COLORADO
Department of Health Care Policy & Financing
Medical Services Board

NOTICE OF PROPOSED RULES

The Medical Services Board of the Colorado Department of Health Care Policy and Financing will hold a public meeting on Friday, July 8, 2022, beginning at 9:00 a.m., in the eleventh floor conference room at 303 East 17th Avenue, Denver, CO 80203. Reasonable accommodations will be provided upon request for persons with disabilities. Please notify the Board Coordinator at 303-866-4416 or chris.sykes@state.co.us or the 504/ADA Coordinator hcpf504ada@state.co.us at least one week prior to the meeting.

A copy of the full text of these proposed rule changes is available for review from the Medical Services Board Office, 1570 Grant Street, Denver, Colorado 80203, (303) 866-4416, fax (303) 866-4411. Written comments may be submitted to the Medical Services Board Office on or before close of business the Wednesday prior to the meeting. Additionally, the full text of all proposed changes will be available approximately one week prior to the meeting on the Department's website at www.colorado.gov/hcpf/medical-services-board.

This notice is submitted pursuant to § 24-4-103(3)(a) and (11)(a), C.R.S.

MSB 22-01-20-A, Revision to the Federally Qualified Health Center Rule Concerning Reimbursