

HOW FQHCs ARE PAID



Federally Qualified Health Centers (FQHCs) are a singular type of Medicaid provider and are required to provide all patients with comprehensive services – from primary care to mental and behavioral health to dental care.

- FQHCs must be in an underserved area and provide care to all, regardless of income or insurance status. By law and mission, no FQHC can restrict how many Medicaid patients it treats, even if payment is insufficient.
- Many services offered by FQHCs are often not covered by Medicaid, such as case management, translation, transportation, and some dental and behavioral health services.

FQHCs account for less than 2% of total Medicaid spending, yet provide care to one in every six Medicaid beneficiaries nationally.

FQHC patients have 24% lower total health care costs than similar non-FQHC patients do.

Congress created a specific payment methodology for FQHCs, called the Prospective Payment System (PPS). This payment system is crucial to the successful relationship between health centers, Medicaid, and Medicare, and to health centers' continued viability.

- Starting in 2001, PPS rates were calculated for each FQHC, based on historical costs of providing comprehensive care to Medicaid patients, to ensure each rate is appropriate and accurate.
- FQHC PPS ensures health centers are not forced to divert their Federal Section 330 grant funds, which support operations and care to the uninsured, to subsidize low Medicaid payments.

Many think that FQHCs are fully funded or "taken care of" by the federal government.

In fact, Federal Section 330 grant funds only account for approximately 5% to 15% of a Maine FQHC's total operating budget.

FQHCs receive a single, bundled rate for each qualifying patient visit no matter the intensity of service(s) provided. The bundled encounter rate includes all services that are "in scope."

- If a health center provides a service that they did not add to their scope of practice with HRSA, they would bill fee for service.
- Unlike other providers, this rate does not include a facility fee on top of the bundled rate. FQHCs cannot charge for each service delivered during the encounter.

To learn more about how to support Maine's FQHCs in your area, contact the Maine Primary Care Association today.