

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-04 Medicare Claims Processing</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 3734</b>	<b>Date: March 10, 2017</b>
	<b>Change Request 10021</b>

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

**I. SUMMARY OF CHANGES:** The Claims Processing Manual, Chapter 9, Section 20.6.2 specifies that CMS will update FQHC payment as required. This change request (CR) updates the grandfathered tribal FQHC PPS payment rate for the FQHC Pricer.

**EFFECTIVE DATE: July 1, 2017**

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

**IMPLEMENTATION DATE: July 3, 2017**

*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.

<b>R/N/D</b>	<b>CHAPTER / SECTION / SUBSECTION / TITLE</b>
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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**IMPLEMENTATION DATE: July 3, 2017**

## I. GENERAL INFORMATION

**A. Background:** Effective for dates of service on or after January 1, 2016, Indian Health Service (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:** 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, 2017 through December 31, 2017, the grandfathered tribal FQHC PPS rate is \$349. FQHC claims (TOB 77X) for grandfathered tribal FQHCs submitted with dates of service on or after January 1, 2017 through December 31, 2017 paid at the CY 2016 rate of \$324 must be adjusted and paid at the CY 2017 rate of \$349. Grandfathered tribal FQHC claims with dates of service on or after January 1, 2018 through December 31, 2018, should be paid at the CY 2017 rate of \$349 until CMS provides an updated payment rate for CY 2018. The grandfathered tribal FQHC PPS rate will not be adjusted by the FQHC PPS 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.

Contractors shall load the FQHC Pricer effective July 1, 2017.

## 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	
10021.1	Contractors shall load the FQHC Pricer effective July 1, 2017.					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	
10021.2	Contractors shall adjust all FQHC claims (77X) for Grandfathered Tribal FQHCs submitted with dates of service on or after January 1, 2017 through June 30, 2017 paid at the previous rate. These adjustments shall be completed 45 days after the implementation of this CR.	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		
10021.3	MLN Article: A provider education article related to this instruction will be available at <a href="http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/">http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/</a> shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web sites and include information about it in a listserv message within 5 business days after receipt of the notification from CMS announcing the availability of the article. In addition, the provider education article shall be included in the contractor's next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X				

### 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):** Corinne Axelrod, 410-786-5620 or Corinne.Axelrod@cms.hhs.gov (Policy Primary) , Tracey Mackey, 410-786-5736 or Tracey.Mackey@cms.hhs.gov (Claims Processing) , Simone Dennis, 410-786-8409 or Simone.Dennis@cms.hhs.gov (Policy Secondary)

**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**