

5160-28-06.1**Cost-based clinics: determination of a PVPA for an FQHC service on the basis of a medicaid cost report.**

(A) Allowable costs are calculated in accordance with the instructions for the FQHC cost report. Certain restrictions apply:

- (1) Costs related to direct patient care are not allowable.
- (2) Procedures or items that are not federally qualified health center (FQHC) services are not allowable.
- (3) The straight-line method of computing depreciation must be used for all depreciable assets.
- (4) The cost claimed for services, facilities, and supplies furnished by a related organization must not exceed the lesser of two figures:
 - (a) The cost to the related organization; or
 - (b) The price of comparable services, facilities, or supplies generally available.
- (5) Total allowable administrative and general overhead costs must not exceed thirty-five per cent of the costs of the services to which they are applied.
- (6) Not more than thirty thousand dollars in administrative and general overhead costs are allowable annually as recruitment cost incurred by a provider of FQHC medical service.

(B) Tests of reasonableness are applied to the allowable costs to establish limits.

- (1) For each FQHC service except transportation, a limit is established by dividing the allowable cost by the greater of two figures:
 - (a) The number of allowable encounters; or
 - (b) The product of the actual number of direct hours worked by the professional and the applicable number of encounters per hour from the following list:
 - (i) Physician services, per physician – 2.4;
 - (ii) Physician assistant or advanced practice registered nurse services, per practitioner – 1.2;
 - (iii) Dental services – 1.8;
 - (iv) Physical therapy services – 2.0;

(v) Mental or behavioral health services – 0.7;

(vi) Speech pathology and audiology services — 1.8;

(vii) Podiatry services – 2.4;

(viii) Vision services – 1.9;

(ix) Chiropractor services – 2.4. and

(x) Occupational therapy services – 2.0;

(2) For transportation, a limit is established of twenty-five dollars per unit of service.

(C) A ceiling is established for each FQHC service.

(1) The current sixtieth percentile PVPAs for the FQHC service are determined for all participating rural FQHCs and urban FQHCs respectively.

(2) An urban wage adjustment factor (UWAF) is calculated as the quotient of two figures published in the Federal Register for the relevant year: the overall wage index for Ohio divided by the rural wage index for Ohio.

(3) For each FQHC service provided at a rural FQHC service site, the ceiling is the statewide rural sixtieth percentile PVPA. For each FQHC service provided at an urban FQHC service site, the ceiling is the product of the statewide urban sixtieth percentile PVPA and the UWAF for the relevant year.

(D) The final PVPA for an FQHC service is the least of the allowed cost, the limit, or the ceiling.

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