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Federally Qualified Health Centers (FQHC) Prospective Payment System (PPS) - Recurring File Updates

MLN Matters Number: MM10021
Related Change Request (CR) Number: CR10021
Related CR Release Date: March 10, 2017
Effective Date: July 1, 2017
Related CR Transmittal Number: R3734CP
Implementation Date: July 3, 2017

PROVIDER TYPE AFFECTED

This MLN Matters® Article is intended for Federally Qualified Health Centers (FQHCs) submitting claims to Medicare Administrative Contractors (MACs) for services provided to Medicare beneficiaries.

PROVIDER ACTION NEEDED

Change Request (CR) 10021 instructs MACs to adjust all FQHC claims (77X) for GFT FQHCs submitted with dates of service on or after January 1, 2017, through June 30, 2017, paid at the previous rate. These adjustments will be completed 45 days after the implementation of CR 10021. Make sure your billing staff is aware of these changes.

BACKGROUND

Effective for dates of service on or after January 1, 2016, Indian Health Service (IHS) and tribal facilities and organizations may seek to become certified as a Grandfathered Tribal (GFT) Federally Qualified Health Center (FQHC) if the facility or organization:

- Met the conditions of 42CFR §413.65(m) (Requirements for a Determination That a Facility or an Organization Has Provider-Based Status) on or before April 7, 2000, and
- Had a change in their status on or after April 7, 2000 from IHS to tribal operation (or vice versa), or the realignment of a facility from one IHS or tribal hospital to another IHS or tribal hospital, and
- No longer meets the Medicare Conditions of Participation (CoPs).

These GFT FQHCs would be required to meet all FQHC certification and payment requirements. The grandfathered Prospective Payment System (PPS) rate equals the Medicare

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outpatient per visit payment rate paid to them as a provider-based department, as set annually by the IHS. GFT FQHCs are paid the lesser of their charges (or a GFT FQHC PPS rate) for all FQHC services furnished to a beneficiary during a medically-necessary face-to-face FQHC visit.

Note: From January 1, 2017, through December 31, 2017, the GFT FQHC PPS rate is $349.

FQHC claims (TOB 77X) for GFT FQHCs that are submitted with dates of service on or after January 1, 2017, through June 30, 2017, and paid at the Calendar Year (CY) 2016 rate of $324 must be adjusted and paid at the CY 2017 rate of $349.

GFT FQHC claims that are submitted with dates of service on or after January 1, 2018, through December 31, 2018, should be paid at the CY 2017 rate of $349 until the Centers for Medicare & Medicaid Services (CMS) provides an updated payment rate for CY 2018.

The GFT FQHC PPS rate will not be adjusted by the FQHC PPS Geographic Adjustment Factors (GAFs) or be eligible for the special payment adjustments under the FQHC PPS for new patients, or patients receiving an Initial Preventive Physical Exam (IPPE) or an Annual Wellness Visit (AWV).

The rate is also ineligible for exceptions to the single per diem payment that is available to FQHCs paid under the FQHC PPS. In addition, the FQHC market basket adjustment that is applied annually to the FQHC PPS base rate, will not apply to the GFT FQHC PPS rate.

MACs will adjust FQHC claims (77X) for GTF FQHCs submitted with dates of service on or after January 1, 2017, through June 30, 2017, paid at the previous rate. These adjustments will be completed 45 days after the implementation of CR10021.

ADDITIONAL INFORMATION

The official instruction, CR10021, issued to your MAC regarding this change is available at https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2017Downloads/R3734CP.pdf.

If you have any questions, please contact your MAC at their toll-free number. That number is available at https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicare-FFS-Compliance-Programs/Review-Contractor-Directory-Interactive-Map/.