



Department  
of Health

Office of  
Mental Health

Office of Alcoholism and  
Substance Abuse Services

## Federally Qualified Health Centers Article 31 & Article 32 Payments from Medicaid Managed Care Organizations July 10, 2020

*This policy document is intended to provide direction to the Medicaid Managed Care Organizations (MCO) and Federally Qualified Health Centers (FQHC) regarding payments using "Government Rates" for FQHC provider services governed by Article 31 and Article 32 of the Mental Hygiene Law.*

*Please note that the policy for the Article 28 services is not changing and **does not** require "Government Rates" be paid by MCOs and, therefore, is not included in the policy outlined below. If MCOs negotiate less than the FQHC rate for payments for Article 28 services at the FQHC designated locations, FQHCs will be paid a "wrap" payment. The wrap claim will continue to be submitted to the eMedNY payment system using rate code 1609.*

### **General Policy Directive:**

For sites designated by the Health Resources and Services Administration (HRSA) as meeting the FQHC requirements, it is the responsibility of the FQHC provider to ensure that the MCOs it contracts with reimburses *at least* the FQHC rate when contracting and the responsibility of the MCOs to comply with the payment requirement.

Effective April 1, 2017, Section 2 of Part P of Chapter 57 of the laws of 2017, was updated to affirm that in addition to the pre-existing policy requiring MCO's to reimburse providers for Office of Mental Health (OMH) Article 31 licensed and Office of Addiction Services And Supports (OASAS) Article 32 certified programs / services using the ambulatory patient group (APG) rate, MCO's must also reimburse "any such other fees pursuant to the Medicaid State Plan or otherwise approved by Centers for Medicare and Medicaid Services in the Medicaid Redesign Waiver." Furthermore, Section 1902(BB) of the Social Security Act requires that payment for services provided by FQHCs is in an amount which is *at least equal* to the FQHC rate. In addition, this is the rate that has been utilized by the Department of Health (Department) in the premium development for MCOs.

For these reasons MCOs are required to reimburse FQHC providers *at least* the FQHC rate for Article 31 and/or Article 32 services, including FQHCs that have opted into the APG payment method under fee-for-service. As such, a "wrap" payment is not needed and will not be made to FQHCs for Article 31 or Article 32 services provided to Medicaid managed care recipients.