

Becoming a Federally Qualified Health Center



**WHAT, WHY, & CAN YOU
SUPPORT IT?**

**Presenter
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Agenda



- **What is a Federally Qualified Health Center?**
- **Importance of Recent Federal Legislation**
- **Types of Federally Qualified Health Centers**
- **Promising Practices in Indian Country**

What Is a Federally Qualified Health Center (FQHC)?



- **Service delivery site approved by Medicare &/or Medicaid**
- **Accepts Medicare &/or Medicaid beneficiaries for care & treatment**
- **Can bill Medicare & Medicaid**
- **May receive federal operating grants**

Long Term Services & Supports



- Long Term Services & Supports (LTSS) provide:
 - Broad range of personal, social, & medical services for those residing in community
 - Assistance to people with functional or cognitive limitations in performing activities necessary to independent living
 - Support to family care givers



Rate Methodology



Three Options

- **FQHC Rate**
 - State and FQHC together agree on methodology used to calculate rate
- **IHS Rate**
 - Federally mandated rate determined by HHS
- **Federal Upper Limit (FUL) Rate**
 - Tribes can use FUL rate along with FQHC Rate or IHS Rate

Rate Methodology



FQHC and IHS Rates

- **Services are bundled as an “encounter”**
 - Allowable expenses included in rates vary by their separate methodologies
- **Both considered all inclusive rates**
- **Both not based on a fee screen**

Prospective Payment System (PPS)



- PPS replaces cost-based reimbursement system for FQHCs in 2001
- Bundled payment for Medicaid covered services
- Establishes minimum rate for services to Medicaid beneficiaries
- Predetermined rate (specific to each health center)
- State & each FQHC must agree on rate calculation
- Rates annually adjusted

PPS and the States

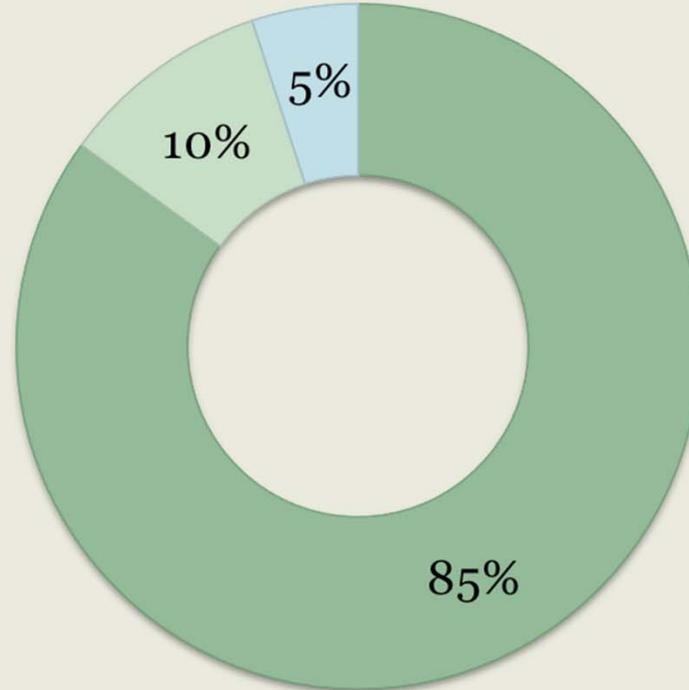


- **Not mandatory for States to use PPS**
- **Alternative Payment Mechanism (APM)**
 - Must reimburse FQHCs at least equal to PPS payment
 - Agreed to by the FQHC
- **All States, including Section 1115 waiver demonstration program States, are subject to the PPS requirement (which includes its equivalent)**

FQHCs by HRSA 330 Grant Status



■ 330 Grantees ■ 330 Grantee Look-Alikes ■ Select Tribal and UIHO*



grantees or grantee look-alikes).

Source: Colleen Meiman, 2012, *FQHCs and Health Centers, HRSA*.

