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 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,

Darryl Nixon, Chief
Medi-Cal Benefits Branch
Targeted Case Management: X
Medi-Cal Administrative Activities: X
Policy Effective Date: July 1, 1997
1905 (1)(2)(B), Title 42
CFR, Parts 405, 413,
405.2462, 405.2468,
45 CFR 74

cc: Ms. Cathleen Gentry
Host County Liaison
455 Pine Avenue
Half Moon Bay, CA 94019

Mr. Richard Chambers
Associate Regional Administrator
Health Care Financing Administration
Division of Medicaid
75 Hawthorne Street, Fifth Floor
San Francisco, CA 94105-3901

Mr. Bill Lasowski
Technical Director
Office of Financial Services
Health Care Financing Administration
7500 Security Blvd., MS-C4-18-27
Baltimore, MD 21224-1850

Mr. Larry Lee
Accountant
Division of Medicaid
Health Care Financing Administration
801 I Street, Room 210
Sacramento, CA 95814