



FEDERALLY QUALIFIED HEALTH CENTER

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Updates

Note: We revised this product with the following content updates:

- For calendar year 2021, the market basket update under the FQHC PPS is 1.7% and the FQHC PPS base payment rate is \$176.45
- Beginning January 1, 2021, CMS added PCM HCPCS codes G2064 and G2065 to the calculation of HCPCS code G0511 payment rate, and CMS will update them annually
- CMS added new and expanded FQHC flexibilities during the COVID-19 public health emergency

Learn about Federally Qualified Health Center (FQHC) topics:

- Background
- FQHC Patient Services
- FQHC Certification
- FQHC Visits
- FQHC Payments
- Cost Reports
- Key Takeaways
- Resources
- Helpful Websites and Regional Office Rural Health Coordinators

Note: The information in this publication may not apply to [Grandfathered Tribal FQHCs](#).

Background

FQHCs are safety net providers for services typically from an outpatient clinic. [SSA Section 1861\(aa\)](#) allows additional FQHC Medicare payments.

FQHCs include:

- Community health centers
- Migrant health centers
- Health care for the homeless health centers
- Public housing primary care centers
- Health center program “look-alikes”
- Outpatient health programs or facilities a tribe or tribal organization or an urban Indian organization operates

FQHC Patient Services

FQHCs provide:

- Physician services
- Services and supplies “incident to” physician services
- Nurse practitioner (NP), physician assistant (PA), certified nurse-midwife (CNM), clinical psychologist (CP), and clinical social worker (CSW) services
- Services and supplies provided “incident to” NP, PA, CNM, CP, or CSW services
- Medicare Part B-covered drugs supplied “incident to” FQHC practitioner services
- Patient homebound visiting nurse services in an area where CMS certified a shortage of home health agencies

- Outpatient diabetes self-management training (DSMT) and medical nutrition therapy (MNT) for patients with diabetes or renal disease from qualified DSMT and MNT practitioners when provided in a 1-on-1, face-to-face visit
- Certain care management services, such as transitional care management (TCM), chronic care management (CCM), general behavioral health integration (BHI), principal care management (PCM), and psychiatric collaborative care model (CoCM) services
- Certain [virtual communication services](#) such as communications-based technology and remote evaluation services

FQHC Certification

To qualify as an FQHC, an entity must meet **1** of these requirements:

- Get a grant under Section 330 of the Public Health Service (PHS) Act ([42 USC Section 254a](#)) or funded by the same grant contracted to the recipient
- **Not** getting a grant under Section 330 of the PHS Act but the HHS Secretary allows such a grant, which qualifies the entity as an “FQHC look-alike” based on a Health Resources and Services Administration (HRSA) recommendation
- Treated by the HHS Secretary as a comprehensive federally funded health center since January 1, 1990, for Medicare Part B purposes
- Operating as an outpatient health program or tribe or tribal organization facility under the Indian Self-Determination Act or as an urban Indian organization getting funds under Title V of the Indian Health Care Improvement Act

FQHC certification requires the entity meet **all** these requirements:

- Provide comprehensive services including an ongoing quality assurance program and annual review
- Meet all health and safety requirements
- Not approved as a Rural Health Clinic
- Meet **all** Section 330 of the PHS requirements, including:
 - Serve a designated Medically Underserved Area (MUA) or Medically Underserved Population (MUP)
 - Offer people with incomes below 200% of the federal poverty guidelines a sliding fee scale
 - Governed by a board of directors, where most members get care at the FQHC

FQHC Visits

FQHC visits **must**:

- Be medically necessary
- Be face-to-face medical or mental health visits or qualified preventive health visits between the patient and an FQHC practitioner (physician, NP, PA, CNM, CP, or CSW), and the practitioner provides one or more qualified FQHC services

- In certain limited situations, include a registered nurse (RN) or a licensed practical nurse (LPN) homebound patient visit
- Under certain conditions, a qualified practitioner offers outpatient DSMT or MNT services when the FQHC meets the relevant program requirements to provide these services

FQHC visits **may** take place:

- In the FQHC
- At the patient's home, including an assisted living facility
- In a Medicare-covered Part A skilled nursing facility (SNF)
- At the scene of an accident

FQHC visits **can't** take place at:

- An inpatient or outpatient hospital department, including a critical access hospital (CAH)
- A facility with specific requirements excluding FQHC visits

FQHC Payments

Medicare FQHC PPS

Medicare pays FQHCs based on the FQHC Prospective Payment System (PPS) for medically necessary primary health services and qualified preventive health services from an FQHC practitioner.

