to ensure that they will be adequate to provide broad access to the vaccine.

Effective Date Fee Schedule Language
Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of H1N1 vaccine. The Department's fee schedule rate was set as of October 1, 2009 and is effective for services provided on or after that date. The rate is $15 per vaccination administered. The vaccine itself will be provided by the Federal Government and provided free of charge.

TN #09-018
Supersedes New

Approval Date JUL 16 2010
Effective Date 10/01/2009
18. Other licensed practitioners, continued

Certified Professional Midwife services.

Payments for certified professional midwife services are equal to the lower of the submitted charge or the appropriate maximum fee from the Wisconsin Department of Health Services Fee Schedule. The agency’s fee schedule rate was set as of January 1, 2017 and is effective for services provided on or after that date. All rates are published on the Department of Health Services Forward Health website at https://www.forwardhealth.wi.gov/WIPortal/Subsystem/Publications/MaxFeeHome.aspx.
1. **Services Provided Under Section 1915(i) of the Social Security Act.** For each optional service, describe the methods and standards used to set the associated payment rate. *(Check each that applies, and describe methods and standards to set rates):*

<table>
<thead>
<tr>
<th></th>
<th>HCBS Case Management</th>
<th></th>
<th>HCBS Homemaker</th>
<th></th>
<th>HCBS Home Health Aide</th>
<th></th>
<th>HCBS Personal Care</th>
<th></th>
<th>HCBS Adult Day Health</th>
<th></th>
<th>HCBS Habilitation</th>
<th></th>
<th>HCBS Respite Care</th>
<th></th>
</tr>
</thead>
</table>
For Individuals with Chronic Mental Illness, the following services:

<table>
<thead>
<tr>
<th></th>
<th>HCBS Day Treatment or Other Partial Hospitalization Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>HCBS Psychosocial Rehabilitation</td>
</tr>
</tbody>
</table>

COMMUNITY LIVING SUPPORTIVE SERVICES

OVERVIEW

Providers will be reimbursed on an interim basis for Medicaid-covered Community Living Supportive Services provided to Medicaid-eligible clients for covered services delivered on or after the implementation date of these services. Providers submit CMS-approved annual cost reports of certified public expenditures, identifying total allowable Medicaid costs, including both federal and nonfederal expenditures for Medicaid-covered services provided by Medicaid qualified providers. The annual cost report will utilize federal principles of cost apportionment and federally required reporting methods. The report will include all expenditures related to the calculation of the Medicaid-allowable cost per unit of service. The Wisconsin Department of Health Services (DHS) will reconcile the Medicaid-allowable cost per unit of service to the provider’s interim rate and cost settle the difference on all units of service delivered to Medicaid-eligible clients during the reporting period.

INTERIM RATES

On an interim basis, providers will be reimbursed the lower of billed charges or the interim rate. The interim rate is provisional payment pending the completion of the cost reconciliation and cost settlement processes for the cost report year. Public providers provide the nonfederal share through the certification of public expenditures process and, as a result, will only be reimbursed the federal share on an interim basis and upon final settlement.

Interim rates for Community Living Supportive Services are established by the State. There will be two rates; one for services in the individual’s own home or apartment and another for residential settings such as CBRF’s and AFH’s. There is a high degree of variability of the costs of residential settings currently serving individuals with mental illness. This variability is a result of the level of need of the individuals in a particular setting. Some AFHs serve individuals with greater needs than some CBRF’s and vice versa. The residential interim rate was set at a level to meet the costs of a majority of residential settings, but not so high as to result in frequent overpayments.

Initial interim rates are based on a review of rate setting methods for similar services of selected states and a review of rates for similar services currently provided in Wisconsin.

The review of selected states determined reimbursement practices used in other states for similar services. Information reviewed included the scope of the programs under which the services are provided, the eligibility criteria for the programs and the methodology each state uses to calculate and set interim rates. Considerations for selecting states included geography, demographics, history of individual states’ waiver
programs, and examples of states cited as national models.

