



**FQHC Look-Alike Benefits and Process  
For New Hampshire and Vermont Organizations**  
*Developed March 2026 by Kate Simmons*

The process to become a Federally Qualified Health Center (FQHC) Look-Alike (LAL) is long and is designed to be undertaken only by an organization that is committed to the FQHC model of care. At a high level, the process requires the organization to transform itself into a compliant FQHC and function as an FQHC for a minimum of six months before submitting an [“Look-Alike Initial Designation”](#)<sup>1</sup> application to the Health Resources and Services Administration (HRSA). The approval process of this application takes another 9-12 months, prior to a designation award (or rejection). The purpose of this memo is to highlight the benefits of the LAL model and to discuss many common barriers that organizations face in pursuing this designation.

### **LAL Benefits**

A health care practice is eligible to receive various benefits once approved as a LAL. These benefits include:

- reimbursement for services to Medicare and Medicaid patients using the FQHC Prospective Payment System or (if available) an Alternative Payment Methodology;
- the ability to participate in the 340B Drug Pricing Program;
- designation as a facility-based “Health Professional Shortage Area,” permitting access to National Health Service Corps resources to recruit and retain primary care providers;<sup>2</sup> and
- at HRSA’s discretion LALs may receive a small advantage in future competitive Health Center Program “New Access Point” application cycles.<sup>3</sup>

### **Common Barriers**

**MUA/MUP Designation:** LALs, like FQHCs, must serve a [medically underserved area or population](#). This is easiest to demonstrate if the LAL location is geographically in an area that has been designated. It is also possible to make an argument that the organization serves (pulls patients from) the designated areas in the vicinity, however HRSA has not established a bar for what percentage of patients must come from an underserved area. Presumably, it would need to be a significant percentage.

If a region is not yet designated as serving a medically underserved area or population, they need to work with our respective states to determine if the region can obtain this designation. The VT and NH Primary Care Offices (PCOs) are tasked with applying for MUA and MUP designations. Both do a good, proactive job of reviewing available data and submitting applications to designate new areas if the data warrants this. There is

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<sup>1</sup> HRSA is in the middle of a multi-year process to update this Initial Designation application. It is unclear when the updated version will be available.

<sup>2</sup> Also includes designation for Dental Health Professional Shortage Areas and Mental Health Professional Shortage Areas.

<sup>3</sup> New Access Point (NAP) applications occur infrequently and are very competitive. Under the most recent NAP guidance (2024), existing LALs could claim 5 bonus points to increase their score and make them more likely to receive a grant award. This is helpful but may not tip the LAL over the funding threshold.

also a process for “Governor’s Exceptions” which provides a small amount of added flexibility for some geographic areas. In Vermont, “Governor’s Exceptions” must still adhere to a very rigid state-developed process. Organizations that are interested in MUA/MUP/“Governor’s Exceptions” designations should reach out to the appropriate PCO<sup>4</sup> to see whether this is possible; but they should understand that in many cases, this will not be possible.

**Organizational Structure:** The organization would need to conform to FQHC requirements as part of its application to HRSA to become a LAL. This means that the organization must have its own compliant Board (the majority of whom are active patients of the health center and are representative of the community served) and the organization must not be owned, controlled, or operated by another entity. These changes must be made at least 6 months prior to submitting the LAL Initial Designation application (the application must include 6 months of Board meeting minutes).

**Providing Required Primary Health Service:** The organization must be providing all required primary health care services at the time of submitting the LAL Initial Designation application. These services can be provided in-house by the organization, through a contract with another entity (in which the organization pays the other entity), or through a formal referral agreement – but they must be available to health center patients with a Sliding Fee Discount. These services include pediatric and OB care (meaning the health center must be equipped to serve all patients in a community and not be limited to a specific age range, etc.), they include preventive dental care, various enabling services, etc. A full list of these services with description can be found [here](#). The organization must also be open and serving patients at least 40 hours/week.

**Compliance Manual:** The organization must comply with all other FQHC requirements as detailed in the [Health Center Program Compliance Manual](#). A significant requirement includes having a compliant Sliding Fee Discount Program.<sup>5</sup> There are requirements related to Board Authority (which are more detailed than current NH and VT nonprofit board requirements), requirements related to having a QI/QA Program, and several others.

**Service Area Overlap / Collaboration with Other Health Centers:** If the organization proposes a service area that overlaps with that of an existing FQHC or LAL, the organization is expected to demonstrate collaboration with that health center. This usually takes the form of a letter of support from the existing health center(s).

## **LAL Timeline**

The LAL designation process is lengthy and requires a multi-year commitment before receiving any benefits. As noted above, the organization must first ensure it has a compliant organizational structure (e.g., with a compliant Board) and that it and has operated under that structure for 6+ months prior to being eligible to submit a LAL Initial Designation application (i.e., the organization must submit 6 months of governing board meeting minutes with the application). HRSA estimates that the application itself will take the organization 3 months (though this could be done concurrently during the initial 6 months). The approval process of this application will take another 9-12 months and include an on-site visit by reviewers. In summary, the process should be expected to take approximately 18 months. HRSA outlines this process [here](#).

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<sup>4</sup> Bi-State can facilitate this connection.

<sup>5</sup> This is likely more difficult for a private practice; many VT/NH hospital and their hospital-owned practices have Sliding Fee Discount Schedules that are at least as generous as FQHCs’, but they might still need alteration to have the required number of discount pay classes, etc.

## **After Designation**

Immediately after designation, the LAL must work with Medicare and Medicaid to obtain updated billing numbers. After a LAL is designated, it continues to have required submissions. On an annual basis, the LAL must submit both a LAL Annual Certification report and the [Uniform Data Systems](#) data set to HRSA. Approximately 18-24 months after certification, the LAL must undergo an Operational Site Visit, and every three to four years, the LAL must submit a Renewal of Designation application with ongoing Operational Site Visits.<sup>6</sup>

## **Conclusion**

Bi-State's role is to support organizations considering transition to the LAL model. In some cases, a more direct path to FQHC benefits is for an organization to partner with an existing FQHC, and Bi-State can help make those connections. Bi-State currently supports one NH LAL (White Mountain Community Health Center), and over the past three decades has supported multiple NH and VT organizations who spent time as LALs on their path to becoming funded FQHCs. Organizations requesting more information about FQHC development or the LAL process should reach out to Kate Simmons ([ksimmons@bistatepca.org](mailto:ksimmons@bistatepca.org)).

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<sup>6</sup> HRSA is in the process of switching FQHCs and LALs from 3-year to 4-year project periods. For LALs designated in 2027 and later, OSVs should occur at the 2-year mark, and Renewal of Designation application should occur at the 4-year mark.