Becoming a Federally Qualified Health Center

WHAT, WHY, & CAN YOU SUPPORT IT?

Presenter
Jane Smith, Oneida Nation of Wisconsin
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 (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 caregivers
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
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: 85%
- 330 Grantee Look-Alikes: 10%
- Select Tribal and UIHO*: 5%

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

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

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

Photo credit: Oneida Community Health Center: http://www.oneidanation.org/HealthCenter
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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