COMMUNITY HEALTH CENTER

FQHC

QUALITY

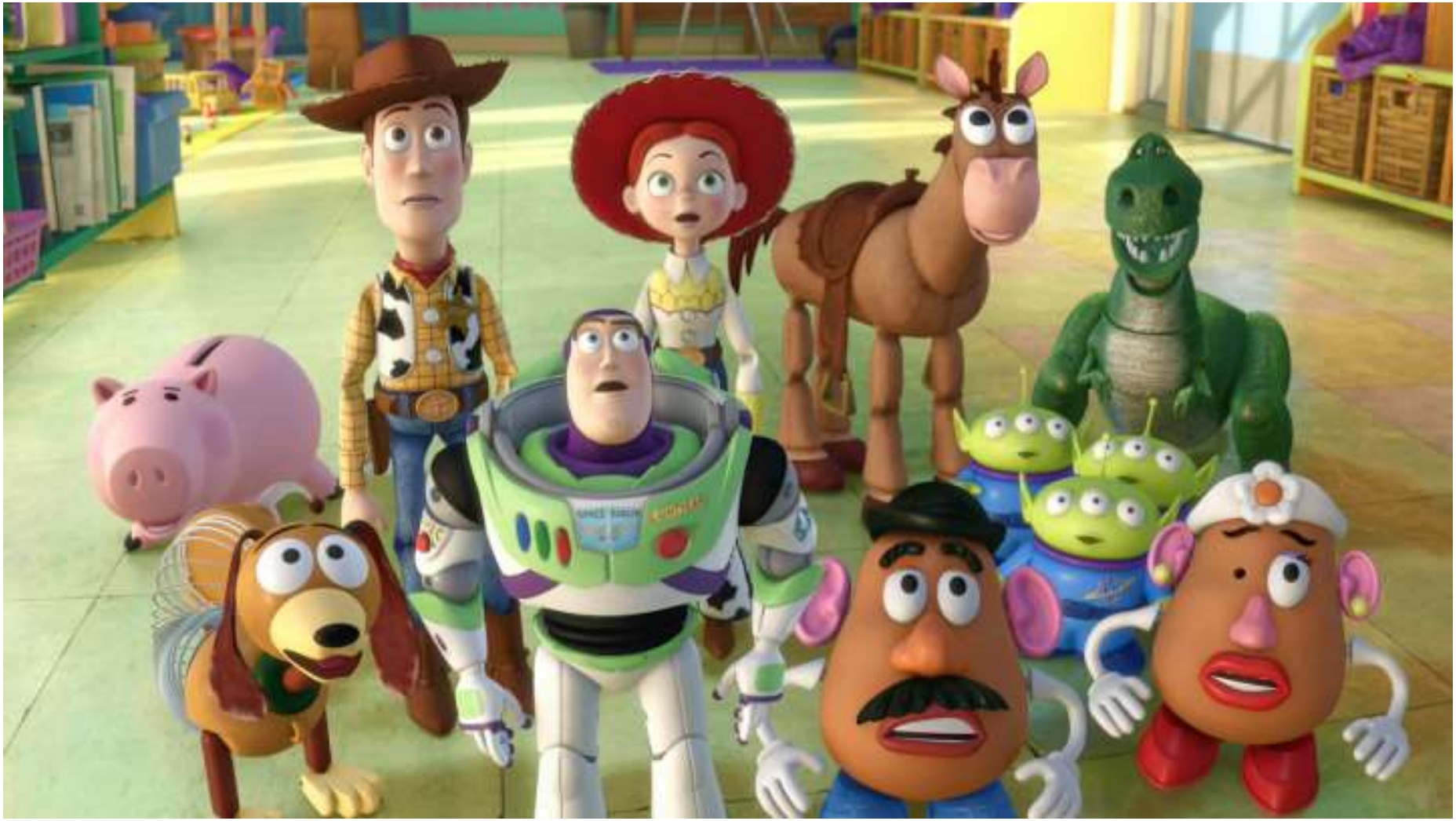
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To FQHC and beyond?

