HealthCare
Kentucky Regional Extension Center

How Does MACRA Affect FQHCs & RHCs in Year 3?

In November of 2018, CMS released its final rule for the Quality Payment Program Year 3 authorized by the Medicare Access and CHIP Reauthorization Act (MACRA). Federally Qualified Health Centers (FQHCs) and Rural Health Centers (RHCs) have asked if MACRA applies to them. The answer is a bit complicated.

The MACRA Final Rule makes clear that FQHC and RHC services billed under the global or all-inclusive rate are not subject to the Merit-Based Incentive Payment System (MIPS) payment adjustments (see below). Many FQHCs and RHCs do bill some services, such as lab and portions of radiology services under Medicare Part B. Any services billed under Medicare Part B, under the Physician Fee Schedule (PFS), would be included under MIPS, thus the physician would be required to participate in the MIPS program. The good news is that the MACRA legislation maintained the low volume exclusion that may exempt those FQHCs and RHCs from receiving a MIPS payment adjustment for their Medicare Part B payments. CMS does encourage FQHCs and RHCs to participate voluntarily for feedback on their performance without the risk of payment adjustment, if they desire to do so.

From the MACRA Final Rule pdf in the Federal Register:
…Services rendered by an eligible clinician under the RHC or FQHC methodology will not be subject to the MIPS payments adjustments. However, these eligible clinicians have the option to voluntarily report on applicable measures and activities for MIPS, in which the data received, will not be used to assess their performance for the purpose of the MIPS payment adjustment.

If an FQHC or RHC bills Medicare Part B for some services, are they subject to MACRA's provisions?

For some, yes. RHCs must look at how much traditional Medicare Part B is billed using a 1500 claim form (versus the all-inclusive rate). FQHCs must look at whether they bill Medicare Part B for some office procedure components, such as EKGs, pulmonary function tests, Holter monitors and some radiology services. So, how does an FQHC or RHC decide what to do? Please consider the following questions in deciding what course is best for your FQHC or RHC:

1. How do I tell who is required to submit for the Quality Payment Program?
   - We recommend you begin with checking the eligibility status of your clinicians by looking up their National Provider Identifier (NPI) at www.qpp.cms.gov.
   - Eligibility is updated throughout the year during different "snapshot" periods.
     i. We recommend checking in April and September at a minimum.
2. How much do you bill Medicare Part B in a year?
   - If ≤$90K & ≤200 Patients & ≤200 PFS are seen/obtained for the whole group/taxpayer identification number (TIN), then no MIPS participation is required as the RHC or FQHC, as a group, qualifies for the low volume exemption.

- If any of your clinicians exceed this Low Volume Exemption Criteria for 2019, you will have the ability to Opt-In to the MIPS program and be subject to any potential positive or negative adjustments based on your performance.
    i. The decision to Opt-In must be done within the performance period/year and is irrevocable once opted-in.

Could the Medicare low volume threshold apply to your individual clinicians?

If the FQHC or RHC's clinicians are not exempt from MIPS, then consider whether the 7% penalty for non-participation in the payment year for 2019 will harm your financial health, or if paying staff or IT costs that are needed for MIPS will be worth it to avoid the penalty. If the revenue is substantial and patients like the access to ancillary services on site, it may be beneficial to participate in MIPS.

When in doubt, consider reporting something under MIPS. CMS has made it easy to report and avoid penalties during the transition years by keeping the threshold to avoid penalty low (Calendar Years 2017-2019).

Who determines which groups or clinicians meet the low volume exclusion?

CMS will review Part B claims and determine whether groups and individual clinicians are excluded using the Low Volume Criteria. CMS has already updated the NPI lookup on their website to show provider eligibility for 2019. Please visit www.qpp.cms.gov.

What if RHCs or FQHCs are in APMs?

Certain FQHCs or RHCs may have "qualifying providers" (QPs) in Advanced Alternative Payment Models (APMs) such as a Medicare Shared Savings Program Track 2 or Track 3 Accountable Care Organizations. These QPs may be eligible for additional bonuses under MACRA.

If in a MIPS APM, you may be required to submit on some of the categories under MIPS, regardless of your clinic's or provider's eligibility. Make sure to check with your APM representative regarding your requirements and expectations as part of the APM.

- You can check your status under an APM using the same NPI Eligibility Lookup at www.qpp.cms.gov.

Make sure to print or save your eligibility lookup information from within the submission portal/sign in area at www.qpp.cms.gov. Keep this information & any attestation proof for at least 6 years.

More questions? Contact UK's Kentucky REC at 859-323-3090.

Funding for this document was provided by Funding Opportunity Number CMS-1L1-15-003 from the U.S. Department of Health & Human Services, Centers for Medicare & Medicaid Services. The contents provided are solely the responsibility of the authors and do not represent the official views of HHS or any of its agencies. The information contained in this presentation is for general information purposes only. The information is provided by UK HealthCare's Kentucky Regional Extension Center and while we endeavor to keep the information up to date and correct, we make no representations or warranties of any kind, express or implied, about the completeness, accuracy, reliability, suitability or availability with respect to content.