

Federally Qualified Health Center Scope-of-Service Rate Adjustment Application Instructions

In order to comply with section 702(b) of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act (BIPA) included in the Consolidated Appropriations Act of 2000, Public Law 106 – 554, the Colorado Department of Health Care Policy and Financing (Department) has developed a scope-of-service rate adjustment methodology for Federally Qualified Health Centers (FQHCs). This methodology will adjust the baseline Prospective Payment System (PPS) rate whenever a FQHC experiences a valid change in scope of service. For a description of a valid change in scope of service, please see C.C.R. 8.700.6.5, which can be found on the Department’s website.

A FQHC must apply for a scope-of-service rate adjustment as soon as possible after a valid change in scope of service (i.e. in conjunction with the FQHC’s first cost report after the valid change in scope of service) in order for that change in scope of service to be on record with the Department, regardless of if that change in scope application will trigger the 3% threshold. For a scope-of-service rate adjustment to be considered, the change in scope of service must have existed for at least a full six (6) months. Only one scope-of-service rate adjustment will be calculated per year. However, more than one change in scope of service may be included in a single application.

All Scope-of-Service Rate Adjustments Applications must include the Application Form and Attestation Statement. The Application Form and Attestation Statement should be submitted with the FQHC’s cost report. The Department will use the data from the cost report before the change in the scope of services and the data from the most recent cost report to calculate the scope-of-service rate adjustment. If the Department’s calculated scope-of-service rate adjustment is not a 3% difference from the current Prospective Payment System Rate, the change(s) in the scope of service shall fail to trigger a scope-of-service rate adjustment.

Should the change(s) in scope of service fail to trigger a scope-of-service rate adjustment, the FQHC may combine the change(s) with a valid change(s) in scope of service from the next fiscal year or the fiscal year after. For example, if a valid change in scope of service that occurred in FY2017 fails to reach the threshold needed for a rate adjustment, and the FQHC implements another valid change in scope of service during FY2019, the FQHC may submit a scope-of-service rate adjustment application that captures both of those changes. A FQHC may only combine changes in scope of service that occur within a three-year time frame, and must submit an application for a scope-of-service rate adjustment as soon as possible after each change has been implemented. Once a change in scope of service has resulted in a successful scope-of-service rate adjustment, either individually or in combination with another change in scope of service, that change may no longer be used in an application for another scope-of-service rate adjustment.

Scope-of-Service Rate Adjustment Applications must be filed within ninety (90) days of the end of the fiscal year in which the most recent change in scope of service occurred, in conjunction with the filing of the FQHC's annual cost audit report. Applications may be filed electronically via email or by regular mail. If filed via email, a scanned copy of the signed FQHC Scope-of-Service Rate Adjustment Application Form and Attestation Statement must be emailed.

Electronic submissions may be sent to:

- eglenn@mslc.com or
- zperry@mslc.com

Paper submissions may be sent to:

Myers and Stauffer, LC
c/o Eileen Glenn
6312 S. Fiddlers Green Circle, Suite 510N
Greenwood Village, CO 80111
303-694-3605

For questions or assistance on completing these forms, please contact Eileen Glenn at eglenn@mslc.com or 303-694-3605.

Instructions for the Application Form and Attestation Statement:

FQHC Information:

- Fill out the name of the FQHC, as well as the FQHC's Fiscal Year End. This date should correspond to the "Reporting Period End Date" of the "Cost Report after Change(s) in Scope of Service."
- Fill out the FQHC Number(s) of the FQHC's site(s) that is/are affected by the change(s) in scope of service.
- Fill out the beginning date(s) of the change(s) in scope of service. Please note that for a change in scope of service to be considered valid, it must have existed for at least a full six (6) months. Please include any change(s) from previous years that are being incorporated into the current application.

Information on the Change(s) in Scope of Service:

- A change in the cost of a service is not considered in and of itself a change in scope of service. The change(s) in scope must include at least one of the following to prompt a scope-of-service rate adjustment. Please select the change(s) in scope of service below that corresponds most directly with the change(s) in scope of service at your FQHC:
 - The addition of a new service not incorporated in the baseline PPS rate, or deletion of a service incorporated in the baseline PPS rate;
 - The addition or deletion of a covered Medicaid service under the State Plan;



- Changes necessary to maintain compliance with amended state or federal regulations or regulatory requirements;
- Changes in service due to a change in applicable technology and/or medical practices utilized by the FQHC;
- Changes resulting from the changes in types of patients served, including, but not limited to, populations with HIV/AIDS, populations with other chronic diseases, or homeless, elderly, migrant, or other special populations that require more intensive and frequent care;
- Changes resulting from a change in the provider mix, including, but not limited to;
 - A transition from mid-level providers (e.g. nurse practitioners) to physicians with a corresponding change in the services provided by the FQHC;
 - The addition or removal of specialty providers (e.g. pediatric, geriatric, or obstetric specialists) with a corresponding change in the services provided by the FQHC (e.g. delivery services);
 - Indirect medical education adjustments and a direct graduate medical education payment that reflects the costs of providing teaching services to interns and/or residents; or
 - Changes in operating costs attributable to capital expenditures (including new, expanded, or renovated service facilities), regulatory compliance measures, or changes in technology or medical practices at the FQHC, provided that those expenditures result in a change in the services provided by the FQHC.
- The following items do not prompt a scope-of-service rate adjustment:
 - An increase or decrease in the cost of supplies or existing services;
 - An increase or decrease in the number of encounters;
 - Changes in office hours or location not directly related to a change in scope of service;
 - Changes in equipment or supplies not directly related to a change in scope of service;
 - Expansion or remodel not directly related to a change in scope of service;
 - The addition of a new site, or removal of an existing site, that offers the same Medicaid-covered services;
 - The addition or removal of administrative staff;
 - The addition or removal of staff members to or from an existing service;



- Changes in salaries and benefits not directly related to a change in scope of service;
- Change in patient type and volume without changes in type, duration, or intensity of services;
- Capital expenditures for losses covered by insurance;
- A change in ownership.
- Provide a brief narrative description of the change(s) in scope of service, including how services were provided both before and after the change(s).
- Be sure to attach the appropriate cost reports and/or other detailed documentation that substantiate the change in the scope of services. If combining change(s) in the scope of service with change(s) from a previous year's application(s), please attach the documents from the previous application(s).
- Describe any other documentation attached to the application, and include any other notes/comments as necessary.

Attestation by Officer or Administrator of the FQHC:

- A duly appointed official or administrator of the FQHC must read and sign the attestation statement.
- Fill in the official's or administrator's name, position/title, email address, and phone number, as well as the date he/she signed the attestation statement.