

(ii) Each federally qualified health center shall provide the Department with its enrollment data, encounter data, and cost reports to assist the Department in calculating:

1. The reasonable cost of providing services to enrollees; and
2. The difference between the payment received by the center from a managed care organization and the reasonable cost to the center in providing the services.

(3) (i) At the request of a federally qualified health center, the Department shall review the payments made to the center by a Medicaid managed care organization that has a contractual arrangement with the center to determine the difference between the payments made to the center and the reasonable cost to the center as determined in accordance with paragraph (2) of this subsection in providing services to enrollees of the managed care organization.

(ii) A federally qualified health center may make a request at any time for the Department to review the payments made to the center by a Medicaid managed care organization that has a contractual arrangement with the center.

(iii) The effective date for adjustments made in response to a request by a federally qualified health center shall be:

1. The date the Department receives the request; or
2. If the request is prompted by a change in the reimbursement practices of a Medicaid managed care organization, the date the managed care organization changed its reimbursement to the center, except that an adjustment under this item may not be retroactive more than 120 days.

(iv) If a managed care organization payment to a center is less than the center's reasonable cost, as determined in accordance with paragraph (2) of this subsection, the Department shall set aside a portion of the capitation payment to the managed care organization for a supplemental payment to the center, in accordance with the provisions of this paragraph and paragraphs (1) and (2) of this subsection.

(4) In carrying out the payment requirements of this subsection, the Department:

(i) May not delegate responsibility for such payments to the managed care organization or any other entity; and

(ii) Shall be responsible for making such payments directly to the federally qualified health center.

(5) Payments under this subsection shall be reduced each year and shall end in fiscal year 2004.]

(E) BY REGULATION, THE DEPARTMENT SHALL ADOPT A METHODOLOGY TO ENSURE THAT FEDERALLY QUALIFIED HEALTH CENTERS ARE PAID REASONABLE COST BASED REIMBURSEMENT THAT IS CONSISTENT WITH FEDERAL LAW.