What is involved in becoming a Federally Qualified Health Center (FQHC)?

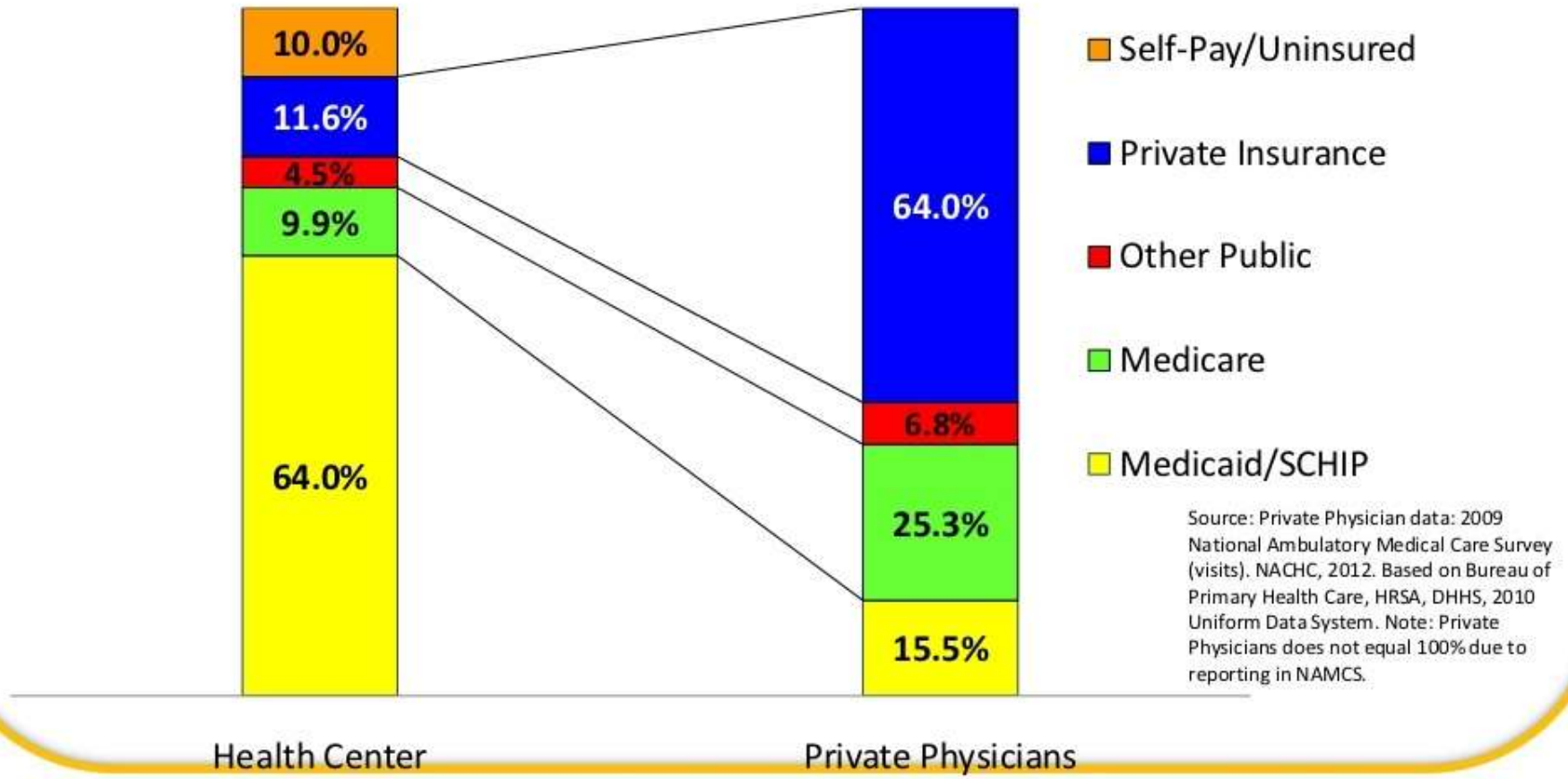
Dr. Bill Morehouse

Presentation to the His Branches Board of Directors – December 15, 2015



Can we really do this, Buzz?

