



PROVIDER BULLETIN

BT200152

DECEMBER 10, 2001

To: All Federally Qualified Health Centers and Rural Health Clinics

Subject: Pending Change in Method of Filing Claims

Overview

In accordance with *Section 702* of the Medicare, Medicaid, and State Children's Health Insurance Program (SCHIP) *Benefits Improvement and Protection Act of 2000* (BIPA), significant changes will occur with the Indiana Health Coverage Programs (IHCP) reimbursement methodology for Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs). Billing procedures and administrative requirements will also change for each type of facility, as described below.

Rural Health Clinics Only

Cost Reports

All RHCs must now submit finalized (reviewed and/or audited) cost reports to Myers and Stauffer LC, the Office of Medicaid Policy and Planning's (OMPP) rate setting and auditing contractor, beginning with fiscal year 1999. Providers are required to submit finalized cost reports, as they become available. Cost reports must be submitted within 30 days after receiving the cost report from the Medicare intermediary.

Rate Letters

All RHCs must submit copies of all Medicare rate letters from Riverbend Government Administrators, beginning with fiscal year 1999, to Myers and

Stauffer LC. Providers are required to submit copies of rate letters, as they become available, to the following address:

**Attention: Hospital Department
Myers and Stauffer, LC
8555 North River Road, Ste 360
Indianapolis, IN 46240**

Payment Methodology for Federally Qualified Health Centers and Rural Health Clinics

In accordance with BIPA requirements, the IHCP will implement a prospective payment methodology for reimbursing IHCP services. The prospective methodology is currently under development and awaiting approval from the Centers for Medicare and Medicaid Services (CMS). Once implemented, all FQHC and RHC facilities will be required to submit claims using Level I and Level II Health Care Financing Administration Common Procedure Coding System (HCPCS) procedure codes. The use of HCPCS Level III codes, including the current code X3004 – *FQHC Services* will be phased out. Further information about these changes is forthcoming.

Additional Information

Questions about the cost report or rate letters should be directed to Myers and Stauffer, LC. Telephone inquires should be directed to Kathy Cook or Beverly Kelly at (317) 846-9521 or toll free at 1-800-877-6927.

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