

CMS Manual System

Pub 100-02 Medicare Benefit Policy

Transmittal 49

Department of Health &
Human Services (DHHS)

Centers for Medicare &
Medicaid Services (CMS)

Date: MARCH 31, 2006

Change Request 4385

SUBJECT: Payment of Federally Qualified Health Centers (FQHCs) for Diabetes Self-Management Training Services (DSMT) and Medical Nutrition Therapy (MNT) Services

I. SUMMARY OF CHANGES: This Change Request provides instructions for payment of FQHCs for DSMT and MNT Services.

NEW/REVISED MATERIAL

EFFECTIVE DATE: January 1, 2006

IMPLEMENTATION DATE: June 29, 2006

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R = REVISED, N = NEW, D = DELETED

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
R	13/30/Rural Health Clinic and Federally Qualified Health Center Service Defined
R	13/30.1/RHC Services
R	13/30.2/FQHC Services

III. FUNDING:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2006 operating budgets.

IV. ATTACHMENTS:

Business Requirements

Manual Instruction

**Unless otherwise specified, the effective date is the date of service.*

Attachment – Business Requirements

Pub. 100-02	Transmittal: 49	Date: March 31, 2006	Change Request 4385
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SUBJECT: Payment of Federal Qualified Health Centers (FQHCs) for Diabetes Self-Management Training Services (DSMT) and Medical Nutrition Therapy (DMT) Services

I. GENERAL INFORMATION

A. Background: This change request provides basic implementing instructions for FQHC coverage changes made by Section 5114 of the Deficit Reduction Act of 2005 (DRA).

On February 8, 2006, President Bush signed the DRA of 2005 into law. A number of the DRA's provisions are effective on January 1, 2006. One of those provisions is Section 5114 of the DRA, which amends the Social Security Act to add diabetes outpatient self-management training services (DSMT) and medical nutrition therapy (MNT) services to the list of Medicare covered and reimbursed services under the Medicare FQHC benefit.

Section 105 of the Benefits Improvements and Protection Act amended section 1861(s)(2) of the Act to authorize Medicare coverage of MNT services for certain beneficiaries who have diabetes or a renal disease, effective for services furnished on or after January 1, 2002. These services are covered when furnished by a certified provider (register dietitian or nutrition professional) who meets certain qualification standards as set forth in part 410, Subpart G. Section 4105(a) of the Balanced Budget Act of 1997 (Pub. L. 105-33, enacted on August 5, 1997) authorized Medicare coverage of DSMT services. These services are covered under Medicare when furnished by certified providers who meet certain qualification standards as set forth in part 410, Subpart H. Additional guidance in Medicare Manuals regarding MNT and DSMT services can be found at Pub. 100-02, Chapter 15, Section 300.

Since the inclusion of these services under the Medicare program, FQHCs certified to furnish MNT and DSMT services were allowed to bundle the cost of such services into their FQHC payment rates. But prior to DRA of 2005, the provision of these services would not generate an FQHC visit payment.

B. Policy: Section 5114 of the DRA amended Section 1861(aa)(3) of the Social Security Act to add DSMT and MNT services to the list of Medicare covered and reimbursed services under the FQHC benefit. Effective for services furnished on or after January 1, 2006, FQHCs that are certified to furnish DSMT and MNT services can receive per visit payments for such covered services. In other words, if all relevant program requirements are met, these services are included under the FQHC benefit as billable visits.

In order to implement this new FQHC provision, CMS is amending chapter 13 of Pub. 100-02, Medicare Benefit Policy Manual to specify that DSMT and MNT services are now considered core FQHC services and reimbursable as a visit under the FQHC all-inclusive payment rate when rendered by qualified practitioners. Consequently, Medicare Fiscal Intermediaries (FIs) shall make per visit payments to the FQHCs for covered services (as described in Section 30 and 30.2 of Chapter 13) furnished to Medicare beneficiaries. The FIs shall only make per visit payments to FQHCs for DSMT and MNT services when the services meet all relevant program requirements for the provision of such services.

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
	information about it in a listserv message within 1 week of the availability of the provider education article. In additions, the provider education article shall be included in your next regularly scheduled bulletin and incorporated into any educational events on this topic. Contractors are free to supplement Medlearn Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.									

IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

V. SCHEDULE, CONTACTS, AND FUNDING

<p>Effective Date*: January 01, 2006</p> <p>Implementation Date: June 29, 2006</p> <p>Pre-Implementation Contact(s): Roechel Kujawa 410-786-9111 roechel.kujawa@cms.hhs.gov (policy)</p> <p>Gertrude Saunders 410-786-5888 gertrude.saunders@cms.hhs.gov (FI claims processing)</p> <p>Post-Implementation Contact(s): David Worgo 410-786-5919 david.worgo@cms.hhs.gov (policy)</p> <p>Gertrude Saunders 410-786-5888 gertrude.saunders@cms.hhs.gov (FI claims processing)</p>	<p>No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2006 operating budgets.</p>
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30 - Rural Health Clinic and Federally Qualified Health Center Service Defined

(Rev. 49, Issued: 03-31-06; Effective: 01-01-06; Implementation: 06-29-06)

Payments for covered RHC/FQHC services furnished to Medicare beneficiaries are made on the basis of an all-inclusive rate per covered visit (except for pneumococcal and influenza vaccines and their administration, which is paid at 100 percent of reasonable cost). The term “visit” is defined as a face-to-face encounter between the patient and a physician, physician assistant, nurse practitioner, certified nurse midwife, visiting nurse, clinical psychologist, or clinical social worker during which an RHC/FQHC service is rendered. *As a result of section 5114 of the Deficit Reduction Act of 2005 (DRA), the FQHC definition of a face-to-face encounter is expanded to include encounters with qualified practitioners of Outpatient Diabetes Self-Management Training Services (DSMT) and medical nutrition therapy (MNT) services when the FQHC meets all relevant program requirements for the provision of such services.*

Encounters with (1) more than one health professional; and (2) multiple encounters with the same health professional which take place on the same day and at a single location, constitute a single visit. An exception occurs in cases in which the patient, subsequent to the first encounter, suffers an illness or injury requiring additional diagnosis or treatment.

30.1 - RHC Services

(Rev. 49, Issued: 03-31-06; Effective: 01-01-06; Implementation: 06-29-06)

RHC services are the following services furnished by an RHC:

- Physicians' services, as described in [§50](#);
- Services and supplies incident to a physician's services, as described in [§60](#);
- Services of nurse practitioners (NP), physician assistants (PA) (including certified nurse midwives (CNM)), as described in [§70](#);
- Services and supplies incident to the services of nurse practitioners and physician assistants (including services furnished by nurse midwives), as described in [§80](#);
- Visiting nurse (VN) services to the homebound, as described in [§90](#);
- Clinical psychologist (CP) and clinical social worker services (CSW), as described in [§100](#) and [§110](#);
- Services and supplies incident to the services of *CPs* and *CSWs*, as described in [§100](#) and [§110](#);
- Services of registered dietitians or nutritional professionals for diabetes training services and medical nutrition therapy; and
- Otherwise covered drugs that are furnished by, and incident to, services of physicians and non physician practitioners of the RHC/FQHC.

The Medicare program makes payment directly to the RHCs for covered services furnished to Medicare beneficiaries. RHC services are covered when furnished to a

patient at the clinic or center, the patient's place of residence, or elsewhere (e.g., the scene of an accident).

30.2 - FQHC Services

(Rev. 49, Issued: 03-31-06; Effective: 01-01-06; Implementation: 06-29-06)

The FQHC services include all of the RHC services listed as included in [§30.1](#) as well as preventive primary services, as described in [§40](#). *As a result of section 5114 of the DRA of 2005, FQHC services now include DSMT and MNT services as billable FQHC visits when the FQHC meets all relevant program requirements for the provision of such services as set forth in part 410, Subpart H for DSMT and in part 410, Subpart G for MNT. Additional guidance in Medicare Manuals regarding DSMT and MNT services can be found at Pub. 100-02, Chapter 15, Section 300. The DRA amendment is effective for services furnished on or after January 1, 2006.*

The Medicare program makes payment directly to the FQHCs for covered services furnished to Medicare beneficiaries. The FQHC services are covered when furnished to a patient at the clinic or center, the patient's place of residence, or elsewhere (e.g., at the scene of an accident).