Health Centers' Revenue Sources Do Not Resemble Those of Private Physicians



Which revenue source do we have?

Medical Practice Organization

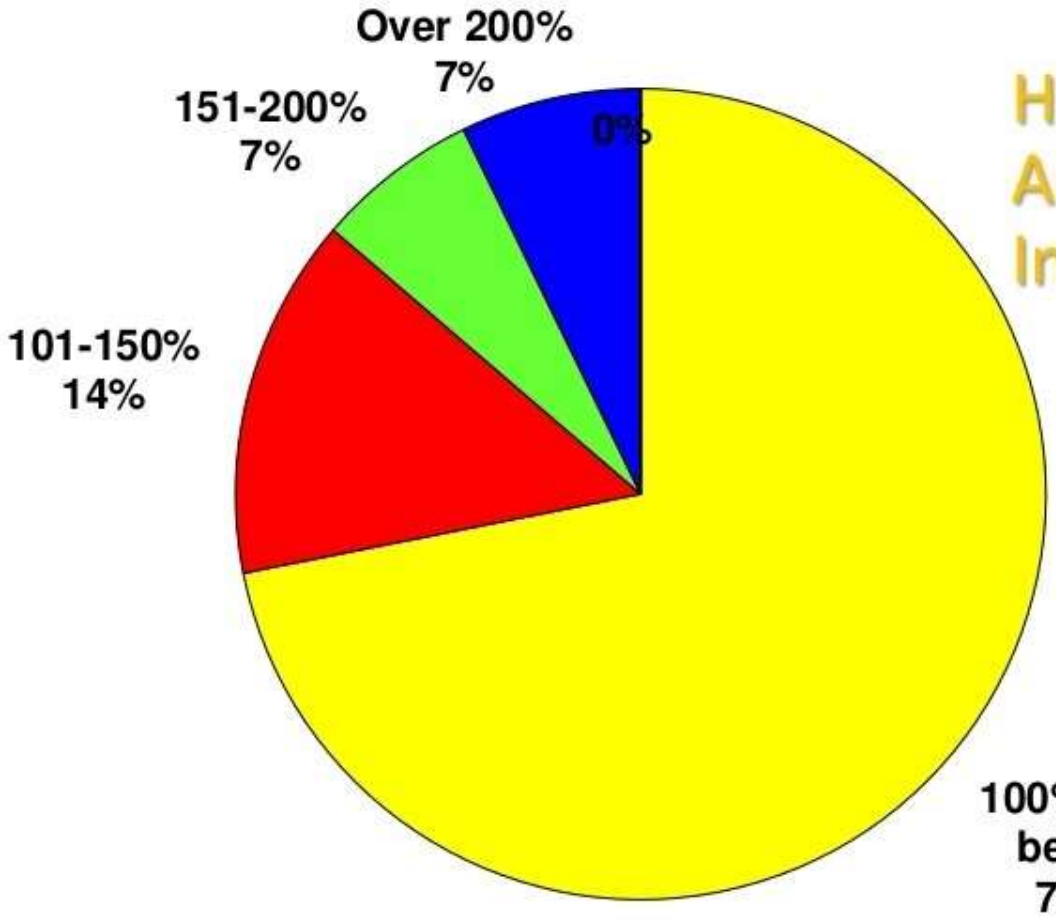
Private Practice

- Individually licensed health care providers (MD, PA, etc.)
- Each responsible for care under their own license
- Payment is to providers
- Providers (solo or organized as a group) run their own practices
- Providers hire all non-provider staff and pay all bills
- Subject to all NYS hiring laws and requirements

Licensed Center

- Center (CHC/D&TC, FQHC) is licensed as an organization
- Board of Directors responsible for care under center license
- Payment is to center
- Center is run by CEO and Medical Director under Board oversight
- Center hires all staff, including providers and pays all bills
- **Religious organizations exempt from some NYS hiring laws**

Who are health center patients?



