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**CHAPTER 22: FEDERALLY QUALIFIED HEALTH CENTERS**

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### **OVERVIEW**

The Omnibus Budget Reconciliation Acts of 1989, 1990, and 1993 amended section 1905 of the Social Security Act to create a new category of entities under Medicaid and Medicare known as Federally Qualified Health Centers (FQHC). The Social Security Act §1905(l)(2)(B) defines an FQHC for Medicaid purposes as an entity which:

- Is receiving a grant under Section 330 of the Public Health Service (PHS) Act,
- Is receiving funding from such grant under a contract with the recipient of the grant and meets the requirements to receive a grant under 330 of the PHS Act,
- Based on the recommendation of the Health Resources and Services Administration within the Public Health Service, is determined by the Secretary to meet the requirements for receiving such a grant including requirements of the Secretary that an entity may not be owned, controlled or operated by another entity,
- Was treated by the Secretary, for the purposes of part B of Title XVIII, as a comprehensive Federally funded health center as of January 1, 1990, and includes an outpatient health program or facility operated by a tribe or tribal organization under the Indian Self-Determination Act (Public Law 93-638) or by an urban Indian organization receiving funds under Title V of the Indian Health Care Improvement Act for the provision of primary health services.

FQHCs must be located to make services accessible to residents of a designated Medically Underserved Area (MUA) or Medically Underserved Population (MUP). Location in a Health Professional Shortage Area or government designated shortage area does not meet the shortage area requirements for the FQHC program. FQHC look-alikes may serve a whole or partial MUA/MUP so long as it demonstrates that it serves the neediest population in the service area or addresses gaps in services and or health disparities.

An FQHC provider must be a non-profit organization. All FQHC services provided by qualified individuals employed by or under contract with an FQHC are billed using the organization's provider number (e.g., FQHC's National Provider Identifier (NPI), FQHC's Medicaid ID number for each location) and Tax Identification Number (TIN).

The purpose of this chapter is to set forth the conditions and requirements that FQHCs must meet in order to qualify for reimbursement under the Louisiana Medicaid program. The manual chapter is intended to make available to Medicaid providers of FQHC services a ready reference for information and procedural material needed for the prompt and accurate filing of claims for services furnished to Medicaid recipients. The Department of Health and Hospitals, Bureau of

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Health Services Financing (BHSF), Program Operations Section is responsible for assuring provider compliance with these regulations.