

MEDICAID SERVICES MANUAL  
TRANSMITTAL LETTER

March 29, 2022

TO: CUSTODIANS OF MEDICAID SERVICES MANUAL  
Casey Angres

FROM: CASEY ANGRES Casey Angres (Apr 4, 2022 09:15 PDT)  
MANAGER OF DIVISION COMPLIANCE

SUBJECT: MEDICAID SERVICES MANUAL CHANGES  
CHAPTER 2900 – FEDERALLY QUALIFIED HEALTH CENTERS  
(FQHCs)

**BACKGROUND AND EXPLANATION**

Revisions to Medicaid Services Manual (MSM) Chapter 2900 – Federally Qualified Health Centers (FQHCs) are being proposed to add a new provider type (PT), Doula. This is a result of the passage of Assembly Bill (AB) 256 and Senate Bill (SB) 420 during the 81<sup>st</sup> Legislative Session.

Doula services include education, emotional and physical support during pregnancy, labor, delivery, and postpartum period.

Throughout the chapter, grammar, punctuation and capitalization changes were made, duplications removed, acronyms used and standardized, and language reworded for clarity. Renumbering and re-arranging of sections was necessary.

Entities financially affected: Doula (PT 90), Special Clinics (PT 17) and Specialty 181-Federally Qualified Health Centers.

Financial Impact on Local Government: An estimated decrease in annual aggregate expenditures for Doula services:

SFY 2022: (\$420,772)  
SFY 2023: (\$848,600)

These changes for Doula are effective April 1, 2022, pending CMS approval and Nevada Certification Board Doula certification implementation.

**MATERIAL TRANSMITTED**

MTL 07/22  
MSM 2900 – Federally Qualified Health  
Centers

**MATERIAL SUPERSEDED**

MTL 01/22  
MSM 2900 – Federally Qualified Health  
Centers

<b>Manual Section</b>	<b>Section Title</b>	<b>Background and Explanation of Policy Changes, Clarifications and Updates</b>
<b>2903D(2)(b)</b>	<b>Policy</b>	Added “Douglas.”
<b>2903.1(A)(1)</b>	<b>Coverage and Limitations</b>	Added “Douglas” to Medical Encounters.
<b>2903.1(A)(2)(i)</b>	<b>Coverage and Limitations</b>	Added reference for Doula services.

DIVISION OF HEALTH CARE FINANCING AND POLICY

MEDICAID SERVICES MANUAL  
TABLE OF CONTENTS

FEDERALLY QUALIFIED HEALTH CENTERS

2900	INTRODUCTION .....	1
2901	AUTHORITY .....	1
2902	RESERVED.....	1
2903	POLICY .....	1
2903.1	COVERAGE AND LIMITATIONS .....	2
2903.2	NON-COVERED SERVICES.....	5
2903.3	FQHC PHARMACIES .....	5
2309.4	ANCILLARY SERVICES .....	5
2903.5	FQHCs DUALY ENROLLED AS A CERTIFIED COMMUNITY BEHAVIORAL HEALTHCENTER (CCBHC).....	6
2903.6	MEDICAL NECESSITY.....	6
2903.7	PRIOR AUTHORIZATIONS.....	6
2904	HEARINGS .....	1

	MTL 11/21
DIVISION OF HEALTH CARE FINANCING AND POLICY	Section: 2900
MEDICAID SERVICES MANUAL	Subject: INTRODUCTION

2900 INTRODUCTION

Federally Qualified Health Centers (FQHCs) are defined by the Health Resources and Services Administration (HRSA) as health centers providing comprehensive, culturally competent, quality primary health care services to medically underserved communities and vulnerable populations. FQHCs increase access to care, promote quality and cost-effective care, improve patient outcomes, and are uniquely positioned to spread the benefits of community-based care and patient-centered care.

Nevada Medicaid reimburses for medically necessary services provided at FQHCs and follows State and Federal laws pertaining to them.