Health Center Patients Are Predominately Low Income

Source: Federally-funded health centers only. 2010 Uniform Data System, Bureau of Primary Health Care, HRSA, DHHS.

Note: Federal Poverty Level (FPL) for a family of three in 2010 was $17,600. (See http://aspe.hhs.gov/poverty/08poverty.shtml.) Based on percent known. Percents may not total 100% due to rounding.

This is why we became a CHC

Key Characteristics of Health Centers

Community Health Centers (CHCs), aka Federally Qualified Health Centers (FQHCs) and FQHC-Look Alikes

- ✓ Not-for-profit (Public or private)
- ✓ Provide a Comprehensive Scope of Services
- ✓ Located in or serve a high need community - Medically Underserved Area (MUA) or a Medically Underserved Population (MUP)
- ✓ Govern with community involvement (51%-user Board of Directors)
- ✓ Treat patients regardless of ability to pay

NYS license almost has us here

What is an FQHC?

- FQHCs are **community-based** organizations that provide **comprehensive** primary care and preventive care services to persons of all ages, regardless of their ability to pay or health insurance status. Their "safety net" mission is to enhance primary care services in **underserved communities**.
- FQHCs operate under a **consumer governance** Board of Directors structure and function under the supervision of the Health Resources and Services Administration (HRSA), which is part of the United States Department of Health and Human Services (HHS).
- FQHCs provide their **services to all persons regardless of ability to pay**, and charge for services on a community board approved sliding-fee scale that is based on patients' family income and size. FQHCs must comply with Section 330 program requirements.
- **In return for serving all patients regardless of ability to pay, full FQHCs receive consideration from the Federal government in the form of cash grants, cost-based reimbursement for their Medicaid patients, and free malpractice coverage under the Federal Tort Claims Act (FTCA).**

FQHC Organizational Types

FQHC Look-Alike

- Organized as a clinic very similar to NYS Article 28
- Board of Directors has >50% consumers
- Reports to HRSA
- **Receives "wrap around" reimbursement for Medicaid services**
- Eligible to apply for full FQHC status

Full FQHC

- Meets all requirements for look-alike status
- Successfully applies to become an official Access Point for Federal safety net services
- **Receives Section 330 annual grant funding**
- **Receives free malpractice insurance coverage**

