Payor Contracting and Medicare Advantage Wrap Around

Montana Primary Care Association

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Nicole Moscatelli, CHFP, Senior Manager

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Meet Your Presenter

Nicole Moscatelli, CHFP

Senior Manager

417.522.0527

nicole.moscatelli@us.forvismazars.com

Agenda

- Introductions
- Payor Contracting
- Medicare Advantage Wrap Around

Payor Contracting

Payor Contracting Impact

- Reimbursement
  - Methodology
  - Timelines
- Patient choice for care
  - In network
  - Out of network
- Compliance
  - HRSA Sliding Fee Discount

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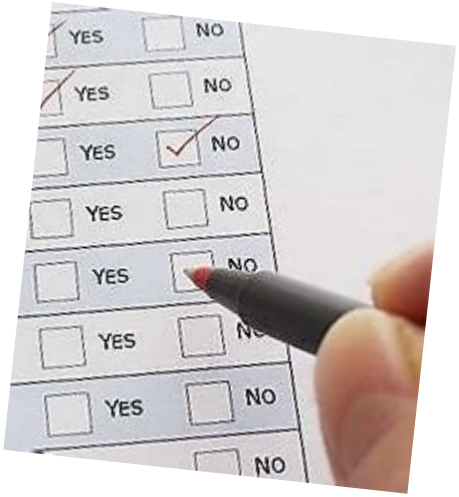
Who to Include & Frequency

- Revenue Cycle
- Finance
- Credentialing
- Legal
- Executive Leadership
- Annual

Things to Consider

- Payors to contract with
- Terms of contract
  - Effective Date (Retroactive)
  - Claim submission
  - Timely filing
  - Reimbursement (Methodology and amounts)
  - Waiver permissions (Co-pay, Deductible, Coinsurance)
  - Claim denial appeal procedures
  - Term and termination (Auto-renewal)
  - Scope of services (Includes/Excludes)
  - Updates/Changes
- Legal aspect
- Credentialing



Payor Contracting

- Monitor & Track
  - Software
  - Excel
- What to include
  - Payor Name
  - Lines of business (Commercial, Medicare, Medicaid)
  - Renewal date
  - Last Reviewed date
  - Reimbursement methodology (Capitation, FFS, PPS)
  - Copy of Excel fee schedule (allowed amounts)
  - Timely filing days
- Stored
  - Paper
  - Electronic
  - Who has access

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Payors

- Medicare Advantage
  - Reimbursement Methodology
  - Other Services
- Medicaid Managed Care
  - Follow state guidelines
- Private/Commercial
  - Depends on payor
- Independent
  - Company
  - School

Payor Contracting

- Know what is being signed
- Compliance
  - Sliding Fee Discount Program
  - Commercial
  - Include language that permits discounting of patient out of pocket