	MTL 0122
DIVISION OF HEALTH CARE FINANCING AND POLICY	Section: 2901
MEDICAID SERVICES MANUAL	Subject: AUTHORITY

2901 AUTHORITY

- A. Medicaid is provided in accordance with the requirements of Title 42 Code of Federal Regulation (CFR) Part 440, Subpart A – Definitions, Subpart B and Sections 1861, 1929(a), 1902(e), 1905(a), 1905(p), 1915, 1920 and 1925 of the Social Security Act (SSA) and Section 4161 of the Omnibus Budget Reconciliation Act of 1990. Physician’s services are mandated as a condition of participation in the Medicaid Program Nevada Revised Statute (NRS) 630A.220.
- B. The Nevada State Legislature sets forth scopes of practice for licensed professionals in the NRS for the following Specialists:
1. NRS Chapter 449 – Medical Facilities and Other Related Entities;
  2. NRS Chapter 630 – Physicians, Physician Assistants, Medical Assistants, Perfusionists and Practitioners of Respiratory Care;
  3. NRS Chapter 631 – Dentistry, Dental Hygiene and Dental Therapy;
  4. NRS Chapter 632 – Nursing;
  5. NRS Chapter 633 – Osteopathic Medicine;
  6. NRS Chapter 635 –Podiatric Physicians and Podiatry Hygienists;
  7. NRS Chapter 636 – Optometry;
  8. NRS Chapter 637 – Dispensing Opticians;
  9. NRS Chapter 640E –Dietitians;
  10. NRS Chapter 641 – Psychologists;
  11. NRS Chapter 641B – Social Workers;
  12. NRS Chapter 652 – Medical Laboratories.

	MTL 11/21
DIVISION OF HEALTH CARE FINANCING AND POLICY	Section: 2902
MEDICAID SERVICES MANUAL	Subject: RESERVED

2902          RESERVED

	MTL 01/22
DIVISION OF HEALTH CARE FINANCING AND POLICY	Section: 2903
MEDICAID SERVICES MANUAL	Subject: POLICY

2903 POLICY

- A. The Division of Health Care Financing and Policy (DHCFP) reimburses FQHCs an outpatient encounter rate. DHCFP reimburses for medically necessary services provided at FQHCs.
- B. Encounters must include preventive and/or primary health services and are categorized as:
  - 1. Medical;
  - 2. Mental/Behavioral Health; or
  - 3. Dental.
- C. FQHCs that have more than one Service Specific Prospective Payment Systems (SSPPS) rate established may bill for each reimbursable service type once per patient/per day.
  - 1. An FQHC that has one established SSPPS encounter rate, only one reimbursable encounter may be billed per day.
  - 2. An FQHC that has two established SSPPS encounter rates, the FQHC may bill up to two reimbursable encounters per patient per day.
  - 3. An FQHC that has three established SSPPS encounter rates, the FQHC may bill up to three reimbursable encounters per patient per day.
  - 4. For information about Rate Development, Prospective Payment Systems, SSPPS, Change in Scope of Services, and Supplemental Payments, please refer to the Nevada Medicaid State Plan, Attachment 4.19B.
- D. For the purposes of reimbursement, an encounter is defined as:
 

A face-to-face “visit” or an “encounter” between a patient and one or more approved licensed Qualified Health Professional and/or certified provider that takes place on the same day with the same patient for the same service type; this includes multiple contacts with the same provider.

  - 1. Licensed Qualified Health Professionals approved to furnish services included in the outpatient encounter are:
    - a. Physician or Osteopath;
    - b. Dentist;

	<b>MTL 07/22</b>
DIVISION OF HEALTH CARE FINANCING AND POLICY	Section: 2903
MEDICAID SERVICES MANUAL	Subject: POLICY

- c. Advanced Practice Registered Nurse (APRN);
  - d. Physician Assistant (PA);
  - e. Certified Registered Nurse Anesthetist (CRNA);
  - f. Nurse Midwife (NM);
  - g. Psychologist;
  - h. Licensed Clinical Social Worker (LCSW);
  - i. Registered Dental Hygienist (RDH);
  - j. Podiatrist;
  - k. Radiology;
  - l. Optometrist;
  - m. Optician;
  - n. Registered Dietitian (RD); and
  - o. Clinical Laboratory Services.
2. Certified providers approved to furnish services included in the outpatient encounter are:
- a. Community Health Workers (CHW).
  - b. **Doulas.**

2903.1 COVERAGE AND LIMITATIONS

A. Medical Encounter(s):

- 1. May be provided by an employed or contracted Physician or Osteopath, Advanced Practice Registered Nurse (APRN), Physician Assistant (PA), Nurse Midwife (NM), Certified Registered Nurse Anesthetist (CRNA), Podiatrist, Optometrist, Optician, Community Health Worker (CHW), **Doulas**, or Registered Dietitian (RD) under the FQHCs HRSA approved scope of services and the practitioners applicable state regulatory board's scope of practice. Encounters are to be billed as applicable with the FQHC encounter reimbursement methodology.



