

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1399	Date: August 1, 2014
	Change Request 8854

SUBJECT: Federally Qualified Health Centers Prospective Payment System- Recurring File Updates

I. SUMMARY OF CHANGES: This Change request (CR) establishes hours with the FISS maintainer for recurring updates to the FQHC Pricer.

EFFECTIVE DATE: January 1, 2015

**Unless otherwise specified, the effective date is the date of service.*

IMPLEMENTATION DATE: January 5, 2015

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-Only One Per Row.

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	N/A

III. FUNDING:

For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC statement of Work. The contractor is not obliged to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

One Time Notification

Attachment - One-Time Notification

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I. GENERAL INFORMATION

A. 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 to establish a payment system for the costs of Federally Qualified Health Center (FQHC) services under Medicare Part B based on prospectively set rates. In compliance with the statutory requirements of the Affordable Care Act, CMS published a final rule with comment period to implement a methodology and payment rates for a prospective payment system (PPS) for FQHCs under Medicare Part B beginning on October 1, 2014. CMS established a national, encounter-based prospective payment rate for all FQHCs, determined based on an average of the reasonable costs of all FQHCs. For more information on the FQHC PPS, Contractors shall review change request (CR) 8743 – “Implementation of a Prospective Payment System (PPS) for Federally Qualified Health Centers (FQHCs).”

B. Policy: 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. From October 1, 2014 through December 31, 2015, the FQHC PPS base payment rate is \$158.85. In accordance with section 1834(o)(2)(B)(ii) of the Act, after the first year of implementation, the PPS payment rates must be increased by the percentage increase in the MEI. After the second year of implementation, PPS rates shall be increased by the percentage increase in a market basket of FQHC goods and services as established through regulations, or, if not available, the MEI that is published in the Physician Fee Schedule (PFS) final rule.

The PPS rates are adjusted to account for geographic differences in the cost of inputs by applying FQHC geographic adjustment factors (FQHC GAFs). The FQHC GAFs are adapted from the work and practice expense geographic practice cost indices (GPCIs) used to adjust payment under the PFS. The FQHC GAFs for October 1 through December 31, 2014, were adapted from the CY 2014 PFS GPCIs applicable during that same period. Subsequent updates to the FQHC GAFs will be made in conjunction with updates to the PFS GPCIs for the same period. In calculating the total payment amount, the FQHC GAFs are based on the locality of the site where the services are furnished.

Updates to the FQHC PPS base payment rate and FQHC PPS GAFs will be made available through program instruction. Contractors shall be prepared to receive updates to the FQHC PPS rate when updates become available.

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility									
		A/B MAC			D M E M A C	Shared- System Maintainers				Other	
		A	B	H H H		F I S S	M C S	V M S	C W F		
8854.1	As per CR 8743, contractors shall be prepared to receive annual updates to the FQHC Pricer via a recurring instruction.					X					
8854.2	Contractors shall establish recurring hours to receive the FQHC Pricer updates.					X					

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			D M E M A C	C E D I
		A	B	H H H		
	None					

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): Tracey Mackey, 410-786-5736 or tracey.mackey@cms.hhs.gov , Simone Dennis, 410-786-8409 or simone.dennis@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Office Representative (COR).

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):

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ATTACHMENTS: 0