CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 11425	**Date: May 20, 2022**
	Change Request 12738

Transmittal 11384, dated April 28, 2022, is being rescinded and replaced by Transmittal 11425, dated, May 20, 2022 to remove Business Requirement 12738.1 and revise business requirement 12738.2. All other information remains the same.

SUBJECT: Update to the Payment for Grandfathered Tribal Federally Qualified Health Centers (FQHCs) for Calendar Year (CY) 2022

I. SUMMARY OF CHANGES: Section 10501(i)(3)(A) of the Affordable Care Act (Pub. L. 111–148 and Pub. L. 111–152) added section 1834(o) of the Act to establish a payment system for the costs of FQHC services under Medicare Part B based on prospectively set rates. In the PPS for FQHC Final Rule published in the May 2, 2014 Federal Register (79 FR 25436), CMS implemented a methodology and payment rates for FQHCs under the PPS beginning on October 1, 2014.

EFFECTIVE DATE: January 1, 2022
**Unless otherwise specified, the effective date is the date of service.*
IMPLEMENTATION DATE: July 5, 2022

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)
R=REVISED, N=NEW, D=DELETED-*Only One Per Row.*

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	N/A

III. FUNDING:

For Medicare Administrative Contractors (MACs):
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

Recurring Update Notification

Attachment - Recurring Update Notification

Pub. 100-04	Transmittal: 11425	Date: May 20, 2022	Change Request: 12738

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SUBJECT: Update to the Payment for Grandfathered Tribal Federally Qualified Health Centers (FQHCs) for Calendar Year (CY) 2022

EFFECTIVE DATE: January 1, 2022
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I. GENERAL INFORMATION

A. Background: Section 10501(i)(3)(A) of the Affordable Care Act (Pub. L. 111–148 and Pub. L. 111–152) added section 1834(o) of the Act to establish a payment system for the costs of FQHC services under Medicare Part B based on prospectively set rates. In the Prospective Payment System (PPS) for FQHC Final Rule published in the May 2, 2014 Federal Register (79 FR 25436), CMS implemented a methodology and payment rates for FQHCs under the PPS beginning on October 1, 2014.

Effective for dates of service on or after January 1, 2016, Indian Health Service (IHS) and tribal facilities and organizations that met the conditions of section 413.65(m) on or before April 7, 2000, and have a change in their status on or after April 7, 2000 from IHS to tribal operation, or vice versa, or the realignment of a facility from one IHS or tribal hospital to another IHS or tribal hospital such that the organization no longer meets the Conditions of Participation(CoPs), may seek to become certified as grandfathered tribal FQHCs. These grandfathered tribal FQHCs would be required to meet all FQHC certification and payment requirements. The grandfathered PPS rate equals the Medicare outpatient per visit payment rate paid to them as a provider-based department, as set annually by the IHS.

B. Policy: Grandfathered tribal FQHCs are paid the lesser of their charges or a grandfathered tribal FQHC PPS rate for all FQHC services furnished to a beneficiary during a medically-necessary, face-to-face FQHC visit. From January 1, 2022 through December 31, 2022, the grandfathered tribal FQHC PPS rate is $541.00. FQHC claims (Type of Bill (TOB) 77X) for grandfathered tribal FQHCs submitted with dates of service on or after January 1, 2022 through June 30, 2022 paid at the CY 2021 rate of $414.00 must be adjusted and paid at the CY 2022 rate of $541.00. Grandfathered tribal FQHC claims with dates of service on or after January 1, 2022 through December 31, 2022, should be paid at the CY 2022 rate of $541.00 until CMS provides an updated payment rate for CY 2023. The grandfathered tribal FQHC PPS rate will not be adjusted by the FQHC Geographic Adjustment Factors (GAFs) or be eligible for the special payment adjustments under the FQHC PPS for new patients, patients receiving an Initial Preventive Physical Examination (IPPE) or an Annual Wellness Vist (AWV). The rate is also ineligible for exceptions to the single per diem payment that is available to FQHCs paid under the FQHC PPS. In addition, the FQHC market basket adjustment that is applied annually to the FQHC PPS base rate will not apply to the grandfathered tribal FQHC PPS rate.

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
12738.1	This requirement has been deleted.					X				
12738.2	Contractors shall adjust all FQHC claims (TOB 77X) for grandfathered tribal FQHCs paid at the previous rate which includes dates of service on or after January 1, 2022 through May 4, 2022, received prior to May 4, 2022.	X								
12738.2.1	MACs shall complete the adjustments 90 days after the implementation of this change request.	X								

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			DME MAC	CEDI
		A	B	HHH		
12738.3	Medicare Learning Network® (MLN): CMS will market provider education content through the MLN Connects® newsletter shortly after CMS releases the CR. MACs shall follow IOM Pub. No. 100-09 Chapter 6, Section 50.2.4.1 instructions for distributing the MLN Connects newsletter information to providers and link to relevant information on your website. You may supplement MLN content with your local information after we release the MLN Connects newsletter. Subscribe to the "MLN Connects" listserv to get MLN content notifications. You don't need to separately track and report MLN content releases when you distribute MLN Connects newsletter content per the manual section referenced above.	X				

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): Glenn McGuirk, 410-786-5723 or Glenn.McGuirk@cms.hhs.gov , Lisa Parker, 410-786-4949 or Lisa.Parker1@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):
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ATTACHMENTS: 0