

Look-Alike Initial Designation 2013 Application Instructions Frequently Asked Questions (FAQs)

General Application Questions

1. Where can I find the application instructions for Calendar Year 2013?

The look-alike application instructions for 2013 are located on the look-alike technical assistance webpage available at <http://bphc.hrsa.gov/about/lookalike/index.html>.

2. What are the key differences between the 2013 application instructions and the previous instructions for 2011-2012?

There are several key differences, including:

- Guidance for Annual Certification and Renewal of Designation applications will be released separately;
- HRSA has final authority to designate new and recertify existing look-alikes and to approve change in scope requests, independent from the Centers for Medicare and Medicaid Services (CMS);
- Applicants must demonstrate the organization has been operational for a minimum of 6 months prior to application submission;
- Applicants must document that primary medical care is the organization's primary purpose;
- Applicants must document that they operate at least one full-time, permanent site.

3. Where can I find the forms referenced in the application instructions?

Microsoft Word versions of all forms are located at <http://bphc.hrsa.gov/about/lookalike>. These forms can be used for planning purposes. However, forms submitted as part of the official application must be completed in the Electronic HandBook (EHB).

4. Is there an expedited initial designation application and review process available for organizations that applied for but did not receive a New Access Point (NAP) award?

There is no expedited review process. Look-alike applications are reviewed in the order in which they are received.

5. How long will it take for my initial designation application to be reviewed?

The estimated timeframe for HRSA review of initial designation applications is approximately 135 days. This timeframe will be longer if the applicant is requested to submit additional information. HRSA timeframes are approximate and may vary due to extenuating circumstances.

6. If my application is disapproved, can I submit another initial designation application?

An organization whose application is disapproved can submit a new initial designation application at any time. We strongly recommend that applicants fully review the HRSA feedback provided on the disapproved application and work with their Primary Care Association (PCA) and/or Primary Care Office (PCO) before submitting a new application.

7. What technical assistance resources are available for applicants?

We strongly encourage organizations to work with their PCAs and PCOs in preparing initial designation applications. Additional technical assistance resources and materials are available on the look-alike Technical Assistance Webpage available at <http://bphc.hrsa.gov/about/lookalike/index.html>. HRSA staff is also available to provide technical assistance by phone and email. You can reach us at lookalike@hrsa.gov or 301-594-4300.

8. An organization has to be a non-profit or public entity to apply for designation as a look-alike. How do you define “non-profit entity?”

The applicant of record for the look-alike designation must be incorporated as a non-profit organization and have received tax-exempt status from the IRS (usually under 501-C-3), or can document other evidence of non-profit status (i.e., a letter from the State or the Federal government that an application for non-profit status has been submitted). Further, the organization must demonstrate that it can independently meet all Health Center Program requirements. Look-alike organizations cannot be owned, controlled, or operated by another entity.

9. I run a free clinic that I would like to transition to become a look-alike. To what extent do we need to change our operations before submitting an initial designation application?

Look-alike applicants must be compliant with all Health Center Program requirements at the time of application. This includes the requirement to maximize all sources of revenue, including providing all required primary care, supportive and enabling services on a sliding fee scale, based on an individual’s ability to pay. At a minimum, it is likely that a free clinic will need to make some operational adjustments to comply with this requirement in order to operate under the Health Center Program model before applying for look-alike designation.

10. Will HRSA do site visits to new look-alikes?

HRSA expects to visit each look-alike at least once per designation period.

11. What are some considerations to take into account when applying for look-alike designation since we are transitioning our focus from specialty health services or patient populations (i.e., HIV) to primary health care services?

Look-alike applicants must demonstrate that the primary purpose of the proposed look-alike is to provide primary health care as it is defined by statute. More specifically, to be eligible for look-alike designation, organizations must demonstrate that primary health care visits for current and projected patients is equal to or greater than visits for all other services combined (e.g., dental, behavioral health, etc.).

Health centers (including look-alikes and grantees) are defined in statute as entities that provide, directly or through contracts and/or formal referral arrangements, all required primary health services. More specifically, primary health services are defined as basic health services related to family medicine, internal medicine, pediatrics, obstetrics, or gynecology that are furnished by physicians or, where appropriate, mid-level providers.

Eligibility

12. Does our clinic site have to be located within a federally-designated Medically Underserved Area (MUA) and/or serve a Medically Underserved Population (MUP) in order to be eligible?

