

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Department of Health Care Finance**



Office of the Senior Deputy Director/Medicaid Director

**Transmittal # 20-32**

TO: All Federally Qualified Health Centers

FROM: Melisa Byrd  
Senior Deputy Director and State Medicaid Director

DATE: September 4, 2020

SUBJECT: **Implementation of the FQHC PMPM – APM During COVID-19 PHE**

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**Purpose**

This transmittal provides notice and billing guidance to Federally Qualified Health Centers (FQHCs) on the implementation of the Per-Member-Per-Month (PMPM) Alternative Payment Methodology (APM) for services rendered for fee-for-service during the pendency of the federal Public Health Emergency (PHE) period.<sup>1</sup> The PMPM is effective for all FQHC services occurring on or after March 1, 2020 for fee-for-service beneficiaries.

**Notice**

On August 6, 2020, the Centers for Medicare and Medicaid Services (CMS) approved the Emergency State Plan Amendment (SPA) # 20-003, establishing the District's FQHC PMPM reimbursement methodology. The PMPM-APM is an addition to the existing Per-Visit/Encounter APM and Prospective Payment System (PPS). Unlike the Per-Visit/Encounter APM or PPS, the PMPM-APM provides FQHCs with a steady funding stream to mitigate revenue losses and absorb cost increases during the COVID-19 PHE period.

Under the PMPM-APM, the Department of Health Care Finance (DHCF) shall reimburse separate monthly rates for each service category: primary care; behavioral health; and preventive, diagnostic, and comprehensive dental, for Medicaid fee-for-service beneficiaries attributed to the FQHC. The monthly rate for each service is unique to each FQHC and is computed based on the historical utilization, expenditures and additional COVID-19 related costs of the FQHC. Further, the beneficiary attribution shall be based on the historical utilization data and beneficiary visits to the FQHC. Although beneficiaries are assigned to an FQHC for purposes of reimbursing the PMPM-APM, beneficiaries may however elect to receive care at any health center of their preference.

**Implementation Guidance**

While the PMPM is significantly different from the other FQHC reimbursement methodologies both in the rates, and payment systems, DHCF has designed the implementation process to ensure

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<sup>1</sup> The Public Health Emergency period, for purposes of the information contained in this Transmittal, is from March 1, 2020, through the termination of the PHE, as determined by the Secretary of the U.S. Department of Health and Human Services, including any extensions.

it is seamless and limits burden for the FQHCs. DHCF has operationalized changes in the Medicaid Management Information System (MMIS) to allow the reimbursement of the monthly PMPM to FQHCs. Please note and follow the process below for billing and reimbursement under the PMPM.

***PMPM Election:*** Considering the PMPM is an APM, FQHCs must elect to receive reimbursements through this methodology.<sup>2</sup> Therefore, FQHCs must complete and submit the PMPM election form to DHCF.

***Billing Procedures:*** FQHCs are not required to bill to be reimbursed under the PMPM. Instead, FQHCs will be reimbursed the monthly PMPM rates for each service and beneficiaries attributed to the FQHC.

- DHCF will provide an attribution list by service category to each FQHC, and that attribution list will be used throughout the PHE. The only changes to attribution during the PHE will be removals due to death of a beneficiary, beneficiary loss of Medicaid, or enrollment of a FFS beneficiary into a Medicaid managed care organization (MCO).
- DHCF will make monthly payments based the attribution list and process through the MMIS edits and business rules. The FQHC PMPM payments will be made in the first week of every month, beginning with the PMPM due for September 2020. The monthly PMPM payments made by DHCF will include the Remittance Advice (RA) containing the relevant payment details to the FQHCs.
- Each FQHC will be provided one new provider ID in the MMIS, to facilitate the PMPM payment process.
- For prior months i.e. from March through August 2020, DHCF will *recycle* all previously paid Per-Visit/Encounter or PPS claims during this period, and offset the payments by the PMPM rates, to determine the net amount due to or from the FQHCs. The net amount will be captured in the DHCF MMIS and applied to the FQHC payments. It is important to note, that FQHCs will only receive the net payment for the prior period recycled claims (i.e. for the prior period of March – August) in September.
- While FQHCs are not required to bill to receive the monthly PMPM reimbursements, they must continue to submit claims for services rendered. FQHCs must continue to submit claims to include the CPT/CDT codes and all record of services provided in relation to the any visit/encounter. DHCF through the MMIS system will capture these claims as do not pay items and zero out the charges. The submission of claims by the FQHCs is required by DHCF for utilization data tracking purposes, and to comply with the reconciliation requirements under federal law.
- The reconciliation is not intended to result in a take-back of payments from FQHCs.
- There are no changes to the wrap-around supplemental payments process under the PMPM. Consequently, FQHCs must continue to submit wrap-around payments under the existing process.

## **Contact**

If you have any questions, please contact Bidemi Isiaq, Associate Director, Office of Rates Reimbursement and Financial Analysis, Department of Health Care Finance, at 441 4th Street, Suite 900S, Washington, DC 20001, or email [Bidemi.isiaq@dc.gov](mailto:Bidemi.isiaq@dc.gov) or via telephone at (202) 442-9202.

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<sup>2</sup> Emergency State Plan Amendment (SPA) # 20-003, Section E4, pages 22-23. FQHCs must elect to participate in the PMPM APM reimbursement, otherwise they will continue to be reimbursed in accordance with the SPA in place effective February 29,2020 (DC SPA#16-009).

**Cc:** DC Hospital Association  
DC Primary Care Association  
DC Health Care Association  
DC Home Health Association  
DC Behavioral Health Association  
DC Coalition of Disability Service Providers  
Medical Society of DC