



**Louisiana Department of Health  
Health Plan Advisory 16-20  
August 2, 2016**

**Federally Qualified Health Centers Annual Rate Notification Process**

The purpose of this Health Plan Advisory is to provide notification of a change in the process for notifying federally qualified health centers (FQHC) about their new Prospective Payment System (PPS) annual rate for the upcoming state fiscal year (SFY).

Effective July 1, 2016, FQHCs will no longer receive a letter notifying them of their new annual PPS rate. The new annual rate for each facility appears on the Medicaid fee schedule for FQHCs. Therefore, FQHCs will have to secure their new annual PPS rate from the published fee schedule. The updated fee schedule will serve as notice of the newly assigned PPS rate for each FQHC. The Medicaid published fee schedule for FQHCs is available on the Louisiana Medicaid website at [www.lamedicaid.com](http://www.lamedicaid.com) under the fee schedules link.

The annual PPS rate adjustment is determined by changes to the Medicare Economic Index (MEI). For SFY 2017, which begins July 1, 2016, each FQHC's current rate has been increased by 1.1 percent. Updated PPS rates have been communicated to the FQHCs and others via the Medicaid published fee schedule and Remittance Advice messaging.

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