



Understanding the FQHC Prospective Payment System



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Federally Qualified Health Centers

- National network of community health centers
- Supported by the Health Resources and Services Administration (HRSA); BPHC
- Provide culturally competent comprehensive primary health care services including dental
- Provide enabling services
 - interpretation and transportation

Federally Qualified Health Centers

- <http://bphc.hrsa.gov/about/healthcenterfactsheet.pdf>
- Health Resources and Services Administration;
<http://www.bphc.hrsa.gov/about>

4 Types of FQHCs

- Community Health Centers
- Migrant Health Centers
 - Focus on primary healthcare needs of migrant and seasonal agricultural workers and their families.
 - Currently 156 MHC across the states
 - In 2010, MHC served >800,000 patients
- Healthcare for the Homeless Centers
- Public Housing Primary Care Centers
 - located within or adjacent to public housing developments and serve the residential community

Charge

- To serve vulnerable populations and medically underserved communities

FQHC Target Population

- Serves millions- vulnerable populations and medically underserved
- Low income populations
- The uninsured
- Those with limited English proficiency
- Migrant and seasonal farm workers
- Individuals and families experiencing homelessness
- Those living in public housing

FQHC Locations

- High need communities
 - Health Professional Shortage Areas (HPSA)
 - Dental HPSA
- Governed by a representative community board
- Provide **comprehensive primary health care services including dental**
- Offer an array of supplemental family support services such as interpretation and transportation.

Funding Support

- FQHC's receive federal grants for operational cost
- Maximize resources through reimbursement from all third parties
- Use a corresponding schedule of discounts on the basis of the patient ability to pay
- Multiple models for payment-fee schedules

The Medicaid Program- Public Payer of Healthcare Services

- Federal entitlement program
- Enacted in 1965 under Title XIX of the Social Security Act
- Jointly administrated by federal and state governments
- Charged with implementing the EPSDT program.
 - Pays for “medically necessary” services, including dental care, for enrollees— those individuals who meet specific *age, health and income* eligibility requirements.
- All states participate in the Medicaid program
- Wide variability exists in coverage across the states
- There are core eligibility requirements set by the federal government
- States have flexibility to increase lower threshold limits to cover additional low-income beneficiaries
- Across states, eligibility, benefits and payment for services vary depending upon specific criteria set by each state Medicaid agency.

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Children's Health Insurance Program

Public Payer of Healthcare Services

- Federal-state medical assistance program
- Enacted in 1997
- Pays for health care services, including dental care, for children whose family's income is slightly higher than those eligible for Medicaid
- CHIP defines the dental benefit as those services "necessary to prevent disease and promote health, restore oral structures to health and function, and treat emergency conditions."

FQHC Payment Models

Fee For Service

- Payment model where fees are designated for individual services.
- FFS is the dominant payment method for dental care in the United States.
- These payment plans often impose a copayment, annual deductibles and apply benefit limitations.
- It is also the model *traditionally used* by state Medicaid agencies to pay Medicaid dentist providers.
- This model is used by some FQHC.

Managed Care

- Payment model that uses a variety of strategies to reduce healthcare costs and improve the quality of services.
- Many state Medicaid agencies are beginning to contract with managed care organizations (MCOs) and Health Maintenance Organizations (HMOs) to manage all or part of their dental benefits program.
- Under a state Medicaid -managed care contract, the state pays the MCO
- Contracts vary widely,
 - MCO may wholly or in-part administer the dental program;
 - establish a network of providers;
 - coordinate care; and manage the payment for services rendered.

Prospective Payment System (PPS)

- Primary method of payment for services provided by FQHCs
- Reimbursement method where Medicaid payments for healthcare services, including dental care, are made based on a predetermined fixed amount.
- Fixed amount is established and updated as necessary based on a formula and the actual costs of services.
- The CHC will generally know the method and amount paid by Medicaid in their state.

Payment Systems

Source of Key Information

- Payment systems provide key information
 - CMS Form-416 12a-12g
 - Program services-> access
 - Specific utilization-> use of services
- Quality assessment
- Quality improvement
 - Program managers, HMOs, MCOs and TPAs

