

Tribal Federally Qualified Health Center Terms of Reimbursement

The Wisconsin Department of Health Services (DHS) will establish an encounter-specific reimbursement rate for all Tribal federally qualified health center (FQHC) covered services provided to Wisconsin Medicaid members eligible on the date of service (DOS). The encounter rate will reimburse eligible costs that are reasonable and related to the cost of furnishing Tribal FQHC services. Wisconsin Tribal FQHCs may choose to participate in the Medicaid program and receive reimbursement for Medicaid covered services under one of two options:

- Prospective Payment System (PPS)
- Alternative Payment Methodology—Indian Health Services (IHS) Office of Budget Management All-Inclusive Rate (AIR)

Tribal FQHC services are defined as the services described in the Rural Health Clinic Act and any other ambulatory service included in a state's Medicaid plan that are provided to Medicaid members. Such costs cannot exceed the reasonable costs as determined by applicable Medicare cost reimbursement principles set forth in 42 C.F.R. Part 413 and Health Insurance Manual 15 and any additional mandated regulations when published as final rule in the Federal Register. PPS or AIR reimbursement to Tribal FQHCs will be made per the terms of reimbursement for the certified performing provider. Initial fee-for-service reimbursement to Tribal FQHCs will be made per the terms of reimbursement for HMO and crossover claims. In the case of any Tribal 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 Tribal FQHC, but in no case less frequently than every four 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 PPS rate or AIR.

Under both PPS and AIR, an encounter is defined as a face-to-face contact for the provision of medical services between a clinic patient and any Medicaid-enrolled professional whose services are covered under this benefit. Contacts with more than one health professional and multiple contacts with the same health professional that take place on the same day at a single location constitute a single encounter unless the patient, subsequent to the first encounter, suffers illness or injury requiring additional diagnosis or treatment. The Medicare-allowable costs of administration, laboratory, X-ray, and pharmacy services and services provided by the health professionals not eligible for Medicaid enrollment but covered under this benefit are included in the encounter rate. Upon final annual reconciliation, DHS will reimburse the provider 100% of the provider's allowed maximum encounter rate based on DHS's Tribal FQHC reimbursement policy.

DHS will reimburse the following drugs with the reimbursement methodology described, as the drugs are not required to meet the average acquisition cost (AAC) definition at 42 C.F.R. § 447.512.

Drugs dispensed by IHS/Tribal facilities will be reimbursed under one of two options, determined by how the Tribal provider elects to pay for in-scope FQHC services under the Tribal Federally Qualified Health Centers Reimbursement Methodology described beginning on page 10.d of Attachment 4.19B of the State Plan:

- Option 1 (PPS)—Tribal FQHCs will be reimbursed for AAC for drug costs, and professional dispensing fees will be included in the Tribal FQHC encounter rates except for SeniorCare members. For SeniorCare members, Tribal FQHCs will receive ingredient cost based on AAC plus the FQHC-specific professional dispensing fee of \$24.92.
- Option 2 (AIR)—Tribal FQHCs will be reimbursed at the IHS outpatient rate in accordance with the annual Federal Register Notice. All Tribal FQHC facility pharmacies are paid the encounter rate by Wisconsin Medicaid regardless of their method of purchasing.

Tribal FQHC providers who chose AIR reimbursement must continue to submit pharmacy claims using existing billing submission requirements.

Covered non-drug items submitted on noncompound drug claims, such as diabetic supplies and over-the-counter COVID-19 test kits, are not included in AIR reimbursement.

Only Tribal FQHC services are eligible for PPS or AIR reimbursement. Medicaid-covered services that are not considered Tribal FQHC services, including Medicaid services in which the cost and the liability for the services is not assumed by the Tribal FQHC and other services defined in the Tribal Federally Qualified Health Center service area of the Online Handbook, may be eligible for fee-for-service Medicaid or HMO reimbursement.

ForwardHealth reimburses a Tribal FQHC a maximum of one PPS rate or AIR per encounter type, per member, per DOS unless the member, subsequent to the first encounter, is in a unique situation that cannot be planned or anticipated. Drug encounters qualify only when the Tribal FQHC selects the AIR methodology.

ForwardHealth will reconcile outstationed enrollment expenditures incurred during the fiscal year such that Medicaid payments associated with outstationed enrollment will equal 100% of Tribal FQHC allowable outstationed enrollment expenditures.

Tribal FQHC reimbursement for services shall not be made in the absence of a signed Medicaid provider agreement for the Tribal FQHC and shall be determined by DHS pursuant to the State Plan for Title XIX Reimbursement effective April 1, 1990, for Tribal FQHCs identified by the federal Department of Health and Human Services as eligible on that date or as may be amended. Medicaid reimbursement, less appropriate copay and payments by other insurers, will be considered to be payment in full.

DHS will adjust payments made to providers to reflect the amounts of any allowable copays that the providers are required to collect pursuant to Wis. Stat. ch. [49](#). Payments for deductible and coinsurance payable on an assigned Medicare claim shall be made in accordance with Wis. Stat. § [49.46\(2\)\(c\)](#).

In accordance with federal regulations contained in 42 C.F.R § 447.205, DHS will provide public notice in advance of the effective date of any significant proposed change in its methods and standards for setting encounter rates for services.

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