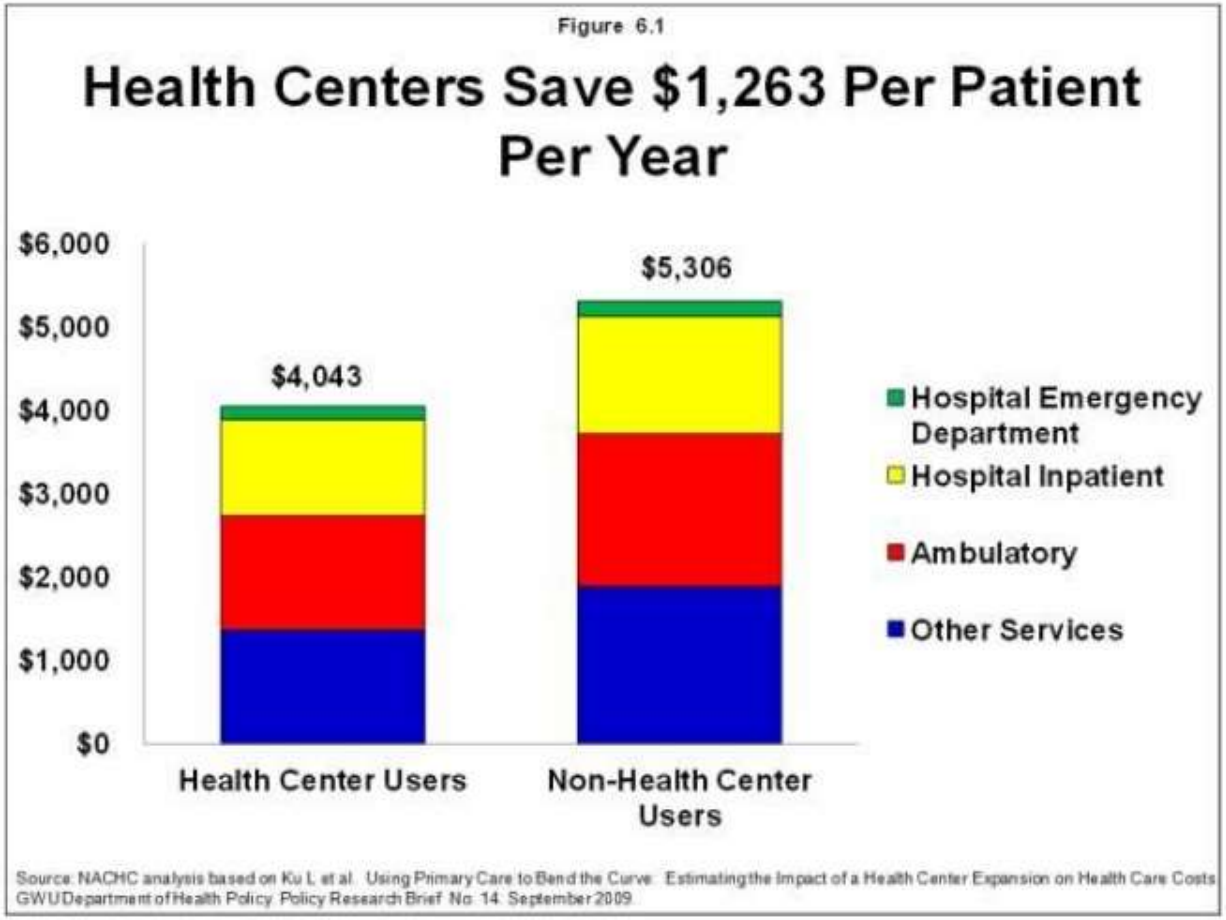
What is an FQHC "Look-Alike"?

- The government also designates a category of health centers as FQHC "Look-Alikes." These health centers do not receive grants under Section 330 but are determined by the Secretary of the Department of Health and Human Services (HHS) to meet all the requirements for receiving a grant based on the Health Resources and Services Administration recommendations.
- **FQHC Look-Alikes receive "wrap around" cost-based reimbursement for their Medicaid services, but do not receive any Section 330 cash grant funds or free malpractice coverage under FTCA.**
- An FQHC Look-Alike is in an ideal position to apply to become a full FQHC that is eligible for Section 330 grant support and malpractice coverage when HRSA announces their next request for proposal for applicants to become "New Access Points" (newly certified full FQHCs).
- **We have just received word that another New Access Point application cycle will be opening in 2016.**

What is FQHC "Wrap Around"?

