

DEPARTMENT OF HEALTH SERVICES

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November 12, 1997

PPL No. 97-026



All County Medi-Cal Administrative Activities (MAA)/
Targeted Case Management (TCM) Coordinators and
Advisory Committee Members

ELIGIBILITY OF FEDERALLY QUALIFIED HEALTH CENTERS (FQHCs) TO PARTICIPATE IN MAA/TCM

The purpose of this letter is to advise local governmental agencies (LGAs) that FQHCs are not eligible to participate in MAA/TCM programs. This policy is based on the FQHC Medi-Cal all-inclusive reimbursement methodology.

In 1989 and 1990 the federal government passed laws identifying certain community-based health care organizations as unique providers of services to Medicaid and Medicare recipients. These laws established in the Omnibus Budget Reconciliation Acts of 1989 (OBRA 89) and 1990 (OBRA 90), identified one of these unique health care provider categories as FQHCs. FQHCs are defined under the Social Security Act, Section 1905 (1)(2)(B).

FQHC services and/or activities are reimbursed based on an all-inclusive reimbursement methodology and in accordance with Title 42 Code of Federal Regulations (CFR), Parts 405 and 413. These services and/or activities may include, e.g., physician services, physician assistant services, nurse practitioner services, visiting nurse services, clinical psychologist, clinical social worker services, services incidental to health professional care services, and other Medi-Cal covered ambulatory services.

In accordance with Title 42 CFR Part 405.2462 and Part 405.2468, a qualified enrolled FQHC is reimbursed "*reasonable costs*" based on an all-inclusive rate for each beneficiary visit for allowable services. These "*reasonable costs*" may include indirect costs that are necessary and/or proper in developing and maintaining the facility and its services. The all-inclusive per visit rate represents Medi-Cal payment in full for the performance of all required services.

If you have any questions regarding this policy, please contact the Administrative Claiming Unit analyst assigned to your LGA.

Sincerely,

A handwritten signature in black ink, appearing to read "Darryl Nixon", with a horizontal line extending to the right.

Darryl Nixon, Chief
Medi-Cal Benefits Branch

cc: See next page.

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Targeted Case Management: X
Medi-Cal Administrative Activities: X
Policy Effective Date: July 1, 1997
Policy Reference: Social Security Act, Sect.
1905 (1)(2)(B), Title 42
CFR, Parts 405, 413,
405.2462, 405.2468,
45 CFR 74

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