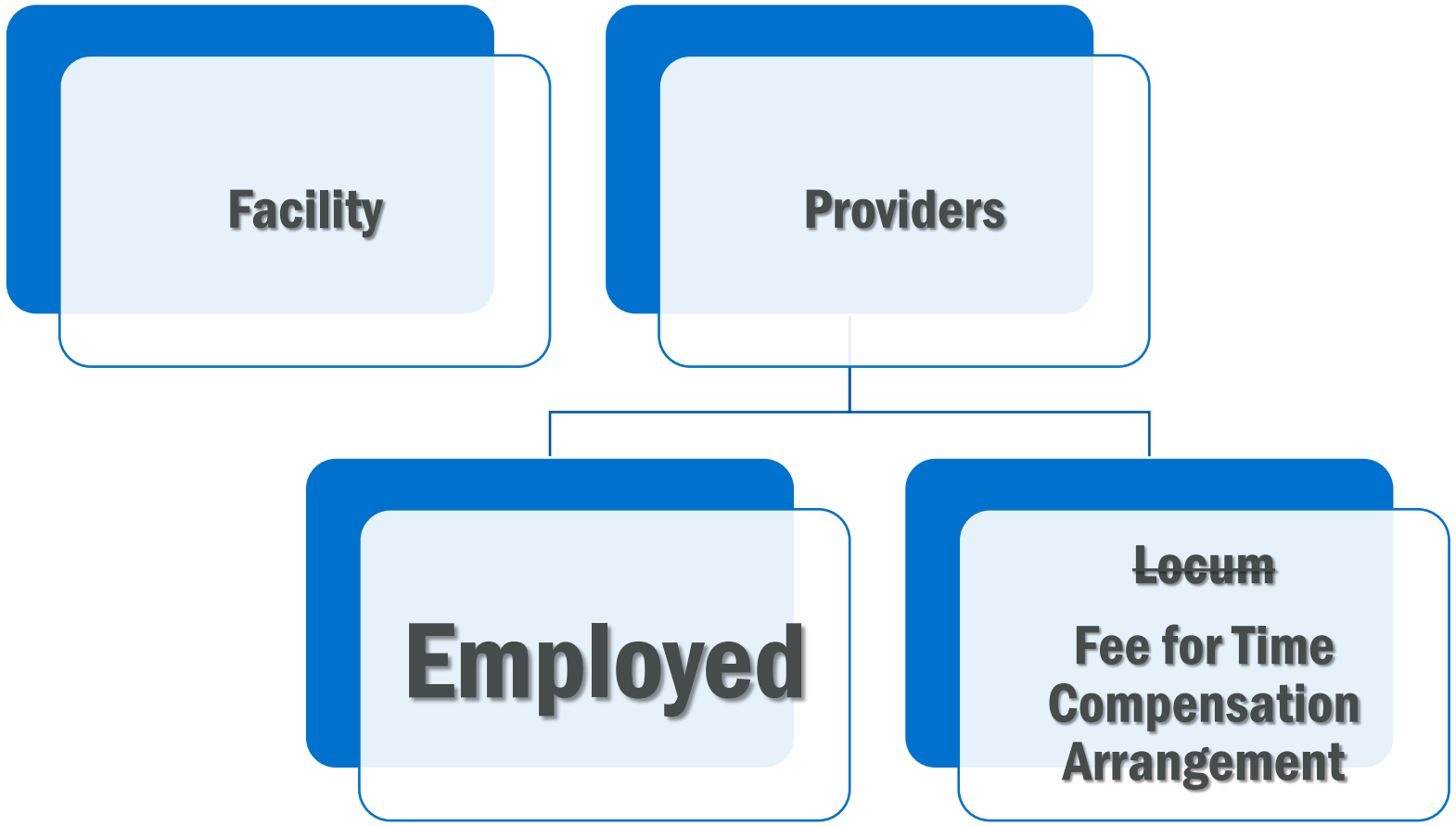
Legal Aspect

In-house Counsel

External Counsel

Language

Credentialing



Payor Contracting

- Medicare Advantage Wrap Around
  - FFS
  - Capitation
  - PPS Rate +
    - Follow traditional Medicare reimbursement structure
    - Pay separately for non-FQHC services

Medicare Advantage Wrap Around

Medicare Advantage Wrap Around

- Section 237 of the Medicare Modernization Act (MMA) requires CMS to provide supplemental payments to FQHCs that contract with MA organizations to cover the difference, if any, between the payment received by the FQHC for treating Medicare Advantage (MA) enrollees & the payment to which the FQHC would be entitled to receive under the cost-based all-inclusive payment rate as set forth in 42 CFR, Part 405, Subpart X

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Medicare Advantage Wrap Around

- Medicare Advantage Contractor (MAC) requires specific information/data to be submitted
- Wrap rate is determined by MAC (Noridian)
  - Medicare Advantage Wrap-Around Payment - JF Part A – Noridian
- When the MA contract/average rate is lower than the applicable PPS rate that would otherwise have been paid by traditional Medicare, the MAC will pay the difference as a supplemental wrap-around payment, less any patient cost sharing
- When the MA contract/average rate is higher than the applicable PPS rate, the MAC will not make any supplemental payment

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Medicare Advantage Wrap Around

- For FQHCs under contract (directly or indirectly) with MA organizations
  - CMS has indicated that the supplemental “wrap-around” payment will be based on the applicable PPS rate without comparison to the FQHC’s charge
- Important to successfully navigate the process of establishing appropriate “wrap-around” rate(s)
  - Oftentimes health centers do not navigate this process effectively & leave money on the table

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Medicare Advantage Wrap Around

- Eligible MT Medicare 2025 GAF Rate (1.1.25-3.31.25)

MAC	Locality Number	State	Locality Name	2025 FQHC GAF (with 1.0 Floor)
03202	01	MT	MONTANA**	1.000

Note: The FQHC GAFs are adapted from the Physician Fee Schedule work and practice expense geographic practice cost indices (GPCIs). The 1.0 Work GPCI floor was extended by Section 3206 of the American Relief Act, 2025 [December 21, 2024] through March 31, 2025. For the purposes of the PFS, GAFs are an analysis tool for comparing approximate aggregate geographic payment adjustment among PFS localities.

Medicare Advantage Wrap Around

- Eligible MT Medicare 2025 PPS Rates
  - Montana 2025 GAF 1.000 (as of 1.1.25)
  - 2025 National PPS Rate $202.65
    - 2025 Established visit $202.65 ($202.65*0.902)
    - 2025 National New/AWV visit Factor 0.3416
    - 2025 New/AWV $271.88 ($202.65*1.3416)

EXAMPLE OF RATE CALCULATION FOR MA CONTRACTS

Example of Per-Visit Payment Rate Calculation for Providers Contracting with an MA Plan
Fee-for-service (FFS) Rate Conversion