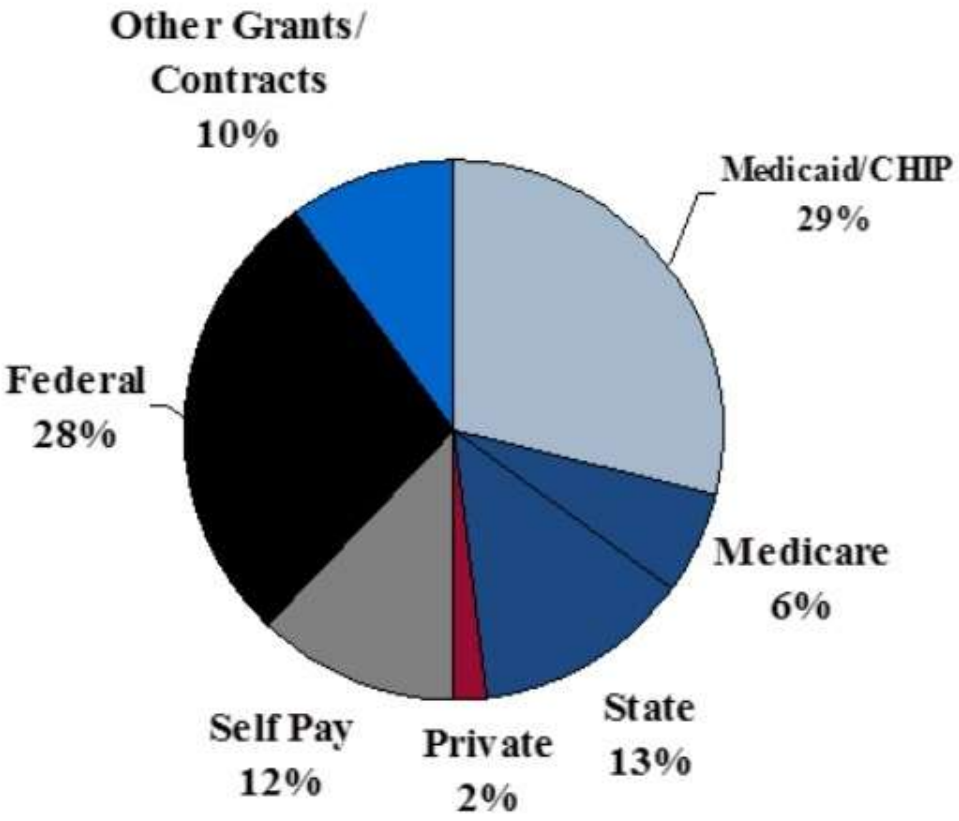
- Medicaid reimburses FQHCs under the Alternative Payment Methodology (APM), a cost based rate. Centers are paid an all-inclusive per visit rate based on reasonable costs as reported on its annual cost report. During the year, Medicaid pays an interim rate and reconciliation to actual costs are made with the annual cost report.
- Reimbursement rates are limited by upper payment limits set annually by CMS. The reimbursement rate applicable to each Center is communicated to the Center in a Medicaid Cost Settlement letter.
- If Medicaid HMO payments are less than a Center's Medicaid reimbursement rate, Medicaid pays the difference.
- **The Wrap Around is a request for reimbursement of the difference between HMO payments received and the Medicaid reimbursement rate. Our current HMO payments average about $76 per visit, while NYS has set our Medicaid reimbursement rate at $166 per visit. The difference = $90 per visit.**

Why support health centers?



This is what PCMH+ is all about

Income Sources for Health Centers



This is why we're so financially strapped

FQHC – 19 Requirements

HRSA has established 19 Key Health Center Program Requirements which are divided into four categories:

A. Need
B. Services
C. Management & Finance
D. Governance



FQHC Need

1. Needs Assessment

- Health center has a documented assessment of the needs of its target population, and has updated its service area if/when appropriate.

We will be revisiting and updating in early 2016



Requirement

Current Status

FQHC Services

2. Required and Additional Services
3. Staffing
4. Accessible Hours of Operation/Locations
5. After Hours Coverage
6. Hospital Admitting Privileges and Continuum of Care
7. Sliding Fee Discounts
8. Quality Improvement/Assurance Plan

Most of this is now in place but needs work to get fully implemented

Requirement	Current Status

FQHC Management & Finance

9. Key Management Staff
10. Contractual/Affiliation Agreements
11. Collaborative Relationships
12. Financial Management and Control Policies
13. Billing and Collections
14. Budget
15. Program Data Reporting Systems
16. Scope of Project

Much of this is in place but needs to be better understood, upgraded, and expanded

Requirement	Current Status

FQHC Governance

17. Board Authority
18. Board Composition
19. Conflict of Interest Policy

Planning underway to expand Board to include more service recipients, tweak policies



Requirement	Current Status



Yes, we CAN go where many have gone before…

FQHC Questions?