All organizations submitting a look-alike initial designation application and current look-alikes must demonstrate that they are serving, in whole or in part, a federally-designated MUA and/or MUP. While the clinic site does not have to be located in an MUA, the organization must demonstrate that it primarily serves persons who live in a MUA or are part of a MUP.

13. Does HRSA have thresholds for the percentage of patients that are served from a MUA or MUP?

There are no statutory or regulatory thresholds for the number or percentage of patients who live in an MUA, or are part of an MUP, that a look-alike must serve. However, look-alikes are expected to serve populations with the greatest need.

14. Where can I locate a list of the current MUAs and MUPs?

A database of MUAs and MUPs can be found at the following website <http://muafind.hrsa.gov/>.

15. Does a look-alike applicant that exclusively serves a special population need to also serve a designated MUA?

A look-alike applicant proposing to exclusively serve a Health Center Program special population (i.e., homeless individuals and families, migratory and seasonal agricultural workers, or public housing residents) is not required to serve a MUA since the aforementioned special populations are considered special medically underserved populations (MUP). However, HRSA strongly encourages initial designation applicants that exclusively serve a special population group to consider seeking an MUA/MUP designation for their target area/population.

16. Is 501(c)3 status required for eligibility?

501(c)3 status can be pending, but the pending status must be documented in the application. Articles of Incorporation are required.

17. We conducted a comprehensive needs assessment 18 months ago. Is that acceptable?

Having a current accounting of the needs of the community is the underpinning of the initial designation application. If there are major changes that have occurred in the community, it would be advantageous to include a more recent needs assessment that reflects these changes. At a minimum, it would be important to acknowledge the length of time since the last needs assessment

was performed, report on any significant changes that have occurred since it was completed, and specify plans for conducting an updated needs assessment.

18. Can HRSA provide an example of a co-applicant agreement that can be used as a model for public entity applicants?

Because co-applicant agreements may contain confidential information, HRSA cannot release an organization's co-applicant agreement documentation without a Freedom of Information Act request. Another approach may be to directly contact and/or consult your Primary Care Association and request to be connected with a public entity health center in your State that might be willing to share its agreement with you.

19. Can you clarify what constitutes being owned or controlled by another entity?

Being a subsidiary of another organization is one example. The governing board of the proposed look-alike must retain independent authority over the organization's operation (or the co-applicant board, in the case of a public entity applying with a co-applicant board). Any affiliation agreement that diminishes an organization's ability to carry out Health Center Program activities, vests in another party the ultimate authority to oversee and approve key aspects of the organization's activities, or in other ways poses risks to the organization's integrity or autonomy would not be acceptable. PIN 1997-27 "Affiliation Agreements of Community and Migrant Health Centers" provides additional guidance, which can be found at

<http://www.bphc.hrsa.gov/policiesregulations/policies/pin199727.html>. PINs 1999-09 and 1999-10 are additional resources, available at

<http://www.bphc.hrsa.gov/policiesregulations/policies/pin199909.html> and

<http://www.bphc.hrsa.gov/policiesregulations/policies/pin199910.html>.

20. One of the initial designation application requirements is that an organization be operational and compliant with all Health Center Program requirements at the time of application. How long must an organization be operational under the Health Center Program requirements before submitting an initial designation application?

The applicant must be operational, providing services under the authority of a compliant governing board for at least 6 months before submitting an initial designation application. The operational period may include time during which the organization is coming into compliance with Health Center Program requirements (e.g., part of the 6 months may include finalizing contracts or formal referral arrangements for required services). However, applicants must demonstrate full compliance with Health Center Program requirements, at the time of application.

21. How is operational status assessed?

Applicants must document their operational status by submitting:

- Primary care Medicaid and Medicare provider numbers and associated documentation;
- An annual financial audit in accordance with generally accepted accounting principles or, if in operation less than one year, a minimum of six months of monthly financial statements; and
- A minimum of six months of governing board meeting minutes demonstrating how the board is exercising its authority over an operational organization, including:
 - Holding monthly meetings;

- Approving look-alike applications and budget;
- Selecting/dismissal and performance evaluation of the health center CEO;
- Selection of services to be provided and the health center hours of operations;
- Measuring and evaluating the organization's progress in meeting its annual and long-term programmatic and financial goals and developing plans for the long-range viability of the organization by engaging in strategic planning, ongoing review of the organization's mission and bylaws, evaluating patient satisfaction, and monitoring organizational assets and performance; and
- Establishing general policies for the health center

22. Our organization can't meet the threshold of demonstrating that primary care is its primary purpose. What is another alternative to move toward eligibility for look-alike designation?

