CMS Manual System	Department of Health & Human Services (DHHS)				
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)				
Transmittal 13031	Date: December 31, 2024				
	Change Request 13942				

SUBJECT: Update to the Payment for Historically Excepted Tribal Federally Qualified Health Centers (FQHCs) for Calendar Year (CY) 2025

I. SUMMARY OF CHANGES: The purpose of this Change Request (CR) is to update the historically excepted Tribal FQHC Prospective Payment System (PPS) rate.

EFFECTIVE DATE: January 1, 2025

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

IMPLEMENTATION DATE: January 6, 2025 - Implement with FQHC Pricer version 25.1

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-*Only One Per Row*.

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE				
N/A	N/A				

III. FUNDING:

For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

Recurring Update Notification

Attachment - Recurring Update Notification

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II. GENERAL INFORMATION

- **A. Background:** The purpose of this Change Request (CR) is to establish payment for FQHCs under the Prospective Payment System (PPS). Section 10501(i)(3)(A) of the Affordable Care Act (Pub. L. 111–148 and Pub. L. 111–152) added section 1834(o) of the Act to establish a payment system for the costs of FQHC services under Medicare Part B based on prospectively set rates. In the PPS for FQHC Final Rule published in the May 2, 2014 Federal Register (79 FR 25436), CMS implemented a methodology and payment rates for FQHCs under the PPS beginning on October 1, 2014.
- **B.** Policy: Historically excepted tribal FQHCs are paid the lesser of their charges or a historically excepted tribal FQHC PPS rate for all FQHC services furnished to a beneficiary during a medicallynecessary, face-to-face FQHC visit. From January 1, 2025 through December 31, 2025, the historically excepted tribal FQHC PPS rate is \$718.00. FQHC claims (TOB 77X) for historically excepted tribal FQHCs submitted with dates of service on or after January 1, 2025 paid at the CY 2024 rate of \$667.00 must be adjusted and paid at the CY 2025 rate of \$718.00. Historically excepted tribal FQHC claims with dates of service on or after January 1, 2025 through December 31, 2025 should be paid at the CY 2025 rate of \$718.00 until CMS provides an updated payment rate for CY 2025. The historically excepted tribal FQHC PPS rate will not be adjusted by the FQHC GAFs or be eligible for the special payment adjustments under the FQHC PPS for new patients, patients receiving an IPPE or an AWV. The rate is also ineligible for exceptions to the single per diem payment that is available to FQHCs paid under the FQHC PPS. In addition, the FQHC market basket adjustment that is applied annually to the FQHC PPS base rate will not apply to the historically excepted tribal FQHC PPS rate.

In the CY 2025 PFS final rule, we changed the phrase Grandfathered Tribal FQHC to Historically Excepted Tribal FQHC in our regulations.

III. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								
		A/B MAC		DME	Shared-System Maintainers				Other	
		Α	В	ННН		FISS	MCS	VMS	CWF	
					MAC					
13942.1	Contractors shall install the	X								FQHC
	FQHC PPS Pricer which									Pricer
	reflects CY 2025 rate change									
	for Tribal FQHCs.									

Number	Requirement	Responsibility								
		A/B MAC		DME	Shared-System Maintainers				Other	
		A	В	ННН		FISS	MCS	VMS	CWF	
					MAC					
13942.2	Contractors shall adjust all	X								
	FQHC claims (TOB 77X) for									
	historically excepted tribal									
	FQHCs submitted with dates									
	of service on or after January									
	1, 2025 through the									
	installation of the revised									
	FQHC Pricer that were paid at									
	the previous rate. These									
	adjustments shall be									
	completed by April 1, 2025.									

IV. PROVIDER EDUCATION

Medicare Learning Network® (MLN): CMS will develop and release national provider education content and market it through the MLN Connects® newsletter shortly after we issue the CR. MACs shall link to relevant information on your website and follow IOM Pub. No. 100-09 Chapter 6, Section 50.2.4.1 for distributing the newsletter to providers. When you follow this manual section, you don't need to separately track and report MLN content releases. You may supplement with your local educational content after we release the newsletter.

Impacted Contractors: A/B MAC Part A

V. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A

"Should" denotes a recommendation.

X-Ref	Recommendations or other supporting information:
Requirement	
Number	

Section B: All other recommendations and supporting information: N/A

VI. CONTACTS

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VII. FUNDING

Section A: For Medicare Administrative Contractors (MACs):

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ATTACHMENTS: 0