	<b>MTL 07/22</b>
DIVISION OF HEALTH CARE FINANCING AND POLICY	Section: 2903
MEDICAID SERVICES MANUAL	Subject: POLICY

2. Services may include:

- a. Primary care services medical history, physical examination, assessment of health status, treatment of a variety of conditions amenable to medical management on an ambulatory basis by an approved provider and related supplies;
  1. Vital signs including temperature, blood pressure, pulse, oximetry and respiration;
  2. Integral laboratory and radiology services conducted during the visits are included in the encounter as they are built into the established encounter rate and are not to be billed separately.
- b. Early and Periodic Screening, Diagnosis and Treatment (EPSDT) screening policy and periodicity recommendations; Refer to Medicaid Services Manual (MSM) Chapter 1500 – Healthy Kids.
- c. Preventive health services recommended with a grade of A or B by the United States Preventive Services Task Force (USPSTF) and education Refer to MSM Chapter 600 – Physicians Services;
- d. Home visits;
- e. Family planning services including contraceptives;
 

Up to two times a calendar year, the FQHC may bill for additional reimbursement for family planning education on the same date of service as the encounter. Refer to Billing Guide, Provider Type 17, Specialty 181 for more information.
- f. For women: annual preventive gynecological examination, clinical breast examination, thyroid function test, and maternity care services which includes antepartum, labor and delivery, and postpartum care services;
- g. Vision and hearing screening;
- h. CHW services as defined in MSM Chapter 600 – Physician Services.
- i. **Doula services as defined in MSM Chapter 600 – Physician Services.**

B. Behavioral/Mental Health Encounter(s):

1. May be provided by employed or contracted Psychiatrist, Psychologist, APRN, PA, or LCSW who is authorized to provide mental/behavioral health services by the

	MTL 11/21
DIVISION OF HEALTH CARE FINANCING AND POLICY	Section: 2903
MEDICAID SERVICES MANUAL	Subject: POLICY

FQHC under the FQHC’s HRSA approved scope of services and the practitioner’s applicable state regulatory board’s scope of practice.

2. Conditions may include behavioral/mental health, and/or substance use disorders including co-occurring disorders. Services may include:
  - a. Screening, assessments, diagnosis, and/or treatment.
  - b. Treatments may include clinically appropriate evidence-based practices such as therapy, counseling, and medication management.
  - c. Refer to MSM Chapter 400 – Mental Health and Alcohol and Substance Abuse Services.

C. Dental Encounter(s):

1. Dental encounters are provided by employed or contracted Dentists or RDHs, under FQHCs HRSA approved scope of practices and the practitioner’s applicable regulatory boards of practice. Encounters are to be billed as applicable with the FQHC encounter reimbursement methodology.
2. An FQHC may bill a dental encounter for each face-to-face encounter for dental services.
3. Dentures provided by an FQHC are included in the daily encounter rate unlike the denture policy established in MSM Chapter 1000 – Dental.
  - a. Medicaid will pay for a maximum of one emergency denture relines and/or a maximum of six adjustments (dental encounters) done not more often than every six months, beginning six months after the date of partial/denture purchase. A prior authorization is not required for relines.
  - b. Full denture/partial relines and adjustments required within the first six months are considered prepaid with the Medicaid’s dental encounter payment for the prosthetic.
4. The FQHCs in-office records must substantially document the medical need.
5. Refer to MSM Chapter 1000 for all other covered and non-covered dental services.

D. Telehealth

1. An FQHC may bill for an encounter in lieu of an originating site facility fee, if the distant site is for ancillary services (i.e. consult with specialist). If, for example, the originating site and distant site are two different encounter sites, the originating encounter site must bill the telehealth originating Healthcare Common Procedural

	MTL 11/21
DIVISION OF HEALTH CARE FINANCING AND POLICY	Section: 2903
MEDICAID SERVICES MANUAL	Subject: POLICY

Coding System (HCPCS) code and the distant encounter site may bill the encounter code. Refer to MSM Chapter 3400 – Telehealth Services

2903.2 NON-COVERED SERVICES

- A. Non-covered services under an FQHC encounter:
1. Group therapy;
  2. Eyeglasses;
  3. Hearing aids;
  4. Durable medical equipment, prosthetic, orthotics and supplies; and
  5. Ambulance services.

