



## Update to the Payment for Grandfathered Tribal Federally Qualified Health Centers (FQHCs) for Calendar Year (CY) 2022

MLN Matters Number: MM12738 **Revised**

Related Change Request (CR) Number: 12738

Related CR Release Date: **May 20, 2022**

Effective Date: January 1, 2022

Related CR Transmittal Number: **R11425CP**

Implementation Date: July 5, 2022

**Note: We revised this Article due to a revised CR 12738. The CR revision didn't affect the substance of the Article. We did revise the CR release date, transmittal number, and the web address of the CR. All other information is the same.**

### Provider Types Affected

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This MLN Matters Article is for physicians, suppliers, and other providers at tribal Federally Qualified Health Centers (FQHCs) billing Medicare Administrative Contractors (MACs) for services they provide to Medicare patients.

### Provider Action Needed

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Make sure your billing staff knows about these changes:

- How facilities can transition to become grandfathered tribal FQHCs
- CY 2022 payment rates for grandfathered tribal FQHCs
- Services for which the grandfathered tribal FQHC Prospective Payment System (PPS) rate isn't applicable

### Background

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Effective for Dates of Service (DOS) on or after January 1, 2016, Indian Health Services (IHS) and tribal facilities and organizations may seek to become certified as grandfathered tribal FQHCs if they:

- Met conditions in [42 CFR 413.65\(m\)](#) on or before April 7, 2000
- Changed their status on or after April 7, 2000, from IHS to a tribal operation, or vice versa
- Realigned the facility from IHS or tribal hospital to another IHS or tribal hospital, such that the organization no longer meets the Conditions of Participation (CoPs)

These grandfathered tribal FQHCs would have to meet all FQHC certification and payment requirements. The grandfathered PPS rate equals the Medicare outpatient per-visit payment rate paid to them as a provider-based department, as set annually by IHS. Grandfathered tribal FQHCs are paid the lesser of their charges or a grandfathered tribal FQHC PPS rate for all FQHC services provided to a Medicare patient during a medically necessary, face-to-face FQHC visit.

For CY 2022, the grandfathered tribal FQHC PPS rate is \$541.00.

FQHC claims (Type of Bill 77X) for grandfathered tribal FQHCs submitted with DOS on or after January 1, 2022, through June 30, 2022, paid at the CY 2021 rate of \$414.00 will be adjusted and paid by your MAC at the CY 2022 rate of \$541.00. Your MAC will make those adjustments 90 days after the implementation date of CR 12738. CMS will pay grandfathered tribal FQHC claims with DOS falling within CY 2022 at the CY 2022 rate of \$541.00 until we provide an updated payment rate for CY 2023.

Note that:

- We won't adjust the grandfathered tribal FQHC PPS rate by the FQHC Geographic Adjustment Factors
- You won't be eligible for the special payment adjustments under the FQHC PPS for new patients, patients getting an Initial Preventive Physical Examination, or an Annual Wellness Visit
- The rate is ineligible for exceptions to the single per-diem payment that is available to FQHCs paid under the FQHC PPS
- The FQHC market basket adjustment that's applied annually to the FQHC PPS base rate won't apply to the grandfathered tribal FQHC PPS rate

## More Information

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We issued [CR 12738](#) to your MAC as the official instruction for this change.

For more information, [find your MAC's website](#).

## Document History

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Date of Change	Description
May 23, 2022	We revised the Article due to a revised CR 12738. The CR revision didn't affect the substance of the Article. We did revise the CR release date, transmittal number, and the web address of the CR. All other information is the same.
April 28, 2022	Initial article released.

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