

Balanced Budget Act

Article IV-H

SEC. 4712. PAYMENT FOR CENTER AND CLINIC SERVICES.

(a) Phase-Out of Payment Based on Reasonable Costs.--Section 1902(a)(13)(C) (42 U.S.C. 1396a(a)(13)(C)), as redesignated by section 4711(a)(2), is amended by inserting "(or 95 percent for services furnished during fiscal year 2000, 90 percent for services furnished during fiscal year 2001, 85 percent for services furnished during fiscal year 2002, or 70 percent for services furnished during fiscal year 2003)" after "100 percent".

(b) Transitional Supplemental Payment for Services Furnished Under Certain Managed Care Contracts.-- (1) In general.--Section 1902(a)(13)(C) (42 U.S.C. 1396a(a)(13)(C)), as so redesignated, is further amended-- (A) by inserting "(i)" after "(C)", and (B) by inserting before the semicolon at the end the following: and (ii) in carrying out clause (i) in the case of services furnished by a Federally-qualified health center or a rural health clinic pursuant to a contract between the center and an organization under section 1903(m), for payment to the center or clinic at least quarterly by the State of a supplemental payment equal to the amount (if any) by which the amount determined under clause (i) exceeds the amount of the payments provided under such contract".

(2) Conforming amendment to managed care contract requirement.--Clause (ix) of section 1903(m)(2)(A) (42 U.S.C. 1396b(m)(2)(A)) is amended to read as follows: (ix) such contract provides, in the case of an entity that has entered into a contract for the provision of services with a Federally-qualified health center or a rural health clinic, that the entity shall provide payment that is not less than the level and amount of payment which the entity would make for the services if the services were furnished by a provider which is not a Federally-qualified health center or a rural health clinic;"

(3) Effective date.--The amendments made by this subsection shall apply to services furnished on or after October 1, 1997.

(c) End of Transitional Payment Rules.--Effective for services furnished on or after October 1, 2003-- (1) subparagraph (C) of section 1902(a)(13) (42 U.S.C. 1396a(a)(13)), as so redesignated, is repealed, and (2) clause (ix) of section 1903(m)(2)(A) (42 U.S.C. 1396b(m)(2)(A)) is repealed.

(d) Flexibility in Coverage of Non-Freestanding Look-Alikes.-- (1) In general.--Section 1905(l)(2)(B)(iii) (42 U.S.C. 1396d(l)(2)(B)(iii)) is amended by inserting "including requirements of the Secretary that an entity may not be owned, controlled, or operated by another entity," after "such a grant,".

(2) Effective date.--The amendment made by paragraph (1) shall apply to services furnished on or after the date of the enactment of this Act.