

To: FQHC/RHC Providers in Tennessee
From: Zane Seals, Chief Financial Officer at TennCare
Date: December 30, 2021
Subject: Reconciliation Payments for Hospital Visits

The purpose of this memorandum is to provide guidance regarding whether FQHC/RHC providers are entitled to reconciliation or “wraparound” payments for hospital visits. In doing so, TennCare would like to ensure that FQHC/RHC providers are informed on how hospital visits will be treated on the prospective payment system (PPS) settlement reports.

Pursuant to guidance from the Center for Medicare & Medicaid Services (CMS), FQHC and RHC visits cannot take place at an inpatient or outpatient hospital department, including a critical access hospital.¹ Therefore, **effective January 1, 2022**, visits which take place at a hospital will not qualify for the reconciliation or “wraparound” payment. As a result, the revenue from such hospital visits **should not be included** as monies received on the PPS settlement reports.

Please note, that this memo does not apply to maternity visits, global deliveries, sterilization, and/or other surgical OBGYN services which *must* occur at a hospital. Such visits are entitled to the reconciliation payment, and the monies received should be included on the PPS settlement reports.

For any questions, please contact Rebekah Stephens, Fiscal Performance Manager at Rebekah.stephens@tn.gov or (615) 687-4739.

Sincerely,

Zane Seals
Chief Financial Officer
Division of TennCare

¹ See CMS’ April 2021 guidance found at <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/RuralHlthClinfctst.pdf> . See also CMS’ Medicare Benefit Policy Manual found at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/bp102c13.pdf> .