In cases where it is impractical for a specialty health organization to shift its primary purpose to meet Health Center Program requirements, organizations may consider segmenting a part of the organization to serve as the proposed look-alike, e.g., one or several sites for which primary care would be the primary focus. The proposed look-alike must still meet all eligibility requirements and be compliant with all Health Center Program requirements at the time of application. Only the services in the part of the organization applying for look-alike designation would be eligible for look-alike designation. The other parts of the organization would have to exist under the authority of a governing board compliant with all Health Center Program requirements, with non-look-alike parts of the organization remaining as other lines of business under the governing board's jurisdiction.

Need

23. How do we demonstrate that there is sufficient need in the proposed service area to support a new health center?

In addition to conducting a needs assessment and completing the Need for Assistance Worksheet, applicants must:

- Define a logical service area based on need and organizational capacity
- Produce a service area map using HRSA's UDS Mapper and provide data from the UDS Mapper to support the need for services in the proposed service area. Additional information on the UDS Mapper can be found at <http://www.udsmapper.org/tutorials.cfm>.

24. What is the difference between service area and target population?

The **service area** is the area in which the majority of the organization's patients reside, while the **target population** is the population to whom the look-alike targets its services. The target population may be a subset of the service area, e.g., all low income residents in the service area, or it may include all residents of the service area, as appropriate.

25. How should we define our service area?

When defining a service area, applicants must ensure the following:

- Services provided are available and accessible to the residents of the area;

- Boundaries of the area conform, to the extent practicable, to relevant boundaries of political subdivisions, school districts, and Federal and State health and social service programs; and
- Boundaries eliminate, to the extent possible, barriers to access the services of the center, including barriers resulting from the area's physical characteristics, its residential patterns, its economic and social grouping, and available transportation.

26. Where can organizations go for technical assistance in responding to the data requested in the Need for Assistance Worksheet portion of the Need criterion?

Organizations may contact their respective State PCA and PCO for assistance in obtaining data to respond to the Need for Assistance portion of the Need criterion. A listing of State PCAs and PCOs is available on HRSA's website at <http://bphc.hrsa.gov/technicalassistance/>. Additional information may be found through university studies and Federal government agencies such as the Agency for Healthcare Research and Quality (<http://www.ahrq.gov/data/>) and the Centers for Disease Control and Prevention (<http://www.cdc.gov/DataStatistics/>) for reports on State health status incidence and prevalence data.

27. In the event the organization cannot obtain data from other sources, can we use our own clinic data in responding to the Need for Assistance portion of the Need criterion in the initial designation and renewal of designation program narrative?

No. An applicant may not use its clinic data to respond to the Need for Assistance portion of the Need criterion. Clinic data is based on the patients that access care from the organization, which may differ from the organization's target population and/or service area population. Data reported for the disparity indicators should be in the same unit and format as that listed in the application guidance. Applicants may also select "Other" as an indicator. However, the source(s) cited should be recognized reliable data sources (e.g., university, Federal/State/local agency), with scientifically accepted data collection and/or data methods.

28. Are look-alikes scored based on the Need For Assistance (NFA) worksheet?

No. Look-alike initial designation applications are not competitive so NFA worksheets are not scored.

29. How do I create a service area map?

See HRSA's UDS Mapper for assistance in creating a service area map located at <http://www.udsmapper.org/tutorials.cfm>. Specific instructions on how to create a map are located at <http://www.udsmapper.org/docs/ServiceAreaMapInstructions.pdf>.

Response

30. Can we propose a look-alike that exclusively serves a sub population (i.e., adults only)?

Health center services can be targeted to a subset of the proposed service area. However, all required services must be accessible to all residents in the defined service area. Services included in the scope of project must be available equally to all residents of the service area without regard for ability to pay.

Evaluative Measures

31. In the performance measure ‘Working Capital to Monthly Expense Ratio,’ what should we enter if our numerator is less than zero/current assets are less than our current liabilities?

