DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

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- "**Inpatient Psychiatric Facility Prospective Payment System**" Fact Sheet, ICN 006839, Downloadable

MLN Matters® Number: MM9348 | **Related Change Request (CR) #: CR 9348**

Related CR Release Date: October 9, 2015 | **Effective Date: January 1, 2016**

Related CR Transmittal #: R3369CP | **Implementation Date: January 4, 2016**

Update to the Federally Qualified Health Centers (FQHC) Prospective Payment System (PPS) – Recurring File Updates

Provider Types Affected

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

Provider Action Needed

Change Request (CR) 9348 updates the FQHC PPS base payment rate and the geographic adjustment factors (GAFs) for the FQHC Pricer for calendar year (CY) 2016. Please ensure your billing staffs are aware of these changes.

Background

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 compliance with the statutory requirements of the Affordable Care Act, the Centers for

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Medicare & Medicaid Services (CMS) published a final rule with comment period to implement a methodology and payment rates for a PPS for FQHCs under Medicare Part B beginning on October 1, 2014.

Under the FQHC PPS, Medicare pays FQHCs based on the lesser of their actual charges or the PPS rate for all FQHC services furnished to a beneficiary on the same day when a medically necessary, face-to-face FQHC visit is furnished to a Medicare beneficiary. As required by 1834(o)(2)(B)(ii) of the Act, the base payment rate for the first year after implementation shall be increased in accordance with the rate of increase in the Medicare Economic Index. From January 1, 2016, through December 31, 2016, the FQHC PPS base payment rate is $160.60. The CY 2016 base payment rate reflects a 1.1 percent increase above the CY 2015 base payment rate of $158.85.

In accordance with section 1834(o)(1)(A) of the Act, the FQHC PPS base rate is adjusted for each FQHC by the FQHC geographic adjustment factor (GAF), based on the geographic practice cost indices (GPCIs) used to adjust payment under the Medicare Physician Fee Schedule (MPFS). The FQHC GAF is adapted from the work and practice expense GPCIs, and are updated when the work and practice expense GPCIs are updated for the MPFS. For CY 2016, the FQHC PPS GAFs have been updated in order to be consistent with the statutory requirements.

Additional Information

The official instruction, CR9348 issued to your MAC regarding this change is available at **https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R3369CP.pdf** on the CMS website.

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

Each Office Visit is an Opportunity to Recommend Influenza Vaccination.
Protect your patients, your staff, and yourself. Medicare Part B covers one influenza vaccination and its administration each influenza season for Medicare beneficiaries. If medically necessary, Medicare may cover additional seasonal influenza vaccinations.

- **Preventive Services** Educational Tool
- **Influenza Vaccine Payment Allowances** MLN Matters Article
- **Influenza Resources for Health Care Professionals** MLN Matters Article
- **CDC Influenza** website

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