The review analyzed programs within Wisconsin that provide services to persons with mental illness that are similar in scope. Survey data was collected regarding those costs. Additional in depth analysis was completed at two counties currently providing these services.

The combination of the results of the other state review and review of similar state services determined best practices that the state followed in developing its interim rates.

After the completion and desk review of the first full year cost report, DHS will reevaluate its interim rates and revise them to reflect actual 1915(i) cost data reported by the counties.

ANNUAL COST REPORT PROCESS

Each governmental provider will complete an annual cost report in the format required by DHS and approved by CMS. The report will cover services delivered in the prior calendar year and be due by May 1 of the following year. The following steps will be used to determine Medicaid-allowable cost per unit of service:

A. The provider will identify direct costs to provide the covered services. Direct costs include residential facility costs exclusive of room and board, including residential staff costs, and operating costs such as client transportation, staff training, and staff certification

B. The provider will identify nondirect and overhead costs to provide the covered services. Allocation of these costs to the covered services can be based on the salaries method, cost-to-cost method, or pro rata method. Nondirect and overhead costs include costs for nondirect service staff (e.g., administrators, supervisors, clerical, and other) and allowable overhead costs as dictated by the DHS Allowable Cost Policy Manual and OMB Circular A-87.

C. The results from Paragraph A will be combined with the results from Paragraph B, to result in total Medicaid-allowable costs for the covered service.

D. The results from Paragraph C will be divided by the number of Medicaid-paid units of service for the reporting period to result in the Medicaid-allowable cost per unit of service.

E. The results from Paragraph D will be multiplied by the applicable Federal Medical Assistance Percentage (FMAP) rate to result in the federal share of Medicaid-allowable cost per unit of service for the provider.

COST RECONCILIATION AND COST SETTLEMENT
DHS will review the annual cost reports submitted by providers, making adjustments as necessary in accordance with cost report instructions and the scope of costs approved by CMS.

The adjusted Medicaid-allowable cost per unit of service will be compared/reconciled to the provider’s interim rate per service. The difference will be applied to the provider’s total units of service in the cost settlement process.

Providers will be notified of all adjustments to their cost reports and the resulting cost settlement amounts, indicating the amount due to or from the provider, no later than 24 months after the close of the applicable cost-reporting period.

The State cannot adjust its interim rates prospectively to account for overpayment. Instead, if the provider’s interim payments exceed the actual, certified costs of the provider, the federal share of the overpayment will be recouped either from offsetting all future claims payments from the provider until the amount of the federal share of the overpayment is recovered or the provider will return an amount equal to the overpayment in a lump sum payment.

If the provider’s Medicaid-allowable costs exceed its interim payments, the federal share of the difference will be paid to the provider in accordance with the final certification agreement and claims will be submitted to CMS for reimbursement of that payment in the federal fiscal quarter following payment to the provider.

**SUPPORTED EMPLOYMENT**

**OVERVIEW**

Providers will be reimbursed on an interim basis for Medicaid-covered Supported Employment services provided to Medicaid-eligible clients delivered on or after the implementation date of these services. Providers submit CMS-approved annual cost reports of certified public expenditures, identifying total allowable Medicaid costs, including both federal and nonfederal expenditures for Medicaid-covered services provided by Medicaid qualified providers. The annual cost report will utilize federal principles of cost apportionment and federally required reporting methods. The report will include all expenditures related to the calculation of the Medicaid-allowable cost per unit of service. The Wisconsin Department of Health Services (DHS) will reconcile the Medicaid-allowable cost per unit of service to the provider’s interim rate and cost settle the difference on all units of service delivered to Medicaid-eligible clients during the reporting period.

**INTERIM RATES**

On an interim basis, providers will be reimbursed the lower of billed charges or the
interim rate. The interim rate is provisional payment pending the completion of the cost reconciliation and cost settlement processes for the cost report year. Public providers provide the nonfederal share through the certification of public expenditures process and, as a result, will only be reimbursed the federal share on an interim basis and upon final settlement.

Interim rates for Supported Employment services are established by the State and there is a single statewide interim rate for the service.