- FQHCs must include an FQHC payment code on their claim.
- Medicare pays claims at 80% of the lesser of the FQHC charges based on their payment codes or the FQHC PPS rate (a national encounter-based rate with geographic and other adjustments).
- CMS annually updates the FQHC PPS base payment rate using the FQHC market basket. **For calendar year 2021, the market basket update under the FQHC PPS is 1.7% and the FQHC PPS base payment rate is \$176.45.**
- Coinsurance is 20% of the lesser of the FQHC's charge for the specific payment code or the PPS rate, except for certain preventive services.
- Medicare waives Part B coinsurance and deductible for preventive services, including specific [Medicare Wellness Visits](#) such as the Initial Preventive Physical Examination (IPPE), and Annual Wellness Visit (AWV). For more information, refer to the [FQHC Preventive Services Chart and coinsurance and deductible requirements](#) webpage.
- Except for telehealth services, there's no FQHC benefit services Part B deductible.

Per-Diem Payment & Exceptions

More than one visit with an FQHC practitioner on the same day, or multiple visits with the same FQHC practitioner on the same day, counts as a single visit, except when:

- The patient suffers an illness or injury requiring additional diagnosis or treatment on the same day.

For example, a patient sees their practitioner in the morning for a medical condition and later in the day falls and returns to the FQHC.

- A patient has a qualified medical visit and a qualified mental health visit on the same day.

Payment Adjustments

These adjustments apply to the FQHC PPS payment rate:

- FQHC geographic adjustment factor
- New patient adjustment
- An IPPE or AWW adjustment

Charges & Payment

FQHCs set their own charges for their services and determine which services to include with each FQHC G code. Patient charges must be uniform.

For more information about FQHC PPS payment codes when submitting claims and a list of billable visits, refer to the [FQHC webpage](#).

Payment is for professional services only. Medicare pays laboratory tests (excluding venipuncture) and the technical component of billable visits separately. Medicare includes procedures in the payment of an otherwise qualified visit not separately billable. If a procedure is associated with a qualified visit, include the procedure charges on the claim with the visit.

Chronic Care Management (CCM) Services or General Behavioral Health Integration (BHI)

Medicare pays CCM or general BHI services at the **average of the national non-facility physician fee schedule (PFS) payment rate** for CPT codes 99490, 99487, 99484, and 99491 (30 minutes or more of CCM provided by a physician or other qualified health care professional), when general care management HCPCS code G0511 is on an FQHC claim alone or with other payable services. **Beginning January 1, 2021, CMS added PCM HCPCS codes G2064 and G2065 to HCPCS code's G0511 payment rate calculation. CMS will update this payment rate annually based on the PFS amounts.**

Coinurance for care management services is 20% of the lesser of submitted charges or the payment rate for G0511. Report care management costs in the non-reimbursable section of the cost report and don't determine the FQHC PPS rate.

You can bill G0511 once per month per patient when you deliver at least 20 minutes of CCM services, at least 20 minutes of general BHI services, or at least 30 minutes of PCM services, and your services meet all other requirements. The FQHC can count only services from an FQHC practitioner or auxiliary personnel within the scope of service elements toward the 20-minute minimum for billing general care management services or the 30-minute minimum for PCM services and **doesn't** include administrative activities such as transcription or translation services.

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Psychiatric Collaborative Care Model (CoCM)

Medicare pays at the national non-facility PFS payment rate for CPT code 99492 (70 minutes or more of initial psychiatric CoCM services) and CPT code 99493 (60 minutes or more of subsequent psychiatric CoCM services), when HCPCS code G0512 is on an FQHC claim either alone or with other payable services.

Coinsurance for care management services is 20% of the lesser of submitted charges or the payment rate for G0512. Report care management costs in the non-reimbursable section of the cost report and don't determine the FQHC PPS rate.

You can bill G0512 once per month per patient when you deliver at least 60 minutes of psychiatric CoCM services, and your services meet all other requirements. The FQHC can count only services from an FQHC practitioner or auxiliary personnel within the scope of service elements toward the 60-minute minimum for billing psychiatric CoCM and **doesn't** include administrative activities such as transcription or translation services.

Flu, Pneumococcal, & COVID-19 Shot

Medicare pays flu, pneumococcal, and COVID-19 shots and their administration at 100% of reasonable cost. The cost is included in the cost report so you bill no visit. FQHCs must include these charges on the claim if they're part of a visit. If the shot administration is the only service provided on that day, do not file a claim and waive the patient coinsurance.

