Tennessee Change in Scope Policy for FQHCs and RHCs

October 4, 2016

Webinar Overview

- This webinar will explain Tennessee's new change in scope policy for FQHCs and RHCs.
- Topics include
  - Definition of a change in scope
  - Process for requesting a change in scope
  - Change in scope impact on FQHC/RHC PPS rates

Background Information

- Medicaid statute requires states to adjust the per-visit rate of FQHCs/RHCs for two reasons:
  - *inflation*
  - *"to take into account any increase or decrease in the scope of such services furnished by the center . . . during that fiscal year."*[1]
- Per CMS definition, a scope of services means "the type, intensity, duration and/or amount of services."[2]

[1] 42 U.S.C. § 1396a(bb)(3)(B)

[2] Letter dated Sept. 12, 2001 from Family Children's Health Programs Group to Medicaid Regional Administrators with "Q's and A's" on BIPA/PPS implementation.

Definition of a Visit

- What is the definition of a PPS-eligible visit?
  - A face-to-face (one-on-one) encounter between a FQHC/RHC patient and FQHC/RHC practitioner during which time one or more FQHC/RHC services are furnished.
- Which providers can generate PPS-eligible visits?
  - Physicians, nurse practitioners, physician assistants, certified nurse midwives, clinical psychologists, clinical social workers, licensed professional counselors, certified diabetes self-management training/medical nutrition therapy providers, dentists, registered dental hygienists, pharmacists and optometrists.

Same Day Visits

- If a patients sees two providers of one discipline on the same day, this comprises **one** visit. There is one exception regarding subsequent, separate illnesses or injuries.
- If a patient sees two providers of different disciplines on the same day (i.e. medical and dental, dental and behavioral health, medical and behavioral health) this comprises **two** visits.

Tennessee Change in Scope Policy

- Tennessee's change in scope (CIS) policy describes the process for requesting a change in scope from the State and the method by which rate adjustments will be assessed and calculated.
- Tennessee is also implementing a policy that health centers will use to request a PPS rate for dental, optometry, or pharmacy services. These services have separate PPS rates.
- Behavioral health is included in the core/medical rate.

Tennessee Change in Scope Policy

- Health centers may request a CIS due to a change in **type, intensity, duration, or amount** of services once per state fiscal year for each PPS rate for changes incurred in the previous two state fiscal years.
- The request must be in writing; the policy outlines the information that should be included in the request.
- A form has been developed so that each request is standardized and the potential for requests for more information from health centers is reduced.

Step 1: Change in Scope Request

Health center submits CIS request to the State.

State notifies health center within 90 days.

Upon approval, health center begins receiving current PPS for the service.

PPS Rate Adjustments

- In some cases a change in scope will also necessitate a PPS rate adjustment.
  - *Rate adjustments must be attributable to an increase or decrease in scope of services.*
  - *A change in costs alone without a qualifying change in scope of services does not qualify for a rate adjustment.*
- To qualify for a PPS rate change, changes in scope must result in at least a 5% increase or decrease in the allowable per-encounter cost over a two-year period.
- The percentage will be calculated by comparing the PPS rate at the time the CIS was approved by the State with the cost per visit during the two-year period.

Step 2: Change in Scope Process/Rate Adjustments

Health center submits two full fiscal years of Medicare cost reports and other supporting documentation to the State.

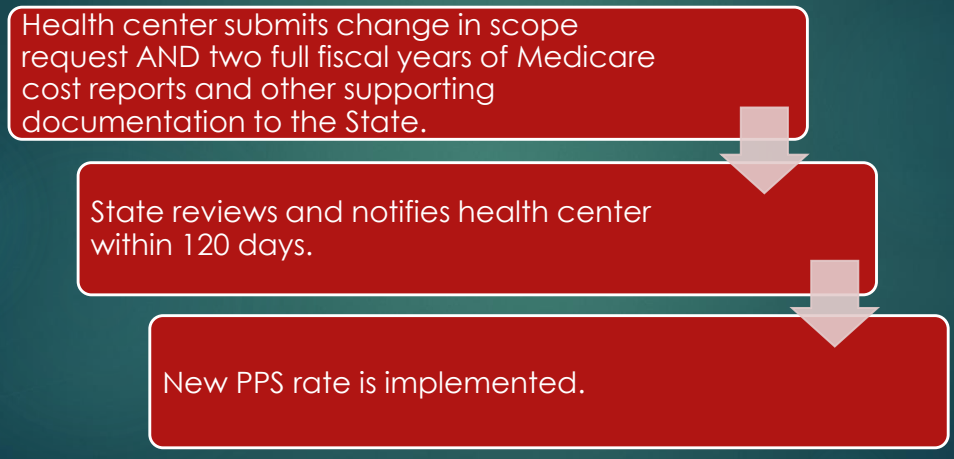
State reviews and notifies health center within 90 days.

If cost difference is up or down 5% from current PPS, a new PPS rate is implemented.

One-Time Opportunity for Past Changes in Scope

- Centers must have **two full fiscal years** of cost reports to submit under the one-time opportunity.
- This is an optional process; not every center must submit for a one-time change in scope under this provision.
- Health centers can submit anytime during state fiscal year 2017 (July 1, 2016 – June 30, 2017).

One-Time Opportunity for Past Changes in Scope



Adding Dental, Pharmacy, or Optometry

- These services have separate PPS rates; health centers should follow the process outlined in "Change in Scope of Services for Dental, Pharmacy, and Optometry Services" to establish a PPS rate.
- This policy is for new services only; if a center seeks to change the intensity, duration, or amount of services, they should use process outlined in the Tennessee FQHC/RHC Change in Scope Policy" document.

Adding Dental, Pharmacy, or Optometry

Health center submits change in scope request to the State, along with budgeted (estimated) costs.

State reviews and notifies health center within 90 days. State also sets an interim PPS rate for the service.

When health center has two full years of cost reports, these are submitted to the State. State sets a new PPS rate.

Submitting Change in Scope Requests and Cost Reports

- The State has established an email inbox for all change in scope requests: clinics@cot.tn.gov.
- Cost reports can be emailed to this address or they can be mailed to:

Tennessee Comptroller of the Treasury
Division of State Audit
Attention Julie Rogers
505 Deaderick Street, Suite 1600
Nashville, TN 37243-1402

Questions?

- The policies, FAQs, form to submit, and a sample narrative are on the TennCare website:

http://www.tenncaretopics.com/fqhc-and-rhc/Default.aspx

- If you have questions in the future please contact

Julie Rogers
Division of State Audit
Tennessee Comptroller of the Treasury
Julie.A.Rogers@cot.tn.gov