

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 3194	Date: February 13, 2015
	Change Request 9083

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

I. SUMMARY OF CHANGES: This Change request (CR) updates the Geographic Practice Cost Index (GPCIs) for the FQHC Pricer.

EFFECTIVE DATE: April 1, 2015

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

IMPLEMENTATION DATE: April 6, 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 obligated 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:

Recurring Update Notification

Attachment - Recurring Update Notification

Pub. 100-04	Transmittal: 3194	Date: February 13, 2015	Change Request: 9083
--------------------	--------------------------	--------------------------------	-----------------------------

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

EFFECTIVE DATE: April 1, 2015

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

IMPLEMENTATION DATE: April 6, 2015

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: 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 physician fee schedule (PFS), in accordance with section 1848(e) of the Social Security Act, and 42 CFR 414.2 and 414.26. The FQHC GAF is limited to only the work and practice expense GPCIs, and must be updated whenever the work and practice expense GPCIs are updated for the PFS. The current 1.0 Work GPCI floor expires on March 31, 2015, and unless there is a statutory change, the PFS GPCIs will be updated for the period from April 1, 2015 to December 31, 2015, to reflect the expiration of the 1.0 work GPCI floor. Therefore, the FQHC PPS GAFs must also be updated in order to be consistent with the statutory requirements.

II. BUSINESS REQUIREMENTS TABLE

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

Number	Requirement	Responsibility								
		A/B MAC			D M E	Shared- System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
9083.1	Contractors shall load the Geographic Adjustment Factor (GAF) table for the FQHC Pricer effective April 1, 2015.					X				

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility
--------	-------------	----------------

		A/B MAC			D M E	C E D I
		A	B	H H H	M A C	
	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 Officer's Representative (COR).

VI. FUNDING

Section A: 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 obligated 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.

ATTACHMENTS: 0