

FQHC FACT SHEET

FEDERALLY QUALIFIED HEALTH CENTERS

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What are Federally Qualified Health Centers?

Federally Qualified Health Centers (FQHCs) are safety-net health care practices that have a mission to provide comprehensive primary care regardless of their patients' ability to pay or insurance status. FQHCs are private, non-profit organizations that are governed by the communities they serve.

Vermont has twelve FQHCs, with sites in every county of the State. More than one in four Vermonters consider an FQHC their medical home.

How are FQHCs different from other health care providers?

The following essential elements set FQHCs apart from other providers:

- 1) They must serve patients living in federally-designated underserved areas.
- 2) They must provide comprehensive primary health care services to their patients.
- 3) Their services must be available to all residents of their service areas, with charges based upon ability to pay.
- 4) They must be governed by community boards.
- 5) They must meet federal requirements regarding how they set up and run their practices. FQHCs are regulated by HRSA under section 1905(l)(2)(B) of the Social Security Act¹.

Who do FQHCs serve?

FQHCs provide care to people of all ages within their community. FQHCs are experienced in providing care to people who are often hard to reach--those who face challenges getting health care services because of where they live, who they are, and/or because of complex health care needs.

To whom are FQHCs accountable?

FQHCs are accountable to the communities they serve. A non-profit board of directors governs each FQHC, and at least 51% of that board must be comprised of the FQHC's patients, reflecting the geographic breadth and diversity of the FQHC's community. The board determines what services are provided based on individual community needs. They decide the location, hours of operation, and service utilization patterns, and they monitor the quality of the care provided, including patient satisfaction. This assures that FQHCs are responsive to the needs of the people they serve and promotes a partnership between the FQHC and their communities.

FQHCs must also comply with 90+ federal regulations designed to ensure that they meet their mission of providing access to high quality medical care and filling gaps for otherwise underserved populations. FQHCs must successfully compete for federal designation and funding, as well as pass onsite reviews and detailed reporting requirements.

¹ HRSA's Bureau of Primary Care approves FQHC designation. They award FQHCs federal grant funding and offer medical malpractice coverage for the organization, employees, and eligible contractors. FQHCs must report administrative, clinical, and other information to the Bureau of Primary Health Care. FQHCs are required to make certain their services are accessible to community residents by providing necessary transportation, case management, outreach, language interpretation, and other enabling services.

How are FQHCs supported?

- **Prospective, capped reimbursement:** FQHCs are reimbursed by Medicaid and Medicare for medical and mental health services by means of a prospective encounter rate. This methodology means that providers receive reimbursement for patients in government programs, with the intent of lessening the problem of shifting those costs onto the private sector. The Vermont Medicaid program also provides a limited benefit² for select dental services.
- **Federal Grants:** FQHCs are eligible for federal "Section 330" operating grants to cover allowable costs that are not reimbursed by Medicaid, Medicare, commercial payers, and patient self-pay. Some of these costs may include care provided to uninsured and underinsured low-income patients and enabling services such as care coordination, outreach, transportation, and interpretation.
- private insurance reimbursement
- patient fees
- foundation grants
- private donations
- state and local government grants and contracts

What services do Vermont's FQHCs provide?

Health center boards must ensure that services required by statute are provided to their communities either directly or through contracted and/or referral arrangements. Health center boards choose to provide additional services depending on the needs and priorities of their communities, the availability of other resources to meet those needs, and the resources of the health center. Vermont's FQHCs provide:

- "one-stop" primary care for all ages
- preventive care (including screenings and immunizations)
- maternity care*
- 24-hour system for after hours coverage and emergencies
- diagnostic laboratory services and x-ray (on-site or referral)
- referrals to and coordination of specialty care and other health services
- case management services and counseling
- hospital admission and follow-up
- referrals to and help enrolling in social service programs
- preventive oral health services*
- additional oral health services**
- pharmaceutical services
- services to enable patients to use health center services, such as transportation, translation, patient education, and outreach
- substance use disorder treatment*
- mental health services*
- health education services
- nutrition education services**
- complementary & alternative medicine**
- vision services**

*not required *if* an FQHC has an approved referral plan and established relationship with other providers in place.

**not required, but provided by some VT FQHCs

What is the cost to patients?

- FQHCs offer a sliding fee schedule discount for medical services and prescription drugs based on the patient's ability to pay.
- FQHCs in Vermont also provide care to many patients with commercial coverage. These patients pay the usual co-pays required by their commercial insurance benefit package unless they qualify for the sliding fee schedule discounts.

² For SFY18, Vermont Medicaid paid up to \$510 annual for adult dental benefits.