Initial interim rates are based on a review of rate setting methods for similar services of selected states and a review of rates for similar services currently provided in Wisconsin.

The review of selected states determined reimbursement practices used in other states for similar services. Information reviewed included the scope of the programs under which the services are provided, the eligibility criteria for the programs and the methodology each state uses to calculate and set interim rates. Considerations for selecting states included geography, demographics, history of individual states’ waiver programs, and examples of states cited as national models.

The review analyzed programs within Wisconsin that provide services to persons with mental illness that are similar in scope. Survey data was collected regarding those costs. Additional in depth analysis was completed at two counties currently providing these services.

The combination of the results of the other state review and review of similar state services determined best practices that the state followed in developing its interim rates.

After the completion and desk review of the first full year cost report, DHS will reevaluate its interim rates, and revise them to reflect actual Community Recovery Services (1915(i)) cost data reported by the counties.

ANNUAL COST REPORT PROCESS

Each governmental provider will complete an annual cost report in the format required by DHS and approved by CMS. The report will cover services delivered in the prior calendar year and be due by May 1 of the following year. The following steps will be used to determine Medicaid-allowable cost per unit of service:

F. The provider will identify direct costs to provide the covered services. Direct costs include staff costs (e.g., salaries, payroll taxes, employee benefits, and contacted compensation) of service providers and costs directly related to the approved services providers for the delivery of covered services, such as purchased services, staff travel/training, licensure/certification renewal and/or continuing education costs, and materials and supplies.

G. The provider will identify nondirect and overhead costs to provide the covered services. Allocation of these costs to the covered services can be based on the salaries method, cost-to-cost method, or pro rata method. Nondirect and overhead costs include costs for nondirect service staff (e.g.,
administrators, supervisors, clerical, and other) and allowable overhead costs as dictated by the DHS Allowable Cost Policy Manual and OMB Circular A-87.

H. The results from Paragraph A will be combined with the results from Paragraph B, to result in total Medicaid-allowable costs for the covered service.

I. The results from Paragraph C will be divided by the number of Medicaid-paid units of service for the reporting period to result in the Medicaid-allowable cost per unit of service.

J. The results from Paragraph D will be multiplied by the applicable Federal Medical Assistance Percentage (FMAP) rate to result in the federal share of Medicaid-allowable cost per unit of service for the provider.

COST RECONCILIATION AND COST SETTLEMENT

DHS will review the annual cost reports submitted by providers, making adjustments as necessary in accordance with cost report instructions and the scope of costs approved by CMS.

The adjusted Medicaid-allowable cost per unit of service will be compared/reconciled to the provider’s interim rate per service. The difference will be applied to the provider’s total units of service in the cost settlement process.

Providers will be notified of all adjustments to their cost reports and the resulting cost settlement amounts, indicating the amount due to or from the provider, no later than 24 months after the close of the applicable cost-reporting period.

The State cannot adjust its interim rates prospectively to account for overpayment. Instead, if the provider’s interim payments exceed the actual, certified costs of the provider, the federal share of the overpayment will be recouped either from offsetting all future claims payments from the provider until the amount of the federal share of the overpayment is recovered or the provider will return an amount equal to the overpayment in a lump sum payment.

If the provider’s Medicaid-allowable costs exceed its interim payments, the federal share of the difference will be paid to the provider in accordance with the final certification agreement and claims will be submitted to CMS for reimbursement of that payment in the federal fiscal quarter following payment to the provider.

PEER SUPPORTS

OVERVIEW
Providers will be reimbursed on an interim basis for Medicaid-covered Peer Supports services provided to Medicaid-eligible clients delivered on or after the implementation date of these services. Providers submit CMS-approved annual cost reports of certified public expenditures, identifying total allowable Medicaid costs, including both federal and nonfederal expenditures for Medicaid-covered services provided by Medicaid qualified providers. The annual cost report will utilize federal principles of cost apportionment and federally required reporting methods. The report will include all expenditures related to the calculation of the Medicaid-allowable cost per unit of service. The Wisconsin Department of Health Services (DHS) will reconcile the Medicaid-allowable cost per unit of service to the provider’s interim rate and cost settle the difference on all units of service delivered to Medicaid-eligible clients during the reporting period.