2903.3 FQHC PHARMACIES

- A. FQHC pharmacies who want to bill Medicaid for vaccines administered by pharmacists must do so through point of sale as a Provider Type 28. Refer to MSM Chapter 1200 – Prescribed Drugs.

2903.4 ANCILLARY SERVICES

- A. Ancillary services are those services which are an approved Nevada Medicaid State Plan service but are not included within an approved FQHC encounter.
1. Ancillary services may be reimbursed on the same date of service as an encounter by a licensed Qualified Health Professional.
  2. The FQHC must enroll within the appropriate provider type and meet all the MSM coverage guidelines for the specific ancillary service.
  3. Partial Hospitalization Program (PHP) – As an extension of an FQHC’s delivery model, an FQHC may have administrative oversight through a contractual agreement with an organization that provides outpatient PHP services and meets the criteria of a Certified Mental Health Clinic (CMHC). PHP services include a variety of psychiatric treatment modalities designed for recipients with chronic mental illness and/or substance abuse related disorders that require collaborative, intensive assistance normally found in an inpatient setting. Refer to MSM Chapter 400 – Mental Health and Alcohol/Substance Abuse Services for PHP policy.

	MTL 11/21
DIVISION OF HEALTH CARE FINANCING AND POLICY	Section: 2903
MEDICAID SERVICES MANUAL	Subject: POLICY

2903.5 FQHCs DUALY ENROLLED AS A CERTIFIED COMMUNITY BEHAVIORAL HEALTH CENTER (CCBHC)

- A. FQHCs dually enrolled as a CCBHC should determine the appropriate model to bill medically appropriate rendered services. The FQHC and the CCBHC must have internal policies regarding the appropriate placement for treatment for their respective recipients. Medical necessity and clinical appropriateness as determined by the clinical professionals, under care coordination, are required and should be taken into consideration when services overlap both within the FQHC and/or the CCBHC scope of services. This is to determine which encounter (FQHC or CCBHC) is appropriate to request reimbursement. Care coordination is required to prevent duplicative billing for the same service occurring at the same time.
- B. Services that are covered under the CCBHC model are identified on the services grid located in the CCBHC billing guide. Recipients that are accessing services that are primarily CCBHC and not an exclusively FQHC service will bill the CCBHC PPS rate. Services that are primarily FQHC specific and not exclusively CCBHC services will bill the FQHC encounter rate.
- C. Refer to the MSM Chapter 2700 – Certified Community Behavioral Health Center, and Billing Guide (Provider Type 17, Specialty 188), for guidance related to CCBHC policy and billing.
- D. The Medicaid Surveillance and Utilization Review (SUR) unit will monitor in a retrospective review for any duplication of billing between the two delivery models.

2903.6 MEDICAL NECESSITY

- A. To receive reimbursement, all services provided must be medically necessary as defined in MSM Chapter 100 – Medicaid Program.

2903.7 PRIOR AUTHORIZATIONS

- A. FQHC encounters do not require prior authorizations (PAs). PA requirements indicated in reference to MSM Chapters do not apply when the service is performed as an FQHC encounter. However, the patient file must contain documentation supporting medical necessity of services provided.
- B. FQHCs not contracted with a Managed care Organization (MCO), must follow the MCOs prior authorization policy.
- C. Ancillary services billed outside of an encounter must follow prior authorization policy guidelines for the specific services provided.

DIVISION OF HEALTH CARE FINANCING AND POLICY	Section: 2903
MEDICAID SERVICES MANUAL	Subject: POLICY

For billing instructions for FQHCs, please refer to the Billing Guide for Provider Type 17, Specialty 181.

For Indian Health Programs (IHP) policy, including Tribal FQHCs please refer to MSM Chapter 3000, Indian Health.

	MTL 11/21
DIVISION OF HEALTH CARE FINANCING AND POLICY	Section: 2904
MEDICAID SERVICES MANUAL	Subject: HEARINGS

2904 HEARINGS

- A. Please reference Nevada Medicaid Services Manual (MSM) 3100 for hearings procedures.