


GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of Health Care Finance



Office of the Senior Deputy Director/Medicaid Director

Transmittal # 19-15

TO: District of Columbia Federally Qualified Health Center (FQHC) Providers

FROM: Melisa Byrd 
Senior Deputy Director/State Medicaid Director

DATE: June 28, 2019

SUBJECT: FQHC Performance Payment Program – Performance Bonus Funding Pool

The purpose of this Transmittal is to provide an update on the District of Columbia (DC) FQHC Pay-for-Performance (P4P) Program as outlined in the “Medicaid Reimbursement of Federally Qualified Health Centers (FQHC) Notice of Final Rulemaking,” published on February 2, 2018, in the DC Register at 65 DCR 000907 and codified in Chapter 45 (Medicaid Reimbursement for Federally Qualified Health Centers) of Title 29 (Public Welfare) of the District of Columbia Municipal Regulations.

Performance Bonus Funding Pool: The final rule states that for the first Measurement Year (MY1), beginning on October 1, 2018, the amount of the performance bonus funding pool available for payment shall be the difference between all of the District’s FQHCs’ uncapped administrative cost and the District’s FQHCs’ capped administrative cost reflected in 2013 audited cost reports. For MY2 and future years, the amount of the performance bonus funding pool shall be the amount available in the previous year pool, adjusted annually by the percentage increase in the Medicare Economic Index, established in accordance with Section 1842(i)(3) of the Social Security Act. As such:

- For **MY1 (FY2019)**, the amount of the performance bonus funding pool available for payment is \$3 million.
- For **MY2 (FY2020)**, the amount of the performance bonus funding pool available for payment is \$3.045 million.

Maximum Annual Bonus Payments A participating FQHC’s maximum annual bonus payment is calculated using the total performance bonus funding pool and its individual market share. DHCF will communicate each FQHC’s market share individually. Further detail about how individual market share is calculated may be found in Subsection 4515.16 of the final rule¹.

¹ “[Medicaid Reimbursement of Federally Qualified Health Centers \(FQHC\) Notice of Final Rulemaking](#),” February 2, 2018, DC Register at 65 DCR 000907.

Annual Performance Percentage: The FQHC's annual performance percentage is the number of points it earns from the required performance measures out of 100. The FQHC's annual performance percentage will be calculated after the Measurement Year results are finalized.

Estimating Individual FQHC Performance Payments: A participating FQHC's performance payment shall be the FQHC's maximum annual bonus payment multiplied by the FQHC's annual performance percentage.

If you have any questions regarding this transmittal, please contact Abby Kahn, Compliance Officer, Division of Quality and Health Outcomes, via telephone at (202) 442-4650, or email at abigail.kahn@dc.gov.

cc: Medical Society of the District of Columbia
DC Hospital Association
DC Primary Care Association
DC Health Care Association
DC Home Care Association
DC Behavioral Health Association
DC Coalition of Disability Service Providers