Hepatitis B Shot Administration & Payment

Medicare includes the hepatitis B shot and its administration in the FQHC visit. They aren't separately billable. If you provide a qualifying FQHC visit on the same day as the hepatitis B shot, report the charges for the shot and related administration on a separate line item to ensure no coinsurance is applied. You can't bill a visit if shot administration is the only service provided.

Telehealth Services Payment

FQHCs can serve as telehealth services originating sites if they're in a qualifying area. An originating site is where an eligible Medicare patient is during the telehealth service. FQHCs serving as telehealth originating sites get an originating site facility fee. Although FQHC services aren't subject to a deductible, you must apply the deductible when an FQHC bills the telehealth originating site facility fee. This fee isn't considered an FQHC service.

FQHCs aren't authorized to serve as a distant site for telehealth consultations, **except during the COVID-19 public health emergency (PHE) (see [COVID-19 Flexibilities](#))**. A distant site is where the practitioner is during the time of the telehealth service. You can't bill the cost of the visit or include it on the cost report.

Virtual Communication Services

Medicare pays FQHCs for virtual communication services when an FQHC practitioner provides a patient at least 5 minutes of a billable FQHC communication technology-based or remote evaluation service. The patient must have had a billable visit within the previous year, and the services must meet **both** requirements below:

- The patient didn't get FQHC-related services within the last 7 days of the virtual medical discussion or remote evaluation
- The patient needs no FQHC service within the next 24 hours or at the next available appointment

Medicare requires FQHCs submit HCPCS code G2012 (communication technology-based services), and HCPCS code G2010 (remote evaluation services) virtual communication services claims, when the virtual communication HCPCS code, G0071, is on an FQHC claim alone or with other payable services.

When an FQHC practitioner provides a patient Virtual Communication Services, Medicare waives the FQHC face-to-face requirements and applies the coinsurance. For more information, refer to the [Virtual Communication Services FAQs](#).

COVID-19 Flexibilities

For information on new and expanded FQHC flexibilities during the COVID-19 PHE, refer to [MLN Matters® Article SE20016](#).

Cost Reports

FQHCs must file an annual cost report using FQHC Cost Report, [Form CMS-224-14](#), to determine their payment rate and reconcile interim payments, including graduate medical education adjustments, bad debt, and flu and pneumococcal shots and their administration payments.

Provider-based FQHCs must complete the appropriate worksheet for FQHC services within the parent provider's cost report. To find more cost reports and forms, refer to the [Provider Reimbursement Manual – Part 2](#).

Key Takeaways

- FQHCs are safety net providers for services typically from an outpatient clinic.
- Medicare pays FQHCs based on the FQHC PPS for medically necessary primary health services and qualified preventive health services from an FQHC practitioner.
- CMS added new and expanded FQHC flexibilities during the COVID-19 PHE.

Resources

- [Care Management Services in Rural Health Clinics \(RHCs\) and FQHCs FAQs](#)
- [Chronic Care Management Services](#)
- [FQHC Center](#)
- [FQHC PPS](#)
- [Medicare Benefit Policy Manual, Chapter 13 — RHC and FQHC Services](#)
- [Medicare Claims Processing Manual, Chapter 9 — RHCs/FQHCs](#)
- [New and Expanded Flexibilities for RHCs and FQHCs During the COVID-19 Public Health Emergency \(PHE\)](#)

Rural Providers Helpful Websites

- [American Hospital Association Rural Health Care](#)
- [CMS Rural Health](#)
- [Critical Access Hospitals Center](#)
- [Disproportionate Share Hospitals](#)
- [Federal Office of Rural Health Policy](#)
- [Federally Qualified Health Centers Center](#)
- [Health Resources and Services Administration](#)
- [Hospital Center](#)
- [Medicare Learning Network®](#)
- [National Association of Community Health Centers](#)
- [National Association of Rural Health Clinics](#)
- [National Rural Health Association](#)
- [Rural Health Clinics Center](#)
- [Rural Health Information Hub](#)
- [Swing Bed Providers](#)
- [Telehealth](#)
- [Telehealth Resource Centers](#)
- [U.S. Census Bureau](#)

Regional Office Rural Health Coordinators

Find contact information for [CMS Regional Office Rural Health Coordinators](#) who offer technical, policy, and operational help on rural health issues.

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