The Electronic HandBook (EHB) will not accept negative numbers in the Financial Performance Measures fields. Therefore, please submit a zero for any financial performance measures that require negative numbers. Then, in the comment section of that particular measure you can write a brief explanation that explains that the EHB does not accept negative numbers which is why you are providing the actual data in the comment field of the particular financial performance measure. Then provide the actual numbers (negative or positive) for the numerator and denominator, including the total for the outcome.

Resources and Capabilities

32. Our organization has not been operational long enough to have a financial audit. Can we still submit a look-alike initial designation application?

It is acceptable to provide 6 months of financial statements in lieu of a financial audit with the initial designation application. However, once designated as a look-alike, organizations must submit an annual financial audit (including any management letter issued with the audit, if applicable).

33. My organization is a public entity applying for initial designation with a co-applicant board. Am I required to submit our public agency audit with our look-alike application, and if designated as a look-alike, annually thereafter?

Both non-profit and public entity look-alike applicants must provide a copy of the organization’s financial audit (including any management letter issued with the audit, if applicable), to HRSA with the initial designation application.

34. Can my organization purchase supplies or services, such as IT support, from a related party?

HRSA expects that all applicants follow Generally Accepted Accounting Principles (GAAP). Specific questions that relate to these principles are best addressed to the organization’s auditor.

Medicare and Medicaid

35. Do I need to provide separate Medicare billing numbers for each site for an initial designation application?

If your organization is designated as a look-alike, you will need to apply for unique Medicare billing numbers (known as PTANs) for each permanent and seasonal site. If your organization is currently operating under Medicare rules for multi-site group practices, you need only supply a single Medicare (and Medicaid) number with your initial designation application. However, you must provide that Medicare (and Medicaid) number on Form 5B: Service Sites for *each site* you propose to include in your look-alike scope of project.

36. If I already have Medicaid and Medicare provider numbers, do I need to re-enroll in Medicaid and Medicare after getting a look-alike designation?

Once designated as a look-alike, organizations have to apply separately to CMS for Medicare and to their State Medicaid agency for Medicaid in order to be reimbursed as an FQHC according to the FQHC payment methodologies. For information on how to enroll in Medicare as an FQHC, see <http://bphc.hrsa.gov/policiesregulations/policies/pal201104.html>.

37. Can I begin billing at the Medicaid and Medicare reimbursement rates as soon as I am designated as a look-alike?

You cannot bill at the Medicare FQHC rate until you have applied for and received approval from CMS. Medicaid requirements vary from state to state, so look-alike organizations should check with their state Medicaid office to determine what is allowable. However, many states require health centers to have received CMS approval to bill as an FQHC before they can apply for Medicaid reimbursement as an FQHC. In addition, like Medicare, many states begin payment at the FQHC rate on the date that the Medicaid application is approved and do not make it retroactive.

Governance

38. The governing board requirement states that a majority of the board be comprised of health center patients. Can this include individuals who are or will be served by the health center?

A majority of members of the board (at least 51 percent) must be individuals (“patients”) who are currently being served by the health center.

39. How should I document evaluation of board performance?

Evaluating board performance includes the internal procedures of the governing board which measure the extent to which the board is meeting its identified goals and objectives for the health center and for their own operations. The procedures should be described in the narrative and may be documented in the governing board bylaws.

40. How can I apply for a waiver of governance requirements?

Waivers of governing board requirements are limited to the consumer-majority board composition requirement and the requirement that the board meet monthly. Waivers of these requirements may only be requested by organizations applying to exclusively serve one or more special populations, e.g., migratory and seasonal agricultural workers, persons experiencing homelessness, and residents of public housing. Applicants requesting a waiver of governance requirements must demonstrate in their request the alternative methods they will employ to gather and utilize patient input to inform the organization’s operations.

41. We have documentation of work done by our quality improvement/quality assurance (QI/QA) committee. Should we provide that documentation in our initial designation application?

Although you are not required to submit minutes of board committees, the minutes of the governing board that are submitted with application should demonstrate the operation of a QI/QA committee. You may also submit other documentation that you believe will be helpful to the application review. You can provide that additional documentation under “Additional attachments.”

Miscellaneous

42. My organization is an existing look-alike and would like to open a new site. Do I need to submit an initial designation application for this new site?

If the new site will be operating as part of and under the oversight of the Board of Directors of the existing look-alike organization, the look-alike organization can request a change in scope of project to add this site to the existing look-alike scope of project rather than submitting a new initial designation application.