

MEDICAID BILLING GUIDE

Navigating State Rules, FQHC Encounter Systems, and MCOs

MEDICAID STRUCTURAL FOUNDATIONS

Medicaid is a joint federal and state program that provides health coverage to low-income individuals. Because each state runs its own Medicaid program independently, rules, codes, and submission deadlines vary across state borders.

FEE-FOR-SERVICE VS. MANAGED MEDICAID (MCOS)

Practices must carefully differentiate between traditional Fee-For-Service (FFS) Medicaid and Managed Care Organizations (MCOs). Traditional FFS Medicaid uses a central state portal and often has tight timely filing deadlines (sometimes just 90 days). Medicaid MCOs are run by private commercial insurance plans; they follow commercial billing rules but pay based on the state's contracted Medicaid fee schedules.

FQHC BILLING & PROSPECTIVE PAYMENT SYSTEMS (PPS)

Federally Qualified Health Centers (FQHCs) do not use standard itemized fee schedules. Instead, they are paid under the **Prospective Payment System (PPS)**. Under this setup, all separate services delivered to a patient in a single day (such as medical care, behavioral therapy, and lab tests) are rolled into one comprehensive daily flat rate. Splitting these into separate code lines will cause immediate rejections.