

State / Territory: California

Provider Based Rural Health Clinics

Provider Based Rural Health Clinics with 50 or more beds will be reimbursed their reasonable costs of covered core outpatient services and other ambulatory outpatient services (Public Law 95-210). Reasonable costs shall be determined in accordance with applicable Medicaid provisions specified in Title 42 Code of Federal Regulations (CFR) §447.300 through §447.371 and in accordance with the Principles of Reasonable Cost Reimbursement provided in Title 42 CFR PART 413. Such methodology and principles includes any screening guidelines, tests of reasonableness, or payment limitations applicable to Medicaid Rural Health Clinics outpatient services as required by federal law or regulation with the exception of Title 42 CFR §413.13(b) – “Application of the principle of lesser of cost or charges.” The lesser of costs or charges limitation will continue to be applied to hospital inpatient services.

Provider Based Rural Health Clinics with less than 50 beds will be reimbursed at 100 percent of reasonable costs of covered core outpatient services and other ambulatory outpatient services (Balanced Budget Act of 1997). Such clinics will not be subject to cost-per-visit payment limitations or other rate limitations. Reasonable costs shall be determined in accordance with applicable Medicaid provisions specified in Title 42 Code of Federal Regulations (CFR) §447.300 through §447.371 and in accordance with the Principles of Reasonable Cost Reimbursement provided in Title 42 CFR PART 413. Such methodology and principles includes any screening guidelines, tests of reasonableness, or payment limitations applicable to Medicaid Rural Health Clinics outpatient services as required by federal law or regulation.

Providers are required to submit annual cost reports using standard Health Care Financing Administration Form 2552 Cost Report. All providers will be paid interim rates based on such cost reports.

Freestanding Rural Health Clinics

Freestanding Rural Health Clinics will be reimbursed their reasonable costs of covered core outpatient services and other ambulatory outpatient services. Reasonable costs shall be determined in accordance with applicable Medicaid provisions specified in Title 42 CFR §447.300 through §447.371 and in accordance with the Principles of Reasonable Cost Reimbursement provided in Title 42 CFR PART 413. Such methodology and principles includes any screening guidelines, tests of reasonableness, or payment limitations applicable to Medicaid Rural Health Clinics outpatient services as required by federal law or regulation. Providers are required to submit annual cost reports using standard Health Care Financing Administration Form 222 Cost Report. All providers will be paid interim rates based on such cost reports.
