

**DEPARTMENT OF COMMUNITY HEALTH
Medical Services Administration**

MEMORANDUM

DATE: December 23, 2009

TO: FQHC Directors,

FROM: Chris Farrell & Sherri Gensterblum *SG.*

SUBJECT: 2010 Memorandum of Agreement

Enclosed are two copies of the 2010 Memorandum of Agreement (MOA) between the Medical Services Administration and the FQHC. Included are additional information on the procedure codes and encounter calculations for prenatal, dental and immunizations.

Please sign the MOAs and return both of them to the Medicaid Policy Division, PO Box 30479, Lansing, MI 48909-7979. Once the Medicaid Director has signed them, we will send one of the signed originals back to the FQHC. We will keep one original on file within the Special Reimbursement Section. We would like the MOAs returned within 30 days of receipt.

If you have questions about the process, please contact Christine Farrell at 517-335-5129.

**FEDERALLY QUALIFIED HEALTH CENTER AGREEMENT BETWEEN THE
MEDICAL SERVICES ADMINISTRATION AND,
<Name of FQHC>
A FEDERALLY QUALIFIED HEALTH CENTER**

I. Purpose of the Agreement

The purpose of this agreement is to establish a new Memorandum of Agreement (MOA) to replace the current MOA which expires on December 31, 2009. This MOA is an alternative payment mechanism for the above named Federally Qualified Health Center (FQHC) under the provisions of subsection (b), Federally Qualified Health Center Services, Attachment 4.19-B to the Michigan State Plan under Title XIX of the Social Security Act. The payment mechanism established through this MOA is an alternative to the Prospective Payment System (PPS) enacted by Congress in Section 702 of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act (BIPA) of 2000 as implemented by Michigan in subsection (a) of the above-cited attachment to the State Plan.

II. Calculation of New Encounter Rate

The FQHC's per-visit encounter rate for periods after December 31, 2009 will be calculated as follows:

The encounter rate for the period January 1, 2010 to December 31, 2013 will be determined by adjusting the base encounter rate as determined by the Medicare Economic Index .

III. PPS Services

Services eligible for the encounter rate are:

1) Medicaid covered services provided in place of service 12, 14, 15, 31, 32, 33, and 50 that are billed with the CMS 1500 and/or the ADA claim form by (physicians, nurse practitioners, nurse midwives, dentists, family planning clinics, podiatrists and optometrists) and,

2) Hospital care represented by the following procedures codes:

Initial inpatient consultations - 99251, 99252, 99253, 99254, 99255;
initial hospital care - 99221, 99222, 99223; subsequent hospital care -
99231, 99232, 99233; newborn care - 99431 and 99433, and,

3) Behavioral health services as mutually agreed to by MDCH and MPCA as noted on attachment A.

The list of PPS services will be reviewed by DCH on a regular basis to ensure the coding used is current.

IV. Adjustments to the PPS amount for Changes in the Scope of Services, or due to an Extraordinary Change in Business model.

The PPS amount may be adjusted on a prospective basis to take into account any increase or decrease in the scope of services furnished by the FQHC. The procedures for requesting a change in scope will be specified in the FQHC Medicaid provider manual. After reviewing the information the MDCH will determine if any change in rate is warranted. Rate decisions made by MDCH are not subject to the standard Medicaid appeal process. The appeals process is limited to discussions with MSA management.

The PPS amount may also be changed due to an extraordinary change in business model. This means that the business operation has been forced to change and costs have increased significantly. This change was due to an outside factor beyond the control of the FQHC and not experienced by other FQHCs.

V. Quarterly Payments

The FQHC is eligible for prospective quarterly payments. This quarterly payment is an estimate of the difference between the payment the FQHC receives during the year for Medicaid services (HMO payments, Medicaid fee screens, Medicare and other insurance) and the amount the FQHC should receive based on the encounter rate determined in sections II and III above.

VI. Costs for Medicaid outreach, migrant outreach, transportation, and preceptorships.

Annual cost settlements will not be applied to services that are subject to the PPS since these services are paid through the encounter rate. Medicaid outreach, non-emergency medical transportation for Medicaid beneficiaries, and migrant outreach are part of the encounter rate and not cost settled. The direct costs of approved preceptorships will be cost settled.

VII. Approval, Renegotiation and Effective Date

Payments in any State of Michigan fiscal year are contingent upon and subject to enactment of legislative appropriations. In the event that Center for Medicare and Medicaid Services (CMS) determines that this agreement is contrary to federal law, DCH shall apply the PPS or the existing MOA methodology approved in the Michigan State Plan to services during the disapproved period.

Either party may request to renegotiate this agreement at any time.

This agreement will be effective for services delivered on or after January 1, 2010, and terminated on December 31, 2013.

_____	_____	_____	_____
	Date	FQHC Representative	Date
Deputy Director for Medical Services Administration			

**DEPARTMENT OF COMMUNITY HEALTH
Medical Services Administration**

MEMORANDUM

DATE: December 23, 2009

TO: FQHC Directors

FROM: Chris Farrell & Sherri Gensterblum *SG*

SUBJECT: Encounter PPS calculation for Dental & Prenatal services

1. The 2009 MOA final disposition for prenatal visit encounters are:
 - Procedure Code 59425 billed for 4-6 prenatal visits will be credited 6 encounters.
 - Procedure Code 59426 billed for 7+ prenatal visits will be credited 12 encounters.
 - Effective retroactive to FY07 with the first prenatal visit of 1/1/07 or after
 - Revisions on prior year settlements will be processed automatically by MSA
 - For DOS 1/1/07 and after, no additional information submitted manually will be considered for increased prenatal visit encounters.

