

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 10122	Date: May 8, 2020
	Change Request 11770

Transmittal 10059, dated April 24, 2020, is being rescinded and replaced by Transmittal 10122, dated, May 8, 2020 to revise the background and policy sections as well as add business requirement 11770.2. All other information remains the same.

SUBJECT: Update to the Federally Qualified Health Center (FQHC) Prospective Payment System (PPS) for Calendar Year (CY) 2020 - Recurring July File Update

I. SUMMARY OF CHANGES: This Change Request (CR) updates the Prospective Payment System (PPS) for the Federally Qualified Health Center (FQHC) Pricer. The new version implements the waiving of the coinsurance for the "Families First Coronavirus Response Act " and the Grandfathered Tribal FQHC rate.

EFFECTIVE DATE: July 1, 2020

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

IMPLEMENTATION DATE: July 6, 2020

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

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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 Act to establish a payment system for the costs of FQHC services under Medicare Part B based on prospectively set rates. In the PPS for FQHC Final Rule published in the May 2, 2014 Federal Register (79 FR 25436), CMS implemented a methodology and payment rates for FQHCs under the PPS beginning on October 1, 2014.

With this change request, the FQHC PPS is being updated to address changes for the Novel Coronavirus (COVID-19) Outbreak and Grandfather Tribal FQHCs.

COVID-19:

On March 13, 2020, a national emergency was declared in the United States concerning COVID-19 Outbreak. On March 18, 2020, the “Families First Coronavirus Response Act” was signed by the President. Under section 6002, “Waiving cost sharing under the Medicare program for certain visits relating to testing for COVID–19 (b) The Secretary of Health and Human Services shall provide for an appropriate modifier (or other identifier) to include on claims to identify, for purposes of subparagraph (DD) of section 1833(a)(1), as added by subsection (a), specified COVID–19 testing-related services described in paragraph (1) of section 1833(cc) of the Social Security Act, as added by subsection (a), for which payment may be made under a specified outpatient payment provision described in paragraph (2) of such subsection.”

In the event of a declared Public Health Emergency (PHE), the United States Secretary of Health has the authority to temporarily waive or modify application of certain Medicare requirements during the emergency period.

During the COVID-19 PHE, coinsurance can be waived for services that are related to COVID-19 testing. For services in which the coinsurance is waived, FQHCs must put the “CS” modifier on the claim. FQHCs should not collect coinsurance from beneficiaries if they choose to waive coinsurance for services related to COVID-19 testing.

Grandfathered Tribal FQHCs:

Payment for Grandfathered Tribal FQHCs that were Provider- Based Clinics on or Before April 7, 2000.

Effective for dates of service on or after January 1, 2016, IHS and tribal facilities and organizations that met the conditions of section 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 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. 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.

B. Policy: During the PHE concerning the spread of the corona virus as declared by the U.S. Secretary of Health, services in connection to patients diagnosed with COVID-19, or showing signs and symptoms of COVID-19, the coinsurance shall be waived until the PHE is declared to be ended.

Under section 6002, "Waiving cost sharing under the Medicare program for certain visits relating to testing for COVID-19 (b) The Secretary of Health and Human Services shall provide for an appropriate modifier (or other identifier) to include on claims to identify, for purposes of subparagraph (DD) of section 1833(a)(1), as added by subsection (a), specified COVID-19 testing-related services described in paragraph (1) of section 1833(cc) of the Social Security Act, as added by subsection (a), for which payment may be made under a specified outpatient payment provision described in paragraph (2) of such subsection."

The Secretary has directed that current modifier "CS" have its descriptor changed to implement this section of the law.

Grandfathered Tribal FQHC PPS.

Grandfathered tribal FQHCs are 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. From January 1, 2020 through December 31, 2020, the grandfathered tribal FQHC PPS rate is \$427.00. FQHC claims (TOB 77X) for grandfathered tribal FQHCs submitted with dates of service on or after January 1, 2020 through June 30, 2020 paid at the CY 2019 rate of \$405.00 must be adjusted and paid at the CY 2020 rate of \$427.00. Grandfathered tribal FQHC claims with dates of service on or after January 1, 2020 through December 31, 2020, should be paid at the CY 2020 rate of \$427.00 until CMS provides an updated payment rate for CY 2021. The grandfathered tribal FQHC PPS rate will not be adjusted by the FQHC GAFs or be eligible for the special payment adjustments under the FQHC PPS for new patients, patients receiving an IPPE or an AWW. 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 FQHC market basket adjustment that is applied annually to the FQHC PPS base rate will not apply to the grandfathered tribal FQHC PPS rate.

The new revised Pricer program shall be installed timely to ensure accurate payments for FQHC claims.

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	
11770.1	The Medicare contractor shall load the FQHC Pricer, effective July 1, 2020.					X				
11770.2	The Medicare Contractors shall adjust all FQHC claims (TOB 77X) for grandfathered tribal FQHCs submitted with dates of service on or after January 1, 2020 through June 30, 2020 that were paid at the previous rate. These adjustments shall be completed	X								

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	
	90 days after the implementation of this corrected CR.									

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, Tracey.Mackey@cms.hhs.gov

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

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):

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ATTACHMENTS: 0