

FQHC 101:

- **What is an FQHC?**

FQHC 101:

- A **Federally Qualified Health Center (FQHC)** is a reimbursement designation from the Bureau of Primary Health Care and the Centers for Medicare and Medicaid Services of the United States Department of Health and Human Services.
- Basically it looks, and runs like any other clinic except they get paid a lot more for Medicaid & Medicare.

FQHC 101:

So how many FQHC's are there currently?



FQHC 101:

There was currently 1,375 FQHC's that receive Federal funding via the 330 Grant in 2015.

They represented 9,754 delivery sites.

Total Patients Served: 24,295,946

Over 96,951,585 encounters/visits.

FQHC 101:

Why would I want to be an FQHC?



FQHC 101:

Benefits of Being an FQHC

- up to \$650,000 in new start money from a 330 grant
- Enhanced Medicare and Medicaid reimbursement
- Medical malpractice coverage through the Federal Tort Claims Act
- Eligibility to purchase prescription and non-prescription medications for outpatients at reduced cost through the 340(b) Federal Drug Pricing Program.
- Access to National Health Service Corps
- Access to the Vaccine for Children program
- Eligibility for various other federal grants and programs

FQHC 101:

There are currently 4 ways to get funded as an FQHC.

- 1.) Community Health Centers which serve a variety of federally designated Medically Underserved Area/Populations (MUA or MUP).
- 2.) Migrant Health Centers which provide culturally competent and primary preventive medical care to migrant and seasonal agricultural workers
- 3.) Health Care for the Homeless Programs which reach out to homeless individuals and families and provide primary and preventive care and substance abuse services,
- 4.) Public Housing Primary Care Programs that serve residents of public housing and are located in or adjacent to the communities they serve.

FQHC 101:

**So what is this enhanced
reimbursement and
how much is it?**

FQHC 101:

- Payment calculated on a per visit basis
- States required to pay current FQHCs 100 percent of the average of their reasonable costs of providing Medicaid-covered services or an Alternative Payment Model (APM) that pays at least 100% of reasonable costs.
- FQHC's are paid based on the Prospective Payment System (PPS)
- Issues: Caps, Screens, Services covered, etc.

FQHC 101:

- In the State of Texas, the rates paid for a Medicaid visit to a Family Practice MD seeing someone between the age of 21 to 999.
- 99202 = \$41.09
- 99203 = \$54.41
- 99204 = \$79.62
- 99205 = \$98.98
- 99212 = \$22.14
- 99213 = \$33.27
- 99214 = \$46.73
- 99215 = \$71.93

FQHC 101:

- The lowest paid FQHC in the State of Texas would receive the following reimbursement from the Medicaid program for the same CPT codes: (Tejas Healthcare located in LaGrange, TX).

- **99202 = \$118.60**

- **99212 = \$118.60**

- **99203 = \$118.60**

- **99213 = \$118.60**

- **99204 = \$118.60**

- **99214 = \$118.60**

- **99205 = \$118.60**

- **99215 = \$118.60**

- **<https://www.dshs.texas.gov/cihcp/FQHC-and-RHC-Rates.doc>**

FQHC 101:

- The highest paid FQHC in the State of Texas would receive the following reimbursement from the Medicaid program for the same CPT codes: (Stephen F. Austin Community Health Center Inc, - Adoue Family Health Center located in Freeport, TX).

- **99202 = \$294.69**

- **99212 = \$294.69**

- **99203 = \$294.69**

- **99213 = \$294.69**

- **99204 = \$294.69**

- **99214 = \$294.69**

- **99205 = \$294.69**

- **99215 = \$294.69**

- **<https://www.dshs.texas.gov/cihcp/FQHC-and-RHC-Rates.doc>**

FQHC 101:

- How much more as a percentage the lowest and highest paid FQHC received compared to an independent physician clinic for the same CPT codes.

■ 99202 -	289%	717%	99212 –	536%	1,331%
■ 99203 -	218%	542%	99213 –	356%	886%
■ 99204 -	149%	370%	99214 –	254%	631%
■ 99205 -	120%	298%	99215 –	165%	410%

FQHC 101:

- **So why is there such a big difference between the two FQHC's in what they get paid for doing basically the same service?**

FQHC 101:

- The FQHC is paid on a Prospective Payment System (PPS) which is a method of reimbursement in which Medicare/Medicaid payment is made based on a predetermined, fixed amount.
- Allowable costs for Medicaid-covered services divided by Billable visits (face to face encounters)=
All inclusive per visit rate
- Example:
\$2,000,000 allowable costs
20,000 visits
All inclusive per visit rate = \$100

<https://www.cms.gov/medicare/medicare-fee-for-service-payment/prospmedicarefeesvcpmtgen/index.html>

FQHC 101:

What is the 330 Grant?

FQHC 101:

What is the 330 Grant?

It is money that the Federal government provides to FQHC's when they achieve their designation. Usually the dollar amount is \$650,000 and is used to pay for the services provided at the FQHC.

FQHC 101:

What is the 330 Grant?

The grant money can be used to pay for things such as:

- 1.) Salaries & Benefits of personnel
- 2.) Rent and Utilities
- 3.) Medical and Office Supplies
- 4.) Minor and Major Equipment
- 5.) Contract Services

Basically the money can be used to pay for items that are within your scope of service for providing the provision of health and dental care.

FQHC 101:

FTCA – Federal Torts Claims Act

What the heck is this?

FQHC 101:

FTCA – Federal Torts Claims Act

The Federal Tort Claims Act (FTCA), established in 1946, is the legal mechanism for compensating people who have suffered personal injury due to the negligent or wrongful action of employees of the U.S. government.

<https://bphc.hrsa.gov/ftca/healthcenters/ftcahcfaqs.html>

FQHC 101:

FTCA – Federal Torts Claims Act

But aren't FQHC's private not-for-profit entities though and the people in them NOT government employees?

FQHC 101:

FTCA – Federal Torts Claims Act

Does the Federal Tort Claims Act apply to health center employees?

Yes, in certain circumstances. Under section 224 of the Public Health Service (PHS) Act, as amended by the Federally Supported Health Centers Assistance Act of 1992 and 1995, employees of eligible health centers may be deemed to be Federal Employees qualified for protection under the FTCA.

FQHC 101:

FTCA – Federal Torts Claims Act

So why is FTCA coverage so beneficial to an FQHC?

FQHC 101:

FTCA – Federal Torts Claims Act

- **What are the benefits of FTCA coverage?**
- **By providing medical malpractice protection to health centers that meet annual program requirements, the Health Center FTCA Program saves Health Center Program grantees millions of dollars yearly that they can then invest to increase health care services and fund quality improvement activities.**
- **As Federal employees, the employees of qualified health centers are immune from lawsuits. The Federal government acts as their primary insurer.**

FQHC 101:

FTCA – Federal Torts Claims Act

- **As an additional benefit of FTCA coverage, a covered individual of an FTCA deemed health center who leaves that health center is protected for all covered activities resulting in allegations of medical malpractice that occurred while he/she was working as an officer, governing board member, employee, or qualified individual contractor of the deemed health center**

FQHC 101:

FTCA – Federal Torts Claims Act

1. **U.S. District Court has exclusive jurisdiction to hear FTCA claims.**
2. **Wood v. United States, 961 F2d 195, 197 (Fed. Cir. 1992). Non-jury trial before a U.S. District Court judge only. 28 U.S.C. § 2402.**
3. **Punitive damages are precluded. 28 U.S.C. § 2674.**
4. **Prejudgment interest damages are precluded. 28 U.S.C. § 2674.**
5. **FTCA statute of limitations requires claim be presented to the appropriate government agency within two years of accrual. 28 U.S.C. § 2401(b).**
6. **Attorney fees are limited to 20% of an administrative settlement and 25% of a judgment or compromise settlement after suit is filed. It's a federal crime to charge, demand, receive or collect more than the specified amounts. 28 U.S.C. § 2678 (not more than one year imprisonment or \$2,000 fine or both).**

FQHC 101:

FTCA – Federal Torts Claims Act

- Ob-Gyn: Yearly Medical Malpractice Premium 2013-2014
- New York (Long Island): \$195,891
- New York (Bronx): \$192,412
- Texas: \$27,434
- Nebraska: \$16,857
- California (certain counties): \$16,240

<http://www.doctorcpr.com/blog/2013-2014-malpractice-premiums-doctors-paying-195891-a-year-for-coverage/>

FQHC 101:

FTCA – Federal Torts Claims Act

SPECIALTY	AVERAGE RATE	Min Rate	Max Rate
Family Practice – No Surgery	\$7,172	\$3,022	\$13,583
Internal Medicine – No Surgery	\$7,581	\$2,725	\$15,525
Pediatrics - No Surgery	\$7,307	\$3,047	\$15,525
Obstetrics and Gynecology Major Surgery	\$28,171	\$13,248	\$57,601
Psychiatry	\$6,008	\$2,119	\$10,105

- <http://www.gallaghermalpractice.com/state-resources/texas-medical-malpractice-insurance/>

FQHC 101:

FTCA – Federal Torts Claims Act

Strategies with other Healthcare Entities

- **Employ the hospital OB/GYN group to save them the cost of mal-practice insurance. In high costs states like NY, this could result in savings of over \$190K/Physician**
- **Saves on legal costs as cases all go to Federal and not State courts.**
- **By having the FHQC employ the physicians, tail coverage expense is no longer a cost borne to the hospital or Physician.**
- **By having the FQHC employ the physician and their office staff, the hospital still gets to have the physician to admit to their facility but not having the expense of the staff to go along with it.**

FQHC 101:

What is the 340B program?

The 340B Drug Discount Program is a US federal government program created in 1992 that requires drug manufacturers to provide outpatient drugs to eligible health care organizations and covered entities at significantly reduced prices.

The intent of the program is to allow covered entities to "stretch scarce federal resources as far as possible, reaching more eligible patients and providing more comprehensive services"

https://en.wikipedia.org/wiki/340B_Drug_Pricing_Program

FQHC 101:

What is the 340B program?



FQHC 101:

What is the 340B program?

Provide financial benefits to health centers in order to:

- **Improve their financial stability**
- **Reduce costs to low income patients**
- **Gain revenue from insurance patients™**
- **Expand access to care for the underserved™**
- **Reduce taxpayer burden (No federal Funds used)**

FQHC 101:

What is the 340B program?

Strategies with community partners:

- **Send uninsured patients to FQHC for drugs as they could qualify for reduced discounts**
- **If you have a self insured health plan, negotiate with the FQHC to have your employees be seen by them and contract a reduced price for the purchase of any drugs used by them. TM**
- **Have the hospital run the retail pharmacy for the FQHC and share some of the savings in a higher dispensing fee to the hospital.**

FQHC 101:

NHSC – National Health Service Corp?

Members are health professionals providing primary health care services in underserved communities since 1972. In exchange, the providers are given either loan repayment or scholarship throughout their medical education (not to exceed four years).

The scholarship program provides for students' reasonable educational expenses (tuition, books and other required services like health insurance) and a monthly stipend for room and board. After school (and residency for medical, osteopathic medical, and dental students) the student must apply for pre-approved positions in underserved areas. The student must apply just like any job applicant. If the applicant chooses a specialty other than primary care, or otherwise does not fulfill the service requirement, he/she must repay the government 3 times the investment with interest.

FQHC 101:

NHSC – National Health Service Corp?

The loan repayment program works similarly; however, the students apply for the program after school and the NHSC repays up to \$60,000 every two years. There is also the option to work in an NHSC approved location for 5 years, which entitles the student to potentially receive \$170,000 in loan repayment. Also, there are a greater number of available positions because the criteria are less stringent.

https://en.wikipedia.org/wiki/National_Health_Service_Corps

FQHC 101:

NHSC – National Health Service Corp?

ELIGIBLE PROVIDERS

- **Allopathic and Osteopathic Physicians (MD, DO)**
 - **Nurse Practitioners (NP)**
 - **Certified Nurse Midwives (CNM)**
 - **Physician Assistants (PA)**

Dental Primary Care: Family/General, Pediatric, Geriatric

- **Doctors of Dental Surgery (DDS)**
- **Doctors of Medicine in Dentistry (DMD)**
- **Registered Dental Hygienists (RDH)**

Mental and Behavioral Health Primary Care

- **Allopathic and Osteopathic Physicians - Psychiatry (MD or DO)**
 - **Health Service Psychologists (HSP)**
 - **Licensed Clinical Social Workers (LCSW)**
 - **Licensed Professional Counselors (LPC)**
 - **Marriage and Family Therapists (MFT)**
 - **Psychiatric Nurse Specialists (PNS)**
 - **Nurse Practitioners - Mental Health (NP)**
 - **Physician Assistants - Mental Health (PA)**

FQHC 101:

NHSC – National Health Service Corp?

General Program

Primary care medical, dental and mental/behavioral health clinicians can get up to \$50,000 to repay their health profession student loans in exchange for a two-year commitment to work at an approved NHSC site in a high-need, underserved area.

The payment is free from Federal income tax and is made at the beginning of service so you can more quickly pay down your loans. Approved sites are located across the U.S., in both urban and rural areas.

FQHC 101:

NHSC – National Health Service Corp?

Strategies with Community Partners

Collaboration agreements between hospitals and FQHCs allow hospitals to access a primary care network without having to employ, and bear the overhead costs, of the practitioner.

Collaboration agreements between hospitals and FQHCs can reduce or eliminate the need to directly employ primary care professionals, yet still meet hospital network requirements in the formation of ACOs.

Hospitals have an alternative to purchasing physician practices and incurring large costs of purchasing the practice.

FQHC 101:

Conclusion

Opportunities exist for strategic partnerships with FQHC's whether you are a CAH, Psych Hospital, Community Hospital, or other type of provider.

Examples of these collaborations include:

Hospitals could Sell back office services to the FQHC to save on costs. Savings can be used by FQHC to expand Primary care services.

Hospitals could convert or give control of high risk clinics (OB) to FQHC and save on insurance costs.

FQHC could co-locate a clinic in the hospital ER room to divert non emergency patients and reduce re-admission penalties.

Co-Location model could include community mental health which would reduce "Avoidable" ER use of behavioral health needs that are not life threatening like Med Management, family crisis, social issues like homelessness, and so on.

FQHC 101:

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