

Provider Network News

Wrap Payment Process and Methodology

PCHP implemented system modification to align with HHSC contract requirements and guidance on the wrap payment methodology for Federally Qualified Health Centers (FQHCs) in March 2024.

As a reminder of FQHC claims billing requirements, payments to PCHP-contracted FQHC providers for services rendered to Medicaid members must be consistent with the federally established Prospective Payment System (PPS) encounter rate.

To ensure accurate claims processing and reimbursement, the following billing elements are required.

FQHC Claim Billing Requirements

- FQHC claims must be submitted on CMS 1500 claim form
- POS must be 50
- Box 32 Service facility location of service
 - 32a Location of services facility NPI
 - 32b Services facility taxonomy code
- Box 33 Requires billing provider's name and address
 - 33a Billing taxonomy 261QF0400X
 - 33b Billing NPI
- Must bill T1015 on the **first line** of the claim as the indicator of FQHC Wrap Around Payment
 - T1015 must be billed with applicable modifiers such as AH, AJ, AM, SA, TD, TE, TH, U1, U2, or U7 (EP modifier must be used for THSTEPS in addition to the required modifiers).
 - T1015 charge amount is the PPS.
 - T1015 must be followed by the applicable E&M procedure code for the services provided with applicable modifiers and charge amount \$70.00. Case Management services must be reported with HCPC G9012 and applicable modifiers G2 or U3 in addition to T1015.
 - Example of Medical Claim
 - T1015 AM charge amount is PPS rate \$147.22
 - 99212 AM charge amount = contracted rate \$70.00
 - Example of Case Management
 - T1015 U2: \$147.22
 - G9012 U2: \$70.00
- Reimbursement: FQHCs are paid an all-inclusive rate per visit for payable services except for Long-Acting Reversible Contraception (LARC) procedure codes J7297, J7298, J7300, J7301, J7307, and 59430, and Obstetric delivery services procedure codes 59409, 59612, 59514, and 59620
 - Example of Reimbursement
 - T1015: AM charge amount \$147.22, paid amount \$77.22
 - 99212: AM charge amount \$70.00 = \$70.00
 - **Total claim payment = full PPS \$147.22**