DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
233 North Michigan Ave., Suite 600
Chicago, Illinois 60601

Financial Management Group

May 24, 2022

Mr. Patrick Gillies
Medicaid Director State of Louisiana
Department of Health
628 N 4th Street
P.O. Box 91030
Baton Rouge, LA 70821-9030

RE: Request for Additional Information (RAI) Transmittal Number LA 22-0002

Dear Mr. Gillies,

The Centers for Medicare & Medicaid Services (CMS) has completed our review of the proposed amendment submitted under transmittal number (TN) LA-22-0002. This state plan amendment (SPA) has a proposed effective date of January 1, 2022. The purpose of this SPA is to amend provisions governing reimbursement for Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs) in order to establish an alternative payment methodology (APM) which would allow reimbursement outside of the current prospective payment system (PPS) rate for community health worker services provided in FQHCs and RHCs.

Section 1902(a) of the Social Security Act (the Act) requires that states have a state plan for medical assistance that meets certain federal requirements that set out a framework for the state program. Implementing regulations at 42 CFR 430.10 require that the state plan be a comprehensive written statement containing "all information necessary for CMS to determine whether the plan can be approved as a basis for Federal Financial Participation (FFP) in the state program."

To be comprehensive, payment methodologies should be understandable, clear and unambiguous. In addition, because the plan is the basis for FFP, it is important that the plan language provide an auditable basis for determining whether payment is appropriate.

Before we can continue processing this amendment, we need additional or clarifying information.

GENERAL:

<u>Form 179</u>

1. CMS is requesting that the state make the following pen and ink changes to the CMS 179 form:
   - Box 5, please update to include the following references: 1905 (a)(6) of the Social Security Act and implementing regulation at 42 CFR 440.60.

- Box 8, please update with: Please process the pen and ink change to remove pending TN: 21-0020 and pending TN: 21-0019. The state had processed pen and ink change to remove the same TN information during informal questions to the state.
- Box 8, please include the following: New Page.

4.19(b) General Plan Pages Language:

2. The state did not answer this question by the FQHC team during our informal questions to the state:
   - As the normal PPS methodology includes the costs for the physical, behavioral, and dental health FQHC services and their respective visits, please explain how paying this PPS payment (each time a dental, behavioral health, and/or physical health encounter is provided on the same day) is not a duplication of payment?

4.19(b) Specific Plan Pages Language:

After the review of informal responses from the state pertaining to 4.19(b) plan language of this SPA, it is not clear to CMS how the state will pay for the community health worker (CHW) services when provided by FQHCs.

In the revised response to informal question #1, the state indicates that the CHW services are in-scope FQHC services and that these services represent those provided during an all-inclusive encounter visit. The state responded that these services would be paid as APM, which would be an add-on amount when these services are provided. Yet, in the informal response #3 received by CMS, the state indicates that these services provided alone would not trigger a PPS payment.

Based on these responses it is our understanding that CHW services alone are incident to services, that are paid $0 when they occur, and that the state would like to make an APM that pays PPS. The CHW service fee schedule amount will be paid when these services are provided in the same visit with another FQHC in-scope service that is eligible for PPS.

If our understanding is correct, please respond to the following:

3. Are these add-on amounts in addition to only the PPS or are they in addition to whatever rate (PPS/APM) the FQHC is already receiving for these mental/dental/behavioral health visits?

CMS is requesting for the state to please make the following changes to the state plan language:

Attachment 4.19-B, Item 2.c., Page 4a

Effective for dates of service on or after January 1, 2022, community health worker (CHW) services provided by a FQHC shall be reimbursed through an alternative payment methodology (APM) ~~separate payment outside of the all-inclusive PPS rate~~ when these services are provided ~~made~~ on the same date as ~~for~~ a medical/dental/behavioral health visit. Community health workers are unlicensed providers that render preventive and other health services to beneficiaries. The APM will pay FQHCs an add-on amount, equivalent to the fee schedule rate for the community health worker service, in addition to the PPS. The fee schedule rate for

community health worker services is located (please insert exact name of fee schedule <u>AND</u> either both or one of the following: 4.19-B page where the rates are approved and/or link to fee-schedule). The APM must be agreed to by the Department and the FQHC, and must result in payment to the FQHC which is at least the PPS rate on file for the date of service.

<u>Attachment 4.19-B, Item 2.b., Page 5</u>

Community Health Worker Services

Effective for dates of service on or after January 1, 2022, community health worker services provided by a RHC shall be reimbursed through an alternative payment methodology ~~separate payment outside of the all-inclusive PPS rate~~ when these services are provided ~~made~~ on the same date as ~~for~~ a medical/dental/behavioral health visit. Community health workers are unlicensed providers that render preventive and other health services to beneficiaries. The APM will pay RHCs an add-on amount, equivalent to the fee schedule rate for the community health worker service, in addition to the PPS. The fee schedule rate for community health worker services is located (please insert exact name of fee schedule <u>AND</u> either both or one of the following: 4.19-B page where the rates are approved and/or link to fee-schedule). The APM must be agreed to by the Department and the RHC, and must result in payment to the RHC which is at least the PPS rate on file for the date of service.

CMS is requesting this additional/clarifying information under provisions of section 1915(f) of the Social Security Act (added by PL 97-35). This has the effect of stopping the 90-day clock for CMS to take action on the material, which would have expired on May 29, 2022. A new 90-day clock will not begin until we receive your response to this request.

In accordance with our guidelines to all State Medicaid Directors dated January 2, 2001, and subsequently reiterated in the August 16, 2018 Center for Medicaid and CHIP Services Informational Bulletin, if a response to a formal request for additional information (RAI) from CMS is not received from the state within 90 days of issuance, CMS will initiate disapproval of the SPA action. In addition, because this amendment was submitted after January 2, 2001 and is effective after January 1, 2001, please be advised that we will defer federal financial participation (FFP) for state payments made in accordance with this amendment until it is approved. Upon approval, FFP will be available for the period beginning with the effective date through the date of approval.

We ask that you respond to this RAI via the OneMAC portal at http://onemac.cms.gov

Please also email a copy to Monica Neiman at Monica.Neiman@cms.hhs.gov

Please address your response to:

Todd McMillion
Director, Division of Reimbursement Review
Financial Management Group
Center for Medicaid & CHIP Services
Centers for Medicare and Medicaid Services
233 North Michigan Ave., Suite 600

Chicago, Illinois 60601

If you have any questions, please contact Monica Neiman at Monica.Neiman@cms.hhs.gov

Sincerely,

Todd McMillion

Todd McMillion
Director
Division of Reimbursement Review