

# Optometry in FQHCs

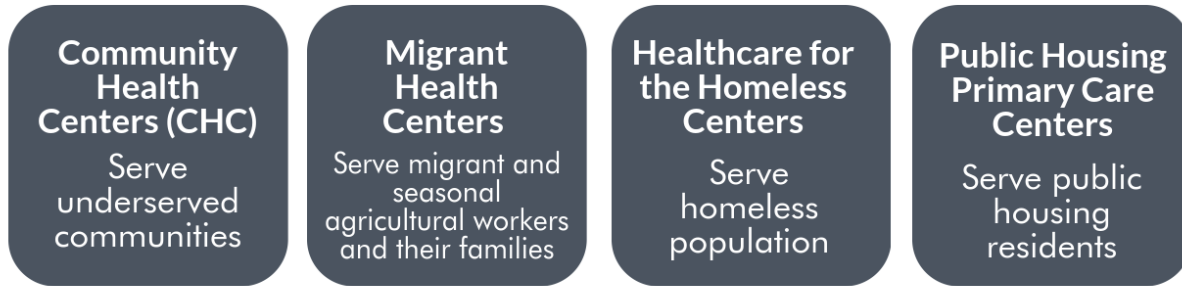


## What is a federally qualified health center (FQHC)?

FQHCs are community-based, non-profit health centers that provide healthcare services to underserved areas and populations. Although FQHCs predominantly provide primary care, they can also provide specialty care services, including optometry. FQHCs receive grant funding from the federal government and receive enhanced reimbursement from Medicare and Medicaid. FQHCs were early adopters of integrated delivery models and thus have been trailblazers in delivering "whole person" care.



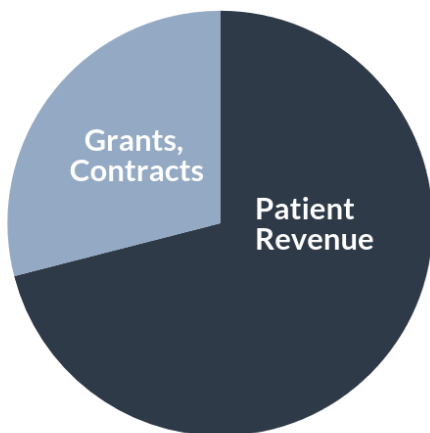
## 4 types of FQHCs:



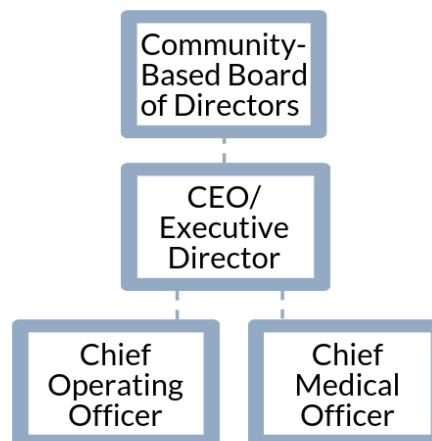
## What is an FQHC Look-Alike?

A health center that meets all of the federal government's FQHC requirements and receives enhanced reimbursement from Medicare and Medicaid, but does not receive grant funding from the federal government.

## How are FQHCs funded?



## Who runs them?



FQHCs are structured quite differently than large-scale optometry practices since they have a multi-disciplinary clinical workforce. Their leadership structures can be complex with multiple people to contact if you want to begin discussions on integrating optometry into a health center. FQHCs are required to have patients represented on their board of directors, so their governance structure is deeply rooted in their respective communities.

## Which federal and state agencies regulate FQHCs in California?



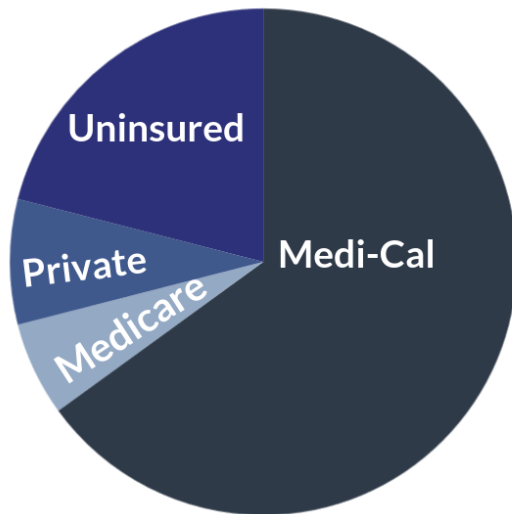
## What is an encounter?

It is a term for a patient visit in an FQHC. The visit must be face-to-face at the FQHC site and can include one or more services. For example, a patient visits an FQHC and receives a physical, immunizations and eye exam all in the same day. This scenario constitutes one encounter.

## What is the Prospective Payment System (PPS)?

It is the primary method of payment for FQHCs. Medicaid payments for healthcare services are made based on a predetermined fixed amount. The FQHC receives the predetermined amount for each patient's encounter, regardless of the number and type of services delivered. Each FQHC can have a different predetermined fixed amount. PPS rates tend to be higher than fee-for-service or capitated payment rates for optometry.

## What is the patient payer mix?



Over half of FQHC patients are Medi-Cal beneficiaries. However, most health centers accept other forms of insurance. FQHCs serve a lot of uninsured, despite the gains in coverage California has experienced since the ACA. FQHCs are not allowed to turn patients away due to insurance coverage status. A sliding fee scale is used for those without insurance.

1 in 3 FQHCs in California report providing some level of vision services



If a health center currently does not provide optometric services, it can add them after receiving approval from the federal government. Any changes to a health center's scope of project – which includes adding optometry services – must be approved by the Bureau of Primary Health Care (BPHC).

Are optometric services reimbursed at the same rate as other services provided?



Yes. An optometric patient visit is an encounter, just like any other service provided within the FQHC. Thus, the health center would receive the PPS (predetermined rate) for the encounter which includes any number of optometric and other medical services delivered in the patient's visit to the FQHC.

How are business relationships structured between FQHCs and optometrists?



It varies. Some health centers directly employ while others contract with optometrists. Optometrists' hours vary from full-time to part-time depending on the arrangement they made with the FQHC.

Are there optical shops inside FQHCs?



Every FQHC is unique and has a different business model for optometry. Some have opticals within the FQHC and use a sliding fee scale for the sale of eyeglasses. Other FQHCs do not have opticals and instead strictly provide comprehensive eye exams and medical eye care.