2. The 2009 MOA final disposition for dental encounters to promote quadrant dentistry:
 - Applies to Same Date of Service (DOS) for extractions and restorations.
 - Effective for DOS on and after January 1, 2010.
 - Extractions are 1:1 ratio
 - Maximum of 8 encounters same DOS
 - Impacts PC D7140, D7210-D7240
 - Restorations are counted by surfaces regardless of combination (M, D, O, F, L, B, I)
 - 3 surfaces = 1 encounter
 - 4-5 surfaces = 2 encounters
 - 6-8 surfaces = 3 encounters
 - 9 or more surfaces = 4 encounters
 - Restorations & Extractions performed on the same DOS will be grouped and counted accordingly.
 - Preventive Services & Extractions performed on the same DOS will be grouped and counted accordingly.
 - No change in the other encounter calculations for dental services.

3. The final disposition for Biologics/Vaccines is:
 - Exclusion of certain Biologics/Vaccines from the PPS rate
 - Synagis, Gardasil will continue to be excluded
 - Interferon will be excluded effective January 1, 2010

Mental Health Codes

Service Description	Procedure Code (HCPCS or CPT)	Code Description
Assessments		
	H0002	Behavioral health screening to determine eligibility for admission to treatment program
	90801	Psychiatric Evaluation/assessment
	90802	Interactive Psychiatric Evaluation/assessment
	96101	Psychological testing by psychologist/physician
	96102	Psychological testing by technician
	96103	Psychological testing admin by computer
	96105	Assessment of Aphasia
	96110	Developmental Testing; limited w/interpretation
	96111	Developmental Testing; limited w/interpretation-extended
	96116	Neurobehavioral Status Exam w/interpretation(clinical assessment)
	96118	Neuropsychological testing battery by psychologist/physician
	96119	Neuropsych testing by tech (qualified health care professional)
	96120	Neuropsych tst administered w/computer
	90887	Interpretation of results of psychiatric examinations
	H0031	Mental health assessment, by non-physician
Outpatient Therapy		
	H0004	Behavioral health counseling and therapy
	90804	Individual psychotherapy, 20-30 MIN
	90805	Individual psychotherapy, 20-30 MIN W/E&M
	90806	Individual psychotherapy, 45-50 MIN
	90807	Individual psychotherapy, 45-50 MIN W/E&M
	90808	Individual psychotherapy, 75-80 MIN
	90809	Individual psychotherapy, 75-80 MIN W/E&M
	90810	Interactive psychotherapy, 20-30 MIN
	90811	Interactive psychotehrapy, 20-30 MIN W/E&M
	90812	Interactive psychotherapy, 45-50 MIN
	90813	Interactive psychotherapy, 45-50 MIN W/E&M
	90814	Interactive psychotherapy, 75-80 MIN
	90815	interactive psychotherapy, 75-80 MIN W/E&M
	H0005	Alcohol and/or drug services; group counseling
	90847	Family Psychotherapy w/patient
	90853	Group Psychotherapy (other than a multi-family group)
	90857	Interactive Group Psychotherapy
Crisis Intervention		
Intensive Crisis Stabilization	H2011	Crisis Intervention Services per 15 minutes
Medication Administration		
	90772	Therapeutic injection; subcutaneous or intramuscular
Medication Review		
	90862	Pharmacologic management and medication review with no more than minimal medical psychotherapy

Mental Health and Substance Abuse Procedure Codes for Federally-Qualified Health Centers

Substance Abuse Codes

Service Description	Procedure Code (HCPCS or CPT)	Code Description
Assessments		
	H0001	Alcohol and/or drug assessment
	H0002	Behavioral health screening to determine eligibility for admission to treatment program
Intensive Outpatient		
	H0015	Intensive outpatient treatment program
Outpatient Therapy		
	H0004	Behavioral health counseling and therapy, per 15 minutes
	90804	Individual psychotherapy, 20-30 MIN
	90805	Individual psychotherapy, 20-30 MIN W/E&M
	90806	Individual psychotherapy, 45-50 MIN
	90807	Individual psychotherapy, 45-50 MIN W/E&M
	90808	Individual psychotherapy, 75-80 MIN
	90809	Individual psychotherapy, 75-80 MIN W/E&M
	90810	Interactive psychotherapy, 20-30 MIN
	90811	Interactive psychotherapy, 20-30 MIN W/E&M
	90812	Interactive psychotherapy, 45-50 MIN
	90813	Interactive psychotherapy, 45-50 MIN W/E&M
	90814	Interactive psychotherapy, 75-80 MIN
	90815	Interactive psychotherapy, 75-80 MIN W/E&M
	H0005	Alcohol and/or drug services; group counseling
	90847	Family Psychotherapy w/patient
	90853	Group Psychotherapy (other than a multi-family group)
	90857	Interactive Group Psychotherapy