INTERIM RATES

On an interim basis, providers will be reimbursed the lower of billed charges or the interim rate. The interim rate is provisional payment pending the completion of the cost reconciliation and cost settlement processes for the cost report year. Public providers provide the nonfederal share through the certification of public expenditures process and, as a result, will only be reimbursed the federal share on an interim basis and upon final settlement.

Interim rates for Peer Supports services are established by the State and there is a single statewide interim rate for the service.

Initial interim rates are based on a review of rate setting methods for similar services of selected states and a review of rates for similar services currently provided in Wisconsin.

The review of selected states determined reimbursement practices used in other states for similar services. Information reviewed included the scope of the programs under which the services are provided, the eligibility criteria for the programs and the methodology each state uses to calculate and set interim rates. Considerations for selecting states included geography, demographics, history of individual states’ waiver programs, and examples of states cited as national models.

The review analyzed programs within Wisconsin that provide services to persons with mental illness that are similar in scope. Survey data was collected regarding those costs. Additional in depth analysis was completed at two counties currently providing these services.

The combination of the results of the other state review and review of similar state services determined best practices that the state followed in developing its interim rates.

After the completion and desk review of the first full year cost report, DHS will reevaluate its interim rates, and revise them to reflect actual 1915(i) cost data reported by counties.

ANNUAL COST REPORT PROCESS
Each governmental provider will complete an annual cost report in the format required by DHS and approved by CMS. The report will cover services delivered in the prior calendar year and be due by May 1 of the following year. The following steps will be used to determine Medicaid-allowable cost per unit of service:

K. The provider will identify direct costs to provide the covered services. Direct costs include staff costs (e.g., salaries, payroll taxes, employee benefits, and contacted compensation) of service providers and costs directly related to the approved services providers for the delivery of covered services, such as purchased services, staff travel/training, licensure/certification renewal and/or continuing education costs, and materials and supplies.

L. The provider will identify nondirect and overhead costs to provide the covered services. Allocation of these costs to the covered services can be based on the salaries method, cost-to-cost method, or pro rata method. Nondirect and overhead costs include costs for nondirect service staff (e.g., administrators, supervisors, clerical, and other) and allowable overhead costs as dictated by the DHS Allowable Cost Policy Manual and OMB Circular A-87.

M. The results from Paragraph A will be combined with the results from Paragraph B, to result in total Medicaid-allowable costs for the covered service.

N. The results from Paragraph C will be divided by the number of Medicaid-paid units of service for the reporting period to result in the Medicaid-allowable cost per unit of service.

O. The results from Paragraph D will be multiplied by the applicable Federal Medical Assistance Percentage (FMAP) rate to result in the federal share of Medicaid-allowable cost per unit of service for the provider.

COST RECONCILIATION AND COST SETTLEMENT

DHS will review the annual cost reports submitted by providers, making adjustments as necessary in accordance with cost report instructions and the scope of costs approved by CMS.

The adjusted Medicaid-allowable cost per unit of service will be compared/reconciled to the provider’s interim rate per service. The difference will be applied to the provider’s total units of service in the cost settlement process.

Providers will be notified of all adjustments to their cost reports and the resulting cost settlement amounts, indicating the amount due to or from the provider, no later than 24 months after the close of the applicable cost-reporting period.

The State cannot adjust its interim rates prospectively to account for overpayment. Instead, if the provider’s interim payments exceed the actual, certified costs of the provider, the federal share of the overpayment will be
recouped either from offsetting all future claims payments from the provider until the amount of the federal share of the overpayment is recovered or the provider will return an amount equal to the overpayment in a lump sum payment.

If the provider’s Medicaid-allowable costs exceed its interim payments, the federal share of the difference will be paid to the provider in accordance with the final certification agreement and claims will be submitted to CMS for reimbursement of that payment in the federal fiscal quarter following payment to the provider.

| □ | HCBS Clinic Services (whether or not furnished in a facility for CMI) |