

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services



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Implementation Date: January 4, 2016

Payment for Grandfathered Tribal Federally Qualified Health Centers (FQHCs) that were Provider-Based Clinics on or Before April 7, 2000

Provider Types Affected

This MLN Matters® Article is intended for grandfathered tribal federally qualified health centers (FQHCs) that were provider-based clinics on or before April 7, 2000 submitting institutional claims to Medicare Administrative Contractors (MACs) for services provided to Medicare beneficiaries.

What You Need to Know

Change Request (CR) 9267 updates instructions to the Medicare Administrative Contractors (MACs) for payment to grandfathered tribal FQHCs that were provider-based clinics on or before April 7, 2000.

Background

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 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 Conditions of Participation (CoPs), may seek to become certified as grandfathered tribal FQHCs. These grandfathered tribal FQHCs would be required to meet all FQHC certification and payment requirements.

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The FQHC Prospective Payment System (PPS) adjustment for grandfathered tribal clinics would not apply to a currently certified tribal FQHC, a tribal clinic that was not provider-based as of April 7, 2000, or an IHS-operated clinic that is no longer provider-based to a tribally-operated hospital. This provision would also not apply in those instances where both the hospital and its provider-based clinic(s) are operated by the tribe or tribal organization.

Grandfathered tribal FQHCs will be paid the lesser of their charges or a 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, 2015 through December 31, 2015, the grandfathered tribal FQHC PPS rate is \$307. The grandfathered tribal FQHC PPS rate will not be adjusted by the FQHC PPS Geographic Adjustment Factor (GAF) or be eligible for the special payment adjustments under the FQHC PPS for new patients, patients receiving an IPPE or an 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 Medicare Economic Index (MEI) or a FQHC market basket adjustment that is applied annually to the FQHC PPS base rate, will not apply to the grandfathered tribal FQHC PPS rate.

Grandfathered tribal FQHCs will be paid for services included in the FQHC benefit, even if those services are not included in the IHS Medicare outpatient all-inclusive rate. Services that are included in the IHS outpatient all-inclusive rate but not in the FQHC benefit will not be paid.

Grandfathered tribal FQHCs are subject to the payment requirements under the FQHC PPS. The five FQHC payment G-codes shall be used by grandfathered tribal FQHCs when submitting claims under the PPS based on the services furnished. Grandfathered tribal FQHCs shall use the specific payment code that corresponds to the type of visit that qualifies the encounter for Medicare payment. Each grandfathered tribal FQHC shall report a charge for the visit code that would reflect the sum of regular rates charged to both beneficiaries and other patients for a typical bundle of services that would be furnished per diem to a Medicare beneficiary. Additional information on the coverage and payment requirements for FQHC visits is available in the “Medicare Benefit Policy Manual,” [Chapter 13](#). Additional information regarding the services that are qualifying visits is available on the FQHC PPS center page at <http://www.cms.gov/Center/Provider-Type/Federally-Qualified-Health-Centers-FQHC-Center.html> on the Centers for Medicare & Medicaid Services (CMS) website.

MACs shall generally pay 80 percent of the lesser of the grandfathered tribal FQHC’s charge for the FQHC payment code or the grandfathered tribal FQHC PPS rate. Coinsurance will generally be 20 percent of the lesser of the actual charge or the grandfathered tribal

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FQHC PPS rate. For claims that consist solely of preventive services that are exempt from beneficiary coinsurance, contractors shall pay 100 percent of the lesser of the actual charge or the grandfathered tribal FQHC PPS rate, and no beneficiary coinsurance would be assessed.

For claims that include a mix of preventive and non-preventive services, MACs shall use the current methodology established under the FQHC PPS to calculate coinsurance.

Additional Information

The official instruction, CR9267, issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R3415CP.pdf> on the CMS website.

If you have any questions, please contact your MAC at their toll-free number. That number is available at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/index.html> under - How Does It Work.

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