Types of FQHCs



- **FQHCs include:**
 - Outpatient Tribal health clinics (638s)
 - Urban Indian Health Organizations supported by Title V
 - HRSA Community Health Centers
 - HRSA Community Health Center “look-alikes”



FQHC: Benefits



- Receive enhanced Medicare & Medicaid reimbursement rate
- Able to apply for various federal grants & programs
- Medical malpractice coverage through Torts Claims Act
- Purchase medications at reduced costs



FQHC: Practical Considerations



- **LTSS needs in the community (health status, barriers, access)**
- **Current resources**
- **Level of community and/or State support or resistance**
- **Financing options**
- **Staff retention**

FQHC Health Services



Services include:

- Medical and social work staff
- Services & supplies incident to care
- Visiting nurse services where shortage of HHAs
- Medical social services
- Nutritional assessment & referral
- Preventive health education

“Look-Alikes”



- **Providers that meet all qualifications to be a HC except:**
 - Do not receive grant funding from the Health Resources and Services Administration (HRSA) under Sec. 330 of Public Health Service Act
- **Can be an alternate route for Tribes and UIHOs seeking benefits of being FQHC but do not have a 638 compact or Community Health Center**

Health Centers, Health Center Look-Alikes, and How FQHCs Fit In



Coverage Options	330 HC Grantees	330 HC Look-Alikes
330 grant funding	Yes	No 
<i>^aEligible for Medicaid Prospective Payment System (PPS)</i>	Yes	Yes
<i>^bEligible for Medicare cost-based reimbursement</i>	Yes	Yes
Access to 340B drug pricing	Yes	Yes
Eligible for Federal Tort Claims Act medical malpractice insurance	Yes	No 
Automatic Health Provider Shortage Area (HPSA) Designation	Yes	Yes
Vaccines for Children	Yes	Yes
Eligible for supplemental HRSA funding (PCMH, capital investments, HIT incentive payments)	Yes	No 

Source: Joseph, Jennifer. "FQHC Look-Alike Program Overview & Initial Designation Application Process" (HRSA). Retrieved from: bphc.hrsa.gov/about/lookalike/laloverviewsides.pptx

^{a,b}HC (330 grantees and look-alikes) with FQHC designation

Becoming an FQHC



Provide comprehensive primary health care

- *Medical, dental & behavioral health services*

Obtain FQHC designation

- *Apply to and obtain approval from Medicare and Medicaid*

Bill for services at bundled FQHC rate

- *Excluding supporting & preventive dental services*
- *Federal regulations define services*
- *Bundled rate is an enhanced rate above M/M FFS rate*

Leverage enhanced Medicare & Medicaid revenue for quality care

- *Coordination of care*
- *Integration of AI/AN culture*

Benefit of FQHC to LTSS Programs



- **Enhanced revenue can be used to subsidize services when there is no other payment source available**

ACA: Time-Limited Provisions



- Why are time-limited provisions important for FQHCs and LTSS?
 - More elders in community
 - Greater need for qualified providers
 - Set Tribes up as Managing Agencies & allowing States to capitalize on FMAP rate
 - Opportunity for Tribes to provide more direct care
 - Increased funding opportunities



ACA: Money Follows the Person (MFP)



- **Encourages States to transition Medicaid recipients who:**
 - Live in an institution
 - Want to return to community living
- **Financial incentive:**
 - Enhanced FMAP for HCBS during the 1st year of beneficiary's relocation
 - State gets ongoing 100% FMAP & Tribe controls service delivery when it is managing agency



ACA: Community First Choice



- **New Medicaid State plan option**
- **State provides option of community-based attendant services for Medicaid beneficiaries**
- **Effective October 1, 2011**
- **Authorized by Section 2401 of the ACA**

ACA: “Health Home” Option



- **Authorized by Section 2703 of the ACA**
- **Provides primary care**
- **Will vary widely across States**
- **Factors to evaluate about this option:**
 - How “services” are defined & paid for
 - Impact on current service & payment provisions

Promising Practice: Oneida Nation



- Oneida Nation brings together several components to provide comprehensive care to LTSS patients
 - Nursing Home Facility
 - Community Health Center
 - Medicaid waivers: health & human services
- Special emphasis on care coordination



Promising Practice: Oneida Nation



- **How does FQHC aid care coordination?**
 - Higher reimbursement rate frees up Tribal dollars for other services
 - Keeps more services within the community – less travel required for those needing LTSS
 - Ensures culturally competent primary care for elders & persons with disabilities

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