MA Number _____
MA Plan Name _____

CPT Code	Proc Desc	Units	Plan Rate	Weighted Rate	Copay / Deductible	Total
99201	INITIAL OFFICE VISIT, FOCUSED	2	$ 36.32	$ 72.64	$ -	$ 73
99202	INITIAL OFFICE VISIT, EXPANDED	62	$ 64.67	$ 4,009.54	$ -	$ 4,010
99203	INITIAL OFFICE VISIT, DETAILED	30	$ 96.17	$ 2,885.10	$ -	$ 2,885
99204	INITIAL OV, COMPREHENSIVE, MOD. COMPL	21	$ 136.35	$ 2,863.35	$ -	$ 2,863
99205	INITIAL OV, COMPREHENSIVE, HIGH COMPL	3	$ 173.01	$ 519.03	$ -	$ 519
99211	ESTABLISHED OV, MINIMAL	38	$ 21.16	$ 804.08	$ -	$ 804
99212	ESTABLISHED OFFICE VISIT, FOCUSED	411	$ 38.15	$ 15,679.65	$ -	$ 15,680
99213	ESTABLISHED OFFICE VISIT, EXPANDED	1,866	$ 52.25	$ 97,498.50	$ -	$ 97,499
99214	ESTABLISHED OFFICE VISIT, DETAILED	781	$ 82.04	$ 64,073.24	$ -	$ 64,073
99215	ESTABLISHED OV, COMPREHENSIVE	58	$ 119.70	$ 6,942.60	$ -	$ 6,943
99387	PREV. MED. NEW PT. 65 AND OVER	7	$ 150.87	$ 1,056.09	$ -	$ 1,056
99397	PREV. MED. ESTABLISHED OVER 65	191	$ 118.28	$ 22,591.48	$ -	$ 22,591
	Totals:	3,470				$ 218,995
	Average Rate:					**$ 63.11**

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Medicare Advantage Wrap Around
Wrap Rate (contract/average rate)

Eligible PPS Rate

- Established $202.65
- New/AWV $271.88

Wrap Rate

- $63.11

Supplemental Rate

- Established patient visit $202.65 - $63.11 = $139.54*
- New/AWV patient visit $271.88 - $63.11 = $208.77*
- *less patient cost sharing as applicable

Medicare Advantage Wrap Around

- Requirements
  - Written contract with a MA plan
  - Contract terms in alignment with Title 42 CFR Section 422.527

§ 422.527 Agreements with Federally qualified health centers.

The contract between the MA organization and CMS must specify that—

(a) The MA organization must pay a Federally qualified health center (FQHC) a similar amount to what it pays other providers for similar services.

(b) Under such a contract, the FQHC must accept this payment as payment in full, except for allowable cost sharing which it may collect.

(c) Financial incentives, such as risk pool payments or bonuses, and financial withholdings are not considered in determining the payments made by CMS under § 422.316(a).

  - Signed by both the FQHC and the MA Plan

[eCFR :: 42 CFR 422.527 -- Agreements with Federally qualified health centers.]

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Medicare Advantage Wrap Around

- Valid Medicare Advantage Contractor number for each contract
  - Medicare Advantage Plan Contract Number Example:

Legal Entity Name	Organization Marketing Name	Contract Number	Organization Type	Plan Type
HUMANA BENEFIT PLAN OF ILLINOIS, INC.	Humana	H1468	Local CCP	HMO/HMOPOS
HUMANA BENEFIT PLAN OF ILLINOIS, INC.	Humana	H5525	Local CCP	Local PPO

MA Plan Directory | CMS

Medicare Advantage Wrap Around

- **Each MA contract should include the following information: (per CGS)**
  - Contract Number
  - Provider name
  - MA contract name
  - Contract Dates
  - Effective dates
  - Signature from provider
  - Signature from the MA contract representative

Medicare Advantage Wrap Around

- **Rate Calculation should include following information: (per CGS)**
  - Contract number
  - Procedure codes
  - Units
  - Rates
  - Payment amounts
  - MA payment rate per visit
  - A detailed list of claims that support the rate calculation

Medicare Advantage Wrap Around

- Information can be emailed to: JF-Reimb@noridian.com
- or sent via mail to:

  Noridian Administrative Services
  Provider Audit & Reimbursement
  PO BOX 6730
  Fargo, ND 58108-6730

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- Yes, this needs to be done for each Medicare Advantage Plan/contract
- Contact MAC to confirm process and submission requirements

Medicare Advantage Wrap Around

- Billing Medicare for Supplemental Payment:
  - TOB 77x
  - Revenue code 0519
  - HCPCS codes are required
  - G code is required
  - Bill Medicare as primary
  - Claims will return to provider with reason code 37098 when the FQHC PPS supplemental rate is not present for the MA plan
  - Claim can be submitted at the same time as the claim is submitted to the MA Plan

Medicare Advantage Wrap Around

FL 42 Rev Code	FL 43 Description	FL 44 HCPCS	FL 45 Service Date	FL 46 Service Units	FL 47 Total Charges
0519	FQHC visit, estab pt	G0467	100114	1	$156.00
0519	Office/outpatient visit est	99212	100114	1	$100.00
0519	Hep b vacc adult 3 dose im	90746	100114	1	$60.00
0519	Admin hepatitis b vaccine	G0010	100114	1	$20.00
0001					$336.00

Medicare Advantage Wrap Around

- We are not seeing PS&R form 778 payments of significance
- Money on the table
- Why?
  - Confusion on how to get enrolled
  - Confusion on setting up the payment
  - Confusion on setting up the practice management system

Contact

Forvis Mazars

Nicole Moscatelli, CHFP
Senior Manager
417.522.0527
nicole.moscatelli@us.forvismazars.com

THANK YOU!