

## **55140 Indian Health Service Facility Reimbursement When Subcontracting with a Medi-Cal Managed Care Plan**

### **(a)**

A Medi-Cal managed care plan subcontracting with an Indian Health Service Facility shall reimburse the Indian Health Service Facility for services according to one of the following reimbursement options: (1) If the Indian Health Service Facility is a rural health clinic or qualifies as a federally qualified health center, the Medi-Cal managed care plan shall reimburse the facility at the facility's interim per visit rate as established by the department, or through an alternate reimbursement methodology approved in writing by the department. (2) If the Indian Health Service Facility is a rural health clinic or a federally qualified health center and the facility and the Medi-Cal managed care plan have agreed to an at-risk rate and the Indian Health Service Facility has waived its right to cost-based reimbursement under the subcontract, the Medi-Cal managed care plan shall reimburse the facility at the negotiated rate. (3) If, prior to the effective date of these regulations, a Medi-Cal managed care plan has negotiated a subcontract, which has been approved by the department, with an Indian Health Service Facility that is a federally qualified health center or a rural health clinic, and this subcontract contains terms for reimbursement other than cost-based reimbursement as described in subsection (c), the Medi-Cal managed care plan may continue to reimburse the facility at the agreed rate under the subcontract.

(4) If the Indian Health Service Facility is entitled to be reimbursed as an Indian Health Service provider by the federal government at a reimbursement rate other than the rate described in subsection (a)(1), the Medi-Cal managed care plan shall reimburse the facility at the Indian Health Service payment rate.

**(1)**

If the Indian Health Service Facility is a rural health clinic or qualifies as a federally qualified health center, the Medi-Cal managed care plan shall reimburse the facility at the facility's interim per visit rate as established by the department, or through an alternate reimbursement methodology approved in writing by the department.

**(2)**

If the Indian Health Service Facility is a rural health clinic or a federally qualified health center and the facility and the Medi-Cal managed care plan have agreed to an at-risk rate and the Indian Health Service Facility has waived its right to cost-based reimbursement under the subcontract, the Medi-Cal managed care plan shall reimburse the facility at the negotiated rate.

**(3)**

If, prior to the effective date of these regulations, a Medi-Cal managed care plan has negotiated a subcontract, which has been approved by the department, with an Indian Health Service Facility that is a federally qualified health center or a rural health clinic, and this subcontract contains terms for reimbursement other than cost-based reimbursement as described in subsection (c), the Medi-Cal managed care plan may continue to reimburse the facility at the agreed rate under the subcontract.

**(4)**

If the Indian Health Service Facility is entitled to be reimbursed as an Indian Health Service provider by the federal government at a reimbursement rate other than the rate described in subsection (a)(1), the Medi-Cal managed care plan shall reimburse

the facility at the Indian Health Service payment rate.

**(b)**

Referrals made by the Indian Health Service Facility to other providers shall be in accordance with the terms of the subcontract.

**(c)**

If the Indian Health Service Facility has elected to subcontract with a Medi-Cal managed care plan and qualifies to be reimbursed as a rural health clinic or federally qualified health center on the basis of reasonable cost, as provided in federal law, the department shall reimburse or recover from the Indian Health Service Facility at least annually an amount equalling the difference between payments received from the Medi-Cal managed care plan through the subcontract and reasonable cost reimbursement, or a percentage of reasonable cost as provided in 42 U.S.C. 1396a(a)(13)(C), as a part of the department's annual reconciliation process with the facility for all Medi-Cal services. As a condition of obtaining the reconciliation, the Indian Health Service Facility shall maintain a record of the number of visits by plan members separate from visits by fee-for-service Medi-Cal beneficiaries.