State FQHCs Payment Models

- **Variability Across States**
- **Snapshot of State programs**

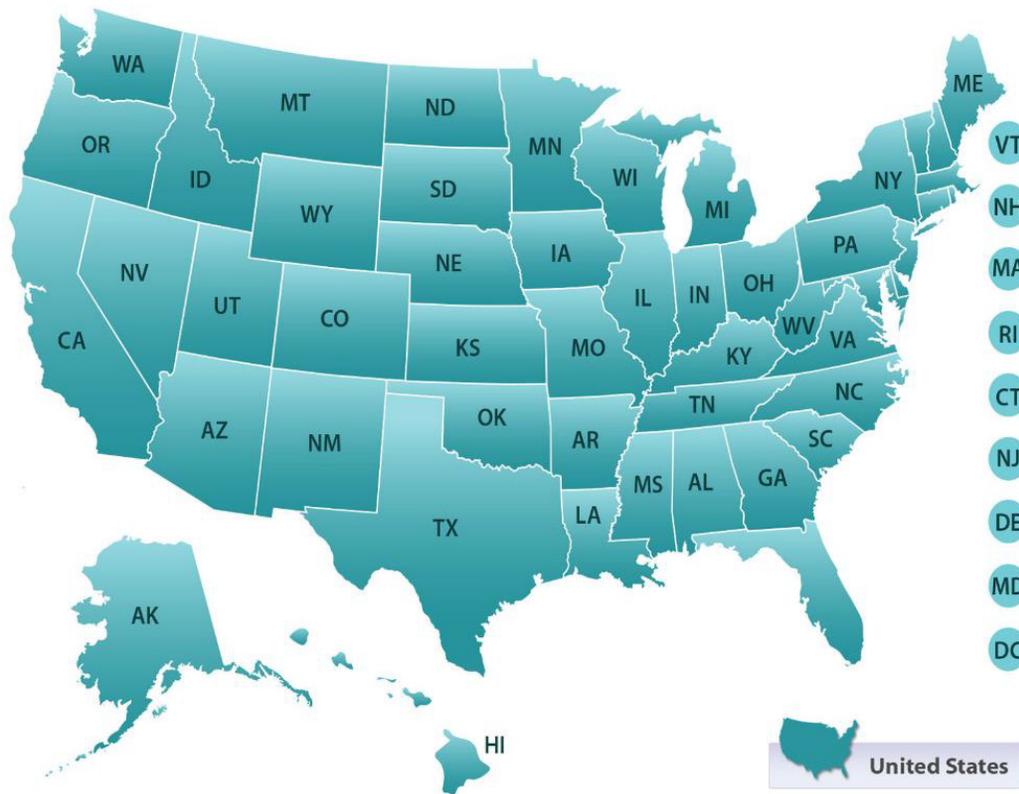
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PROFILE CATEGORIES

- Descriptive Program Information
- Managed Care Delivery System
- Benefits
- Provider Network - Dentists
- Provider Networks - Non-Dentists
- Policy (Legislative)
- Management
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Get Started by selecting a state to view Survey Details or choose a category.



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- State Oral Health Program Representative
- Dental Benefits Administration Models
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- Managed Care Delivery System

- States Contracting with Managed Care
- Unique Enrollment Counts
- Contracted Dental Manged Care

+ Benefits

+ Provider Network - Dentists

- Descriptive Program Information

Dental Benefits Administrations Models

Q: Please indicate ALL TYPES of dental benefits administration currently user by your Medicaid/CHIP program (check all that apply):

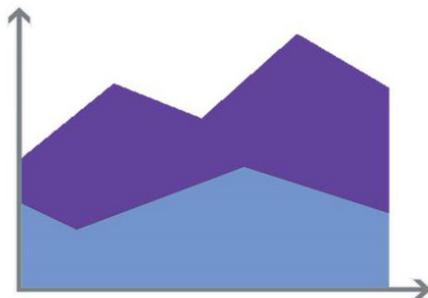
| Model | Medicaid | CHIP |
|---------------|----------|------|
| Direct | X | X |
| MCO | X | X |
| DBA | | |

Models for administrating Medicaid and CHIP Oral Health Program Service Delivery
This information is associated with question numbers 5 and 6 of the 2012 MSDA Profile.

Notes / Comments Hide / Show Notes

Morbi eu libero vel lacus adipiscing sodales eu in enim. Phasellus ultricies hendrerit commodo. Praesent non metus arcu, et vulputate ligula. Mauris dignissim, quam ac egestas sollicitudin, ligula.

FACTS AT A GLANCE



Methodology for Dental Provider Payments

Q: Please indicate next to each model that your state uses, the methodology for the dental provider in your Medicaid/CHIP program.

| Model | Payment Method | Medicaid | CHIP |
|---------------|---------------------------|----------|------|
| Direct | FFS | X | X |
| | Capitation | - | - |
| | Salary | - | - |
| | PPS/Encounter Rate | X | X |
| MCO | FFS | X | X |
| | Capitation | - | - |
| | Salary | - | - |
| | PPS/Encounter Rate | X | X |

FQHC Reimbursement Methodology

Management

FQHC Reimbursement Methodology and Rationale

Q Regarding dental services provided at Federally Qualified Health Centers, please indicate which payment system your state currently uses. Why does your state use the method noted above?

| Payment System | Yes | No |
|---------------------|-----|----|
| Fee for Service | - | X |
| Prospective Payment | X | - |
| Both | - | X |

i State payment methodology for federally qualified health centers and rationale for using the payment structure

This information is associated with question numbers 40 and 41 of the 2012 MSDA Profile.

