



**Department
of Health**

NYRx Transition | Federally Qualified Health Center (FQHC) Alternative Payment Model (APM)

**New York State Department of Health
Office of Health Insurance Programs**

June 20 2023

Agenda

- Overview of NYRx Transition and Reinvestments
- Overview of State Plan Amendment (SPA) for FQHC APM
- FQHC APM Eligibility and Funding Methodology
- FQHC Submitted Questions and Answers
- Resources

NYRx Transition and Reinvestments

Article VII (HMH Part D)

- The Pharmacy Transition is projected to save \$410M and \$547M in State share Medicaid savings for FY24 and FY25, respectively.
- The FY24 Enacted Budget contains a significant annual reinvestment of the savings generated through the transition directly to 340B eligible providers, including Ryan White Centers and Federal Qualified Health Centers to ensure that safety net providers are supported through the NYRx transition.
- Specifically, the reinvestments include:
 - Inpatient/Outpatient Hospital Rate Increases - \$395M State / \$790M Gross
 - Supplemental Payments for FQHCs/DTCs – \$135M State / \$270M Gross
 - State Only Funding Allocation for Ryan White Centers – up to \$50M State

FQHC APM State Plan Amendment (SPA 23-39)

- Effective April 1 2023, eligible FQHCs will receive an additional payment to preserve and improve beneficiary access to care and avoid loss of services in areas of concern.
- For eligible providers, the annual amount of the additional payment will be paid on or before June 30th of each year – payments will not be subject to subsequent adjustment or reconciliation
- Funding for each clinic determined based on historical 340b revenue to mitigate impact of lost funding.
- Consistent with CMS requirements, providers must have submitted signed APM agreements to the Department by Friday, June 16, 2023 in order to receive these funds.
- Furthermore, the FQHC payments made pursuant to this SPA are considered an alternative payment methodology (APM) and will be made *in addition to* the Prospective Payment System (PPS) rate for eligible facilities.

Eligibility and Funding Methodology

- Eligible FQHC's:
 - Registered and active as a 340B Covered Entity in New York State by the Health Resource and Services Administration (HRSA) as of March 2022
 - Excludes Hospital-Based FQHCs who are eligible to receive other funding authorized in FY24 Enacted Budget and excludes FQHCs who elected to “Carve Out” Medicaid 340B as part of HRSA registration
- Allocation Methodology
 - Annual 340B revenue for each eligible clinic was calculated through an attribution methodology that assigned each distinct Medicaid Managed Care member with a 340B claim to each clinic based on the number of outpatient visits that distinct member had with the clinic between April 1 2021 to March 30 2022 (SFY22). Subsequently, each distinct member's 340B spend during FY22 is assigned to their attributed clinic to determine the annual gross 340B revenue for each eligible provider.
 - The Department also considered supplemental information from eligible FQHCs if FQHCs provided clinic specific 340B revenue/expense incurred during SFY 22

Funding methodology ensures that providers are made whole as the acquisition cost for the drug (340B cost to the provider) is assumed in the methodology for reimbursement – in other words, DOH is assuming the entirety of the Managed Care reimbursement would be paid directly to the 340B entity after the transition without the 340B providing having to incur administrative costs from running a 340B program.

Questions and Answers

Question	Answer
<p>What is the expected timing of CMS approval of the SPA?</p>	<p>The SPA was formally submitted to CMS on May 19th 2023. CMS has up to 90 days to review/approve a SPA, however under CMS requirements, an APM requires providers to submit signed APM agreements to the Department.</p> <p>The Department has issued several notifications to eligible providers reiterating that signed APMs were required by Friday, June 16, 2023 in order to receive these funds.</p> <p>DOH expects CMS approval of the SPA in the near future.</p>
<p>Is there an ‘end date’ to the SPA? Are the identified payments outlined in the SPA expected to continue in future fiscal years and will the amounts change?</p>	<p>There is no end date to the SPA and the payments are expected to continue at the same level into future fiscal years</p>
<p>Will these “additional payments” be made in addition to, not instead of, the health centers’ traditional PPS, wrap, or regular billing and reimbursement processes?</p>	<p>Yes, as outlined explicitly in the SPA - the FQHC payments made under this alternative payment methodology (APM) will be made in addition to the Prospective Payment System (PPS) rate for eligible facilities.</p>

Questions and Answers (cont.)

Question	Answer
<p>Does the State intend to proceed with disbursing State share of the “additional payments” regardless of whether all covered providers have accepted the APM and executed the APM confirmation letter?</p>	<p>The Department has prepared the release of the State share portion of the APM, however cannot release the payments to eligible facilities until all APM letters have been received from eligible FQHCs.</p> <p>The Department is still waiting for signed letters from 1 FQHC and has sent multiple follow up requests – once all letters are received, the Department will process the State share of the payment.</p>
<p>If a health center has accepted the APM, will the FQHC have future yearly obligations to fulfill in order to receive subsequent lump sum payments?</p>	<p>No future obligations are required</p>
<p>Are there programmatic restrictions on how the FQHC may use the additional payments?</p>	<p>No – as detailed in the SPA, the payments are intended to preserve and improve beneficiary access to care and avoid loss of services, so there are no programmatic restrictions on the use of these additional payments.</p>
<p>Are there any additional FQHC reporting requirements related to the additional payments?</p>	<p>No. Normal Clinic Cost Reporting requirements related to revenue and expenses apply.</p>
<p>Will the additional payments be subject to audit, whether by DOH, OMIG, or another entity?</p>	<p>No</p>

Resources



Email/Contact: Should you have any questions, please send an email to dtcffsunit@health.ny.gov and an analyst from the D&TC unit will respond



Website:

https://www.health.ny.gov/health_care/medicaid/redesign/mrt_budget.htm
MRT Budget Information.



State Plan Amendment: https://www.health.ny.gov/regulations/state_plans/status/non-inst/original/docs/os_2023-05-19_spa_23-39.pdf



MRT LISTSERV:

https://health.ny.gov/health_care/medicaid/redesign/listserv.htm

Thank You!