



# Medi-Cal PPS Practices for Resident Physicians at FQHCs & RHCs

## Frequently Asked Questions July 2020

The California Primary Care Association (CPCA) developed this FAQ document to clarify Medi-Cal Prospective Payment System (PPS) billing and supervision requirements for physician residents who are training and moonlighting at Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs). This document was reviewed by the Department of Health Care Services on July 13, 2020.

### 2020 Postgraduate Training License Implementation

SB 798 (Hill), signed by Governor Brown in 2017, revised postgraduate training and licensing requirements for medical school graduates. Effective January 1, 2020, all medical school graduates who apply for a medical license, regardless of whether the medical school attended was domestic or international, are required to successfully complete 36 months of postgraduate training accredited by either the Accreditation Council for Graduate Medical Education (ACGME), Royal College of Physicians and Surgeons of Canada (RCSPC), or College of Family Physicians of Canada (CFPC) that includes four months of general medicine training.

A new Postgraduate Training License (PTL) is now required for all residents participating in an accredited postgraduate training program in California in order to practice medicine as part of their training program. Effective January 1, 2020, any new or existing resident who is participating in an accredited postgraduate training program and does not have an unrestricted license, will need a PTL by August 30, 2020 to continue in their program. For additional information on these physician licensing changes, visit the Medical Board of California's [webpage](#).

### Telehealth & Telephonic Application to PPS Regulations

In light of the federal and state emergency declarations that resulted from the COVID-19 pandemic, the Centers for Medicare and Medicaid Services (CMS) issued additional guidance on how FQHCs, RHCs, and Tribal Health Centers can deliver and bill for telehealth and virtual/telephonic services. [Click here](#) to learn more.

FQHCs and RHCs are able to apply these flexibilities to telehealth and virtual/telephonic communications residents have with Medi-Cal patients. However, they must combine and layer on top of these telehealth and virtual/telephonic flexibilities the PPS billing, supervision, and resident moonlighting requirements described within this document and in the "FAQ for Residents in Postgraduate Training" section below.

### Frequently Asked Questions for Residents in Postgraduate Training

The questions and answers that follow correspond to a FQHC's and RHC's relationship while a resident is completing their postgraduate training in an accredited residency program. There are notable differences in Medi-Cal PPS billing and supervision requirements for FQHCs and RHCs that operate as accredited sponsoring institutions vs. continuity/rotation sites, so please review the applicable section below.

## **FQHC and RHC Sponsoring Institutions**

FQHCs and RHCs that are accredited by ACGME as a sponsoring institution and receive federal or state Graduate Medical Education (GME) program funding qualify under approved State Plan Amendment (SPA) 18-0032 for reimbursement of services provided by qualifying physician residents. For additional information on SPA 18-0032, [click here](#).

**1. What is the effective date of SPA 18-0032?**

The effective date of this SPA is April 1, 2018.

**2. Does the FQHC/RHC sponsoring institution and residency program need to be accredited by ACGME to meet the requirements of SPA 18-0032?**

Yes, the FQHC or RHC sponsoring institution and residency program must be accredited by ACGME in order to qualify for PPS reimbursement under SPA 18-0032.

**3. What grant programs meet the “federally or state sponsored” requirements of SPA 18-0032?**

The residency program must be federally or state-sponsored by the Health Resources and Services Administration (HRSA) THGME Program, Song-Brown Healthcare Workforce Training Program, or CalMedForce Program.

**4. The federal and/or state GME grants that my residency program receives does not fund all of my residency slots. Am I able to bill for services provided by all residents with a PTL under SPA 18-0032 if I am eligible?**

FQHC and RHC ACGME-accredited residency programs when sponsored by HRSA or state GME funding programs are able to bill for all eligible services provided by residents in their residency program, regardless of how individual residency slots are financed.

**5. Are FQHCs/RHCs that are ACGME-accredited Sponsoring Institutions required to submit a CSOSR as part of SPA 18-0032?**

No, a change in scope of service request (CSOSR) is not required under SPA 18-0032. A FQHC/RHC has the option to seek a CSOSR to include the cost of resident training into their PPS rate. Operating a residency program often adds significant costs and lowers provider productivity, therefore, the size and scope of the residency program, along with the overall budget, should be considered when evaluating the potential for a CSOSR. Once the CSOSR is completed alongside DHCS, a FQHC or RHC should consult with their legal counsel to verify that they are in compliance with Medi-Cal billing requirements.

**6. What supervision requirements must be met to be in compliance with SPA 18-0032?**

SPA 18-0032 and the [Medi-Cal Provider Manual](#) state that “residents with less than six months experience in a THGME program must have the teaching physician (TP) physically present for critical or key portions of the services.” While this is the minimum requirement, Program Directors and teaching physicians must also evaluate, through an official evaluation and approval process approved by ACGME, whether the resident with a PTL has met the competencies needed to have less direct oversight in the exam room.

Once the resident has at least six months of postgraduate training and his/her competencies have been approved by residency program staff, the (TP) does not need to be physically present, but must be readily available to assist the resident at any time. A TP is identified by the residency program and may not supervise more than four primary care residents at the same time.

**7. Should the resident be listed on the claim as the rendering physician?**

Billing for patient visits involving a physician resident must be under the licensed teaching physician.

## **FQHC/RHC Continuity Training Sites and Rotation Sites**

FQHCs and RHCs that function as a continuity clinic serve as a facility designated for clinical instruction and work with residents to provide continuous patient care through longitudinal relationships. FQHCs and RHCs that serve as rotation sites provide episodic educational training over a limited period of time (usually 4-6 weeks) that may occur one or more times during a resident's entire training. In both of these models of residency training, residents spend a portion of their time in a FQHC or RHC, but are based in a residency program within a university or hospital.