Notes

Medicaid: Florida Medicaid reimburses a Prospective payment/Encounter for dental services provided at FQHCs.

Does state *receive* CDT level information from claims submitted by FQHCs?

[FQHC Billing: CMS Form 416; and CARTS Reports](#)

Q Does your state receive CDT-level information for dental services delivered at Federally Qualified Health Centers (FQHCs)? Yes/No

| State | Yes | No |
|---------|-----|----|
| Alabama | X | - |

i Billing system used by states for FQHC claims payment and whether the services are reported on the annual CMS- Form 416 and CARTS reports.

State and Regional Comparisons FQHC Payment Methodologies

Management

FQHC Reimbursement Methodology and Rationale

Q Regarding dental services provided at Federally Qualified Health Centers, please indicate which payment system your state currently uses. Why does your state use the method noted above?

| Payment System | AL | FL | GA | KY | MS | NC | SC | TN | Region | National |
|---------------------|----|----|----|----|----|----|----|----|--------|----------|
| Fee for Service | | | X | | | X | X | | 38% | 46% |
| Prospective Payment | X | X | X | X | X | X | | X | 88% | 68% |
| Both | | | X | | | X | | | 25% | 20% |

i State payment methodology for federally qualified health centers and rationale for using the payment structure

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Notes

AL: Federal Mandate

FL: Florida Medicaid reimburses a Prospective payment/Encounter for dental services provided at FQHCs. Through the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act (BIPA) 2000, it is mandated by the federal government.

GA: NA

KY: To ensure that actual costs are paid to the FQHCs. **MS:** The FQHC payment methodology has been the chosen system for many years and has not changed.

NC: FQHCs receive encounter payment off of our fee schedule and then cost settle at the end of the fiscal year based on an encounter rate or another cost-based methodology. My understanding is the state does not want public providers like FQHCs to operate in the red for the services they provide to Medicaid/CHIP beneficiaries. The aim is to have FQHCs at least break even on services provided to the publicly insured.

SC: All dental services are carved out of Managed Care: Payments are made FFS

TN: Tennessee's Medicaid program is 100% managed care, with all members enrolled in a managed care organization for acute care, pharmacy, and where applicable dental services. TennCare members receiving dental services in FQHCs are almost exclusively children, with the payment for those services provided via TennCare's Dental Benefits Manager (DBM) according to the TennCare Dental Fee Schedule. For those FQHCs that provide dental services there is a separate PPS rate established for those services by facility. Quarterly the number of encounters is totaled along with the payment for those encounters; the difference in payment received and the PPS rate for those encounters is then provided to the FQHC as a "wraparound" payment. Tennessee has been a pioneer in Medicaid managed care since the mid-1990s. This system supports federal requirements for FQHC PPS payments within that framework."

FQHC Payment Methodology by State

Compare Massachusetts to:

To another State: CA To a Region: National

FQHC Reimbursement Methodology and Rationale

Regarding dental services provided at Federally Qualified Health Centers, please indicate which payment system your state currently uses. Why does your state use the method noted above?

| State | Prospective | | |
|----------------------|-----------------|---------|------|
| | Fee for Service | Payment | Both |
| Alabama | | X | |
| Alaska | | X | |
| Arizona | | | |
| Arkansas | X | X | X |
| California | | | |
| Colorado | | X | |
| Connecticut | | X | |
| Delaware | X | | |
| District Of Columbia | X | | |
| Florida | | X | |
| Georgia | X | X | X |
| Hawaii | | | |
| Idaho | | X | |
| Illinois | | X | |
| Indiana | X | | |
| Iowa | | X | |
| Kansas | | X | |
| Kentucky | | X | |
| Louisiana | | X | |
| Maine | | X | |
| Maryland | X | | |
| Massachusetts | X | | |
| Michigan | X | X | X |
| Minnesota | | X | |
| Mississippi | | X | |
| Missouri | X | | |
| Montana | | X | |
| Nebraska | X | | |
| Nevada | X | X | X |
| New Hampshire | X | | |
| New Jersey | | X | |
| New Mexico | | X | |
| New York | | | |
| North Carolina | X | X | X |
| National | 46% | 68% | 20% |

State payment methodology for federally qualified health centers and rationale for using the payment structure. This information is associated with question numbers 40 and 41 of the 2012 NMSA Profile.

