



Update to the Payment for Grandfathered Tribal Federally Qualified Health Centers (FQHCs) for Calendar Year (CY) 2019

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PROVIDER TYPE AFFECTED

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

WHAT YOU NEED TO KNOW

CR 11203 updates the Federally Qualified Health Center Prospective Payment System (FQHC PPS) grandfathered tribal FQHC base payment rate.

BACKGROUND

Payment for FQHCs under the PPS

Section 10501(i)(3)(A) of the Affordable Care Act (Pub. L. 111–148 and Pub. L. 111–152) added section 1834(o) of the Social Security Act (the Act) to establish a payment system for the costs of FQHC services under Medicare Part B based on prospectively set rates. In the PPS for FQHC Final Rule published in the May 2, 2014, Federal Register (79 FR 25436), the Centers for Medicare & Medicaid Services (CMS) implemented a methodology and payment rates for FQHCs under the PPS beginning on October 1, 2014.

Payment for Grandfathered Tribal FQHCs That Were Provider-Based Clinics on or Before April 7, 2000

Effective for dates of service on or after January 1, 2016, Indian Health Services (IHS) and tribal facilities and organizations that met the conditions of 42 CFR section 413.65(m) on or before April 7, 2000, and have 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 such that the organization no longer meets the CoPs, may seek to become certified as grandfathered tribal FQHCs. (For more information refer to 42 CFR 413.65(m) at https://www.ecfr.gov/cgi-bin/text-idx?SID=19dd7fa703112dee60510c39b8c4c2ae&mc=true&node=pt42.2.413&rgn=div5#se42.2.413_165.)

Medicare requires these grandfathered tribal FQHCs 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 the IHS.

Under the FQHC PPS, Medicare pays you either the lesser of your actual charges or the grandfathered tribal FQHC PPS rate for all FQHC services furnished to a beneficiary during a medically necessary face-to-face FQHC visit.

The grandfathered PPS rate equals the Medicare outpatient per visit payment rate paid to them as a provider-based department, as set annually by the IHS. From January 1, 2019 through December 31, 2019, the grandfathered tribal FQHC PPS rate is \$405.

MACs must adjust all FQHC claims (Type of Bill (TOB) 77X) that you submitted with dates of service on January 1, 2019 through June 30, 2019 (and paid at the CY 2018 rate of \$383 rate) and pay you at the CY 2019 rate of \$405. They will complete these adjustments by 90 days after the July 1, 2019 implementation date of CR 11203.

CMS will pay grandfathered tribal FQHC claims with dates of service on or after January 1, 2020 through December 31, 2020, at the CY 2019 rate of \$405 until CMS provides an updated payment rate for CY 2020.

CMS will not adjust the grandfathered tribal FQHC PPS rate by the FQHC Geographic Adjustment Factors (GAFs) or be eligible for the special payment adjustments under the FQHC PPS for new patients, patients receiving an Initial Preventive Physical Examination or an Annual Wellness Visit. 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 grandfathered tribal FQHC PPS rate.

ADDITIONAL INFORMATION

The official instruction, CR 11203, issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2019Downloads/R4261CP.pdf>.

If you have questions, your MACs may have more information. Find their website at <http://go.cms.gov/MAC-website-list>.

DOCUMENT HISTORY

Date of Change	Description
March 22, 2019	Initial article released.

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