In this model, the FQHC or RHC does not directly hold the ACGME-accreditation, is not responsible for the Sponsoring Institution, and is not a direct recipient of a HRSA, Song-Brown, or CalMedForce Program grant. SPA 18-0032 does not apply to FQHCs or RHC continuity clinic and rotation sites. Therefore, FQHCs and RHCs that serve as a continuity or training site for an external residency program must follow the physician billing requirements put forth by the [California Medi-Cal Provider Manual](#) (Part 2, Clinics and Hospitals, Rural Health Clinics and Federally Qualified Health Centers)

### **1. Can FQHCs or RHCs that train physician residents as continuity training sites or rotation sites submit a CSOSR to account for training costs?**

A FQHC and RHC may seek a CSOSR to include the cost of resident training into their PPS rate. Once the scope of service rate change is completed alongside DHCS, a FQHC or RHC should consult with their legal counsel to verify that they are in compliance with Medi-Cal billing requirements.

### **2. What supervision requirements must be met when residents train in a FQHC/RHC continuity clinic or rotation sites?**

FQHCs and RHCs that serve as continuity training sites or rotation sites should follow the supervision requirements noted in the contract they established with the external ACGME-accredited Sponsoring Institution and Residency Program. That contract should outline the official evaluation and approval process used by Program Directors and teaching physicians to assess whether a resident has met the competencies needed to have indirect or direct oversight in the exam room. This is defined by the residency program and aligns with [ACGME Common Program Requirement VI.A.2.e](#).

### **3. Should residents be listed on the claim as the rendering physician?**

Billing for patient visits involving a physician resident must be under the licensed teaching physician.

## **Frequently Asked Questions for Residents in Moonlight Arrangements**

The questions below correspond to a FQHC's and RHC's relationship with a resident while he or she is acting as an independent physician under a moonlighting contract, which is separate from their training within the residency program. The new physician licensing requirements created by SB 798 (2017) changed moonlighting abilities for all residents with a PTL, regardless of whether they work with a FQHC or RHC that is an accredited sponsoring institution, continuity site, or rotation site.

### **1. What is moonlighting?**

Moonlighting occurs when a resident works an additional job outside of their residency training as an independent physician. Residents can pursue this route with approval from their Residency Program Directors after they have demonstrated certain competencies. By moonlighting, residents are able to earn additional income, gain additional experience, and diversify their work in different settings. Healthcare organizations work with moonlighting residents to fill provider gaps and increase access to healthcare. This requires a separate arrangement between a FQHC/RHC and a moonlighting resident that is distinct and separate from the contract established for residency training.

**2. Can physician residents with a PTL bill for services provided under moonlighting?**

SB 798 (2017) created a new PTL requirement for physician residents with less than 36 months of training, which went into effect on January 1, 2020. A PTL is not equivalent to an unrestricted medical license, which is required to enroll as a Medi-Cal Fee-For-Service (FFS) or Managed Care provider. As a result, a physician with a PLT cannot bill Medi-Cal.

Most states with PTLs have also allowed residents who have been cleared by their Program Directors, to apply for an unrestricted license in addition to having their PTL. At this time, California does not have this option due to its current licensing requirements.

**3. Can physician residents with an unrestricted license moonlight bill for services provided under a moonlighting arrangement??**

Only physician residents that obtained an unrestricted medical license before the new physician licensing requirements went into effect on January 1, 2020 can moonlight because they are able to enroll as Medi-Cal FFS providers.

Residents with an unrestricted license are currently either 2<sup>nd</sup> or 3<sup>rd</sup> year residents that have met the Medical Board of California's previous unrestricted licensing requirements before SB 798 went into effect on January 1, 2020. The availability of Family Medicine and Internal Medicine residents with an unrestricted license will decrease over the next two years as all incoming residents are required to obtain a PTL and cannot receive an unrestricted license before 36 months of postgraduate training according to the new physician licensing requirements.

**4. Does this new restriction on moonlighting for residents with a PTL apply equally to FQHCs and RHCs that are ACGME-accredited sponsoring institutions vs. continuity clinics/rotation sites?**

SB 798 (2017) created a new PTL requirement for physician residents with less than 36 months of training, which went into effect on January 1, 2020. A PTL is not equivalent to an unrestricted license, therefore, FQHCs and RHCs that operate as ACGME-accredited sponsoring institutions, continuity clinic, and rotation sites cannot bill for Medi-Cal services provided by residents with a PTL who are moonlighting.

**5. How should a FQHC/RHC bill for services provided by a resident with an unrestricted license under a moonlighting arrangement?**

FQHCs/RHCs need to ensure that the resident with an unrestricted medical license is properly enrolled in Medi-Cal. Therefore, FQHCs/RHCs can only bill for services provided by moonlighting residents who have an unrestricted license.

Additionally, FQHCs/RHCs must follow the Health Resources & Services Administration's Federal Tort Claims Act (FTCA) requirements by doing their own credentialing and privileging for those who can and do moonlight with them. Further, [HRSA Policy Information Notice \(PIN\) 2008-01, Defining Scope of Project and Policy for Requesting Changes](#), states the following, on page 10: "As a reminder, all providers of medical, dental and mental health services must be appropriately trained and properly credentialed and licensed to perform the activities and procedures expected of them by the grantee. It is the responsibility of the health center to ensure that all necessary credentialing of providers has been completed." Information about the Medi-Cal Managed Care Plan credentialing requirements can be found on the [All Plan Letter 17-019](#).

## Questions?

Contact Nataly Diaz, CPCA Associate Director of Workforce Development, at [ndiaz@cpca.org](mailto:ndiaz@cpca.org) or (916) 440-8170 with any questions or concerns.