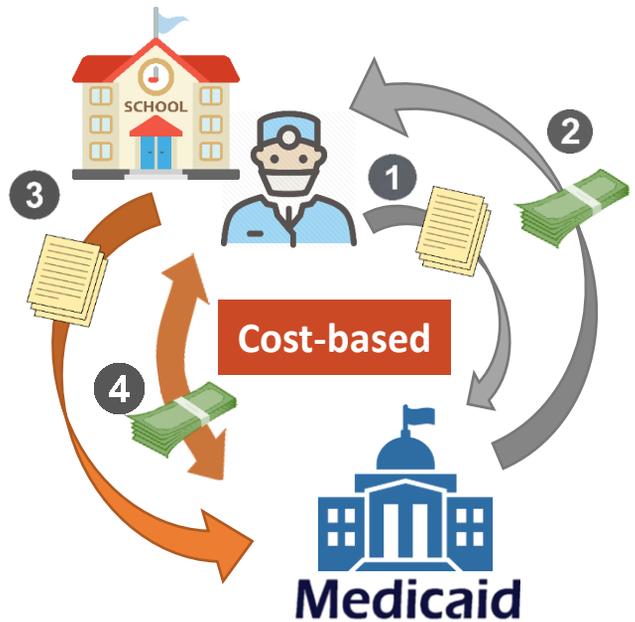


Comparing reimbursement systems:

FEE FOR SERVICE (FFS) vs. COST-BASED



Actions of

Fee for Service (FFS)

Cost-Based



- 1 Provider bills Medicaid every time a service is provided.

- 1 Provider bills Medicaid every time a service is provided.
- 3 Provider submits relevant cost data **quarterly or annually**.



- 2 Medicaid pays fixed FFS fees to provider.*

- 2 Medicaid pays a fixed FFS fee as an interim payment to the provider every time a service is provided.*
- 4 Medicaid reconciles interim payments against allowable costs, based on received cost data, **quarterly or annually**.

*Medicaid typically updates FFS fee schedules annually, sometimes with provider input. Reference: National Alliance for Medicaid in Education (2015) RMTS and Cost-Based Rate Methodologies. http://www.medicaidforeducation.org/filelibrary-name/webcommittee/Topical_Call_audio/NAME%20Presentation%20RMTS_CBR_FINALv2%204-23-15.pdf

For more information regarding cost-based reimbursement, see <https://mhttcnetwork.org/centers/southeast-mhttc/product/what-cost-basedreimbursement-financing-school-based-services>.

For more information regarding how local education agencies are paid under cost-based reimbursement, see <https://mhttcnetwork.org/centers/southeast-mhttc/product/how-are-local-education-agencies-leas-paid-under-cost-based>



Southeast (HHS Region 4)

MHTTC

Mental Health Technology Transfer Center Network
Funded by Substance Abuse and Mental Health Services Administration

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