



Indiana Medicaid and Medicare Telehealth Reimbursement for Federally Qualified Health Centers (FQHC) and Rural Health Clinics (RHC)

Indiana Medicaid Reimbursement for FQHCs and RHCs

Subject to the following criteria, reimbursement is available to FQHCs and RHCs when they are serving as either the hub site or the spoke site for telemedicine services:

- When serving as the hub site (the location of the physician or provider rendering services), the service provided at the FQHC or RHC must meet both the requirements of a valid encounter and an approved telemedicine service as defined in the IHCP's telemedicine policy.
- When serving as the spoke site (the location where the patient is physically located), an FQHC or RHC may be reimbursed if it is medically necessary for a medical professional to be with the member, and the service provided includes all components of a valid encounter code.

Pursuant to the Code of Federal Regulations (42 CFR 405.2463), an encounter is defined by the Centers for Medicare & Medicaid Services (CMS) as a face-to-face meeting between an eligible provider and a Medicaid member during which a medically necessary service is performed.

All components of the service must be provided and documented, and the documentation must demonstrate medical necessity. All documentation is subject to post-payment review.

Separate reimbursement for merely serving as the spoke site is not available to FQHCs and RHCs. Neither the originating site facility fee, as billed by HCPCS code Q3014, nor the facility-specific PPS rate is available, because the requirement of a valid encounter is not met. Pursuant to the Code of Federal Regulations 42 CFR 405.2463, an encounter is defined by the Centers for Medicare & Medicaid Services (CMS) as a face-to-face meeting between an eligible provider and a Medicaid member during which a medically necessary service is performed. Consistent with federal regulations, for an FQHC or RHC to receive reimbursement for services, including those for telemedicine, the criteria of a valid encounter must be met.

FQHC and RHC providers are reminded that their facility-specific PPS rate, which is calculated based on an FQHC's or RHC's operating costs, is an all-inclusive enhanced rate that covers any ancillary services that are not billable as valid encounters. FQHC and RHC providers may request an increase in their facility-specific PPS rate when the scope of services changes.

FQHCs and RHCs may submit telemedicine claims to a member's MCE and receive reconciliation review through Myers & Stauffer, which, in coordination with the Family and Social Services Administration (FSSA), determines billable and non-billable services.

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Source:

<http://provider.indianamedicaid.com/media/156320/medical%20policy%20manual.pdf>

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<http://provider.indianamedicaid.com/media/155583/telemedicine%20and%20telehealth%20services.pdf>

Medicare Telemedicine Reimbursement FQHCs and RHCs:

FQHCs and RHCs may serve as an originating site for telehealth services, which is the location of an eligible Medicare beneficiary at the time the service being furnished via a telecommunications system occurs. FQHCs and RHCs that serve as an originating site for telehealth services are paid an originating site facility fee.

Although FQHC services are not subject to the Medicare deductible, the deductible must be applied when a FQHC bills for the telehealth originating site facility fee, since this is not considered a FQHC service.

RHCs and FQHCs are not authorized to serve as a distant site for telehealth consultations, which is the location of the practitioner at the time the telehealth service is furnished, and may not bill or include the cost of a visit on the cost report. This includes telehealth services that are furnished by a RHC or FQHC practitioner who is employed by or under contract with the RHC or FQHC, or a non-RHC or FQHC practitioner furnishing services through a direct or indirect contract. For more information on Medicare telehealth services, see Pub. 100-02, Medicare Benefit Policy Manual, chapter 15, and Pub. 100-04, Medicare Claims Processing Manual, chapter 12.

Source <https://www.cms.gov/Center/Provider-Type/Federally-Qualified-Health-Centers-FQHC-Center.html>

Source <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/clm104c12.pdf>

Frequently Asked Questions

- 1. Since, the Indiana Medicaid reimbursement and Medicare reimbursement for telemedicine services contradict each other; do federal or state laws take precedence if they conflict?**

Federal law provides states with flexibility to design their own coverage/reimbursement options for telehealth in their Medicaid programs, under the condition that these options “must satisfy federal requirements of efficiency, economy and quality of care.” The states submit their plans for telehealth coverage/reimbursement to the federal government for review and approval through the state plan amendment process. More information on this process is available through the [Medicaid.gov page on telehealth](#)

- 2. Does the guideline in [Chapter 13 manual](#) at CMS website only pertain to Medicaid and Medicare or it also included private payers?**

The information in the [Chapter 13 Benefit Manual](#) applies only to Medicare. Medicaid and private insurers may have telehealth coverage/reimbursement policies that differ from Medicare, with significant authority over Medicaid and private insurers residing at the state-level.

- 3. Can FQHCs bill Medicaid for the services provided at the distant site and receive the standard rate instead of their enhanced rate?**

According to Indiana Medicaid, the FQHC and RHC can be reimbursed as distant site as long as they meet the requirements of a valid encounter and approved telemedicine services provided in IHCP’s telemedicine policy.

Reimbursement is based on the prospective payment system (PPS) rate specific to the FQHC or RHC facility.