

Title of Rule: Revision to the Medical Assistance Payment Reform Rule Concerning Federally Qualified Health Centers, Section 8.700
Rule Number: MSB 15-08-25-A
Division / Contact / Phone: Payment Reform / Zabrina Perry / x4370

STATEMENT OF BASIS AND PURPOSE

1. Summary of the basis and purpose for the rule or rule change. (State what the rule says or does and explain why the rule or rule change is necessary).

This rule change will revise the Definitions section of the Federally Qualified Health Center (FQHC) rules, which currently define a billable “visit” as a face-to-face encounter between a center client and an eligible provider, to place the additional requirement that a billable “visit” be a one-on-one face-to-face encounter between a center client and an eligible provider. Group sessions will not generate a billable encounter for any FQHC services.

This rule change will reduce ambiguity and clarify how group sessions at FQHCs are billed, and how the costs and visits will be incorporated into the calculations for the per-visit encounter rate for each FQHC. Reducing this ambiguity is increasingly important as more FQHCs offer group sessions (such as the newly allowed diabetes self-management education), and as the Department of Health Care Policy and Financing works to make managed care entities (such as behavioral health organizations that offer services such as group psychotherapy sessions) at full risk for paying FQHCs their per-visit encounter rates.

2. An emergency rule-making is imperatively necessary

to comply with state or federal law or federal regulation and/or

for the preservation of public health, safety and welfare.

Explain:

3. Federal authority for the Rule, if any:

42 U.S.C. § 1396a(bb)

4. State Authority for the Rule:

25.5-1-301 through 25.5-1-303, C.R.S. (2015);
25.5-4-401, C.R.S. (2015)

Initial Review

10/09/2015

Final Adoption

11/13/2015

Proposed Effective Date

12/30/2015

Emergency Adoption

DOCUMENT #01

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REGULATORY ANALYSIS

1. Describe the classes of persons who will be affected by the proposed rule, including classes that will bear the costs of the proposed rule and classes that will benefit from the proposed rule.

The proposed rule will affect the 372,677 Medicaid members that receive medical services at FQHCs.

2. To the extent practicable, describe the probable quantitative and qualitative impact of the proposed rule, economic or otherwise, upon affected classes of persons.

Total expenditures for services received at FQHCs during the last fiscal year was \$166,486,657.00, or approximately \$447.00 per member. However, no qualitative or quantitative service impacts are expected as a result of this rule change. Care will continue to be delivered as it has in the past.

3. Discuss the probable costs to the Department and to any other agency of the implementation and enforcement of the proposed rule and any anticipated effect on state revenues.

None.

4. Compare the probable costs and benefits of the proposed rule to the probable costs and benefits of inaction.

This proposed rule will reduce ambiguity, while inaction will leave the rule with inherent ambiguity, which is an undesirable status.

5. Determine whether there are less costly methods or less intrusive methods for achieving the purpose of the proposed rule.

N/A

6. Describe any alternative methods for achieving the purpose for the proposed rule that were seriously considered by the Department and the reasons why they were rejected in favor of the proposed rule.

The alternative is to leave the rule as it is, with inherent ambiguity, which is an undesirable status.

1 **8.700 FEDERALLY QUALIFIED HEALTH CENTERS**

2 **8.700.1 DEFINITIONS**

3 Federally Qualified Health Center (FQHC) means a hospital-based or freestanding center that
4 meets the FQHC definition found in Title 42 of the Code of Federal Regulations, Part 405,
5 Subpart X (2015). Title 42 of the Code of Federal Regulations, Part 405, Subpart X (2015) is
6 hereby incorporated by reference into this rule. Such incorporation, however, excludes later
7 amendments to or editions of the referenced material. These regulations are available for public
8 inspection at the Department of Health Care Policy and Financing, 1570 Grant Street, Denver,
9 CO 80203. Pursuant to C.R.S. 24-4-103(12.5)(V)(b), the agency shall provide certified copies of
10 the material incorporated at cost upon request or shall provide the requestor with information on
11 how to obtain a certified copy of the material incorporated by reference from the agency of the
12 United States, this state, another state, or the organization or association originally issuing the
13 code, standard, guideline or rule.

14 ~~Federally Qualified Health Center (FQHC) means a hospital-based or free standing center that~~
15 ~~meets the FQHC definition found in Section 1905(1)(2)(B) of the Social Security Act. Section~~
16 ~~1905(1)(2)(B) of the Social Security Act is incorporated by reference. This rule does not include~~
17 ~~any later amendments to or editions of the incorporated material. A copy of Section 1905(1)(2)(B)~~
18 ~~of the Social Security Act is available for public inspection for a reasonable charge at the~~
19 ~~Colorado Department of Health Care Policy and Financing, 1570 Grant St, Denver, Colorado~~
20 ~~80203. A copy of the incorporated material is also available for a reasonable charge from the U.S.~~
21 ~~Government Printing Office, P.O. Box 371954, Pittsburgh, Pennsylvania 15250-7954. The~~
22 ~~incorporated material may also be examined at any state publications depository library.~~

23 Visit means a one-on-one face-to-face encounter between a center client and physician, dentist,
24 dental hygienist, physician assistant, nurse practitioner, nurse-midwife, visiting nurse, clinical
25 psychologist, podiatrist or clinical social worker providing the services set forth in 8.-700.3. Group
26 sessions do not generate a billable encounter for any FQHC services.

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