

Possible Adjustments for FQHCs to the PRC Provisional Recommendations

During a review of PRC provisional recommendations to date, the issues below were identified as possibly benefitting from adjustments for FQHCs. The purpose of this strawman is to spur discussion by reacting to a draft recommendation. It is meant to be modified and not intended to be prescriptive.

Other issues reviewed and not likely to benefit from an FQHC-specific approach included attribution, risk adjustment of the basic bundle and payment for services provided to non-attributed members.

The PRC is still determining recommendations regarding the supplemental bundle, performance measurement and accountability, and regulation and licensing. These issues will be reviewed as PRC recommendations are formed. Rate appeals will be discussed at the next meeting.

1. Service inclusion and basic bundle calculation for Medicare and Medicaid: unique handling of FQHCs

Recommendation:

- For Medicare and Medicaid, the basic bundle would include all services currently included in the Medical PPS rate including sick visits, wellness/preventive visits, nursing visits, tobacco cessation counseling and prenatal care.
- Assuming currently BH services provided by a medical provider are paid under the medical PPS rate, those would be included in the basic bundle. Behavioral health services delivered by BH clinicians would be paid via the existing Behavioral Health PPS rate and left out of the basic bundle.
- Consistent with the PRC recommendation, services paid via the basic bundle would not be eligible for FFS payment.
- Assuming FQHCs can distinguish the subspecialty of the provider in historical claims, either through name or taxonomy, then services provided by subspecialists would not be included in the basic bundle with the exception of pre-natal care. All other visits by obstetricians, optometrists, podiatrists, and all other specialists would be identified and paid FFS.
- As part of its discussion, the group should agree on the mechanism for making this PCP/subspecialist distinction to create the Basic Bundle and to separate future claims for FFS payment. Two possible solutions:
 1. The payer makes a FFS payment for any such providers unless a prenatal visit CPT code is used
 2. The payer recognizes these visits because a consultation code is used and so pays them FFS.
- Dental services would be excluded from the bundle and paid via the dental PPS rate.
- For commercial payers, FQHCs would be treated the same as ANs being paid via the PCM basic bundle.

Rationale: The PPS rate is calculated using a broader range of services than the CPT codes recommended for inclusion in the basic bundle by the Payment Reform Council and it would likely be administratively burdensome and potentially impossible to “back out” those costs.

2. Supplemental bundle calculation for Medicare and Medicaid: unique handling of FQHCs

Recommendation:

Please note this is intended to be an initial discussion. We expect the FQHC Design Group will revisit this issue after the Payment Reform Council has offered more detailed provisional recommendations regarding the supplemental bundle.

- For Medicare and Medicaid, the supplemental bundled payment amounts would be calculated separately from the supplemental bundled payment amounts paid to AN practices. This is because the current PPS rates and associated basic bundle may already be covering some individuals and activities that are associated with team-based care and thus do not need to be included in the supplemental bundle.
- For commercial payers, FQHCs would be treated the same as ANs being paid via the PCM supplemental bundle.

Rationale: This approach would seem to be the most efficient way to fairly compensate FQHCs without duplicative payment for certain services.

3. Annual inflation of the basic bundle: unique handling of FQHCs

Recommendation: For patients who have Medicaid or Medicare as primary coverage, the basic bundle should be inflated using at least MEI.

Rationale: This approach would comply with federal FQHC rules and keep expense neutral to payers and FQHCs compared to current FFS methodology.

4. Reconciliation to assure PPS equivalency: unique handling of FQHCs

Recommendation:

- Include both the basic bundle and the supplemental bundle in calculating PPS equivalency.
- Request CMS approve a methodology in which a simple attestation by the FQHC could be used to show that PPS equivalency is met with the caveat that a full reconciliation be done only in cases where there was underpayment.

Rationale: CMS will require reconciliation is part of this advanced payment model to comply with federal rules. Reconciliation would only be required if the revenue from the basic bundle and the supplemental bundle payments did not equate to at least as much as would have been realized under traditional PPS.

5. Opting out of this APM: unique handling of FQHCs

Recommendation:

- FQHCs can only participate in PCM with payers with which they have a Shared Savings Payment arrangement.
- FQHCs participating in PCM would have to include all sites in the program, including School-Based Health Centers.
- FQHCs opting out of this APM would need to provide at least three-month notice.

Rationale: By federal rules, FQHCs may opt in and out of participating in APMs. Requiring all sites of an FQHC to participate will protect against services being shifted across sites to maximize revenue.

6. Change in scope: unique handling of FQHCs

Recommendation:

- The CT FQHC change in scope rules state that FQHCs can file a change in scope request when there is “a change in the operational costs attributable to changes in technology or medical practices at the FQHC.” Currently, the change in scope request, if accepted by the Medicaid agency, results in an increased PPS rate to cover the new expense.
- FQHCs participating in PCM would be able to file a change in scope request for changes consistent with the rules and if accepted by the Medicaid agency, it would trigger a proportional increase in the Basic Bundle amount.
- FQHCs could not file a change in scope request for services in the supplementary bundle.

Rationale: State regulations allow FQHCs to request higher payments when new services are added.