FQHC Payment Methodology by State

Management

QHC Reimbursement Methodology and Rationale

Q Regarding dental services provided at Federally Qualified Health Centers, please indicate which payment system your state currently uses. Why does your state use the method noted above?

| State | Fee for Service | Prospective Payment | Both |
|----------------|-----------------|---------------------|------|
| North Dakota | X | X | X |
| Ohio | | X | |
| Oklahoma | | X | |
| Oregon | | X | |
| Pennsylvania | X | X | X |
| Rhode Island | X | X | X |
| South Carolina | X | | |
| South Dakota | | X | |
| Tennessee | | X | |
| Texas | | X | |
| Utah | X | | |
| Vermont | X | X | X |
| Virginia | X | | |
| Washington | X | X | X |
| West Virginia | X | | |
| Wisconsin | X | | |
| Wyoming | | X | |
| National | 46% | 68% | 20% |

i State payment methodology for federally qualified health centers and rationale for using the payment structure
This information is associated with question numbers 40 and 41 of the 2012 MSDA Profile.

Does state include CDT level data on annual CMS-Form 416 *Report*?

Q Does your state include dental services provided to children at FQHCs as part of your reporting to CMS on the Form 416? Yes/No

| State | Yes | No |
|---------|-----|----|
| Alabama | X | - |

i Billing system used by states for FQHC claims payment and whether the services are reported on the annual CMS- Form 416 and CARTS reports.
This information is associated with question number 43 of the 2012 MSDA Profile.

Notes

Does state include CDT level data on annual CARTS Report?

Q Does your state include dental services provided to children at FQHC facilities as part of your reporting to CMS on the CARTS Report? Yes/No

| State | Yes | No |
|---------|-----|----|
| Alabama | - | X |

i Billing system used by states for FQHC claims payment and whether the services are reported on the annual CMS- Form 416 and CARTS reports.
This information is associated with question number 44 of the 2012 MSDA Profile.

Notes
Hope to have this capability in the near future.

States that Collect CDT Level Data

Does your state receive CDT-level information for dental services delivered at Federally Qualified Health Centers (FQHCs)? Yes/No

| State | Yes | No | Other |
|----------------------|------------|-----------|-----------|
| Alabama | X | | |
| Alaska | X | | |
| Arizona | X | | |
| Arkansas | X | | |
| California | | X | |
| Colorado | X | | |
| Connecticut | X | | |
| Delaware | X | | |
| District Of Columbia | X | | |
| Florida | X | | |
| Georgia | X | | |
| Hawaii | | | |
| Idaho | X | | |
| Illinois | X | | |
| Indiana | X | | |
| Iowa | X | | |
| Kansas | X | | |
| Kentucky | | | |
| Louisiana | X | | |
| Maine | | X | |
| Maryland | X | | |
| Massachusetts | X | | |
| Michigan | X | | |
| Minnesota | X | | |
| Mississippi | X | | |
| Missouri | X | | |
| Montana | X | | |
| Nebraska | | X | |
| Nevada | X | | |
| New Hampshire | X | | |
| New Jersey | X | | |
| New Mexico | | X | |
| New York | | | |
| North Carolina | X | | |
| National | 88% | 8% | 0% |

States that Collect CDT Level Data

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- Unique Enrollment Counts
- Contracted Dental Managed Care

Benefits

Provider Network - Dentists

Management

[FQHC Billing: CMS Form 416; and CARTS Reports](#)

Q. Does your state receive CDT-level information for dental services delivered at Federally Qualified Health Centers (FQHCs)? Yes/No

| State | Yes | No | Other |
|----------------|-----|----|-------|
| North Dakota | X | | |
| Ohio | X | | |
| Oklahoma | X | | |
| Oregon | X | | |
| Pennsylvania | X | | |
| Rhode Island | X | | |
| South Carolina | X | | |
| South Dakota | X | | |
| Tennessee | X | | |
| Texas | X | | |
| Utah | X | | |
| Vermont | X | | |
| Virginia | X | | |
| Washington | X | | |
| West Virginia | X | | |
| Wisconsin | X | | |
| Wyoming | X | | |
| National | 88% | 8% | 0% |

FACTS AT A GLANCE



I Billing system used by states for FQHC claims payment and whether the services are reported on the annual CMS- Form 416 and CARTS reports. This information is associated with question number 42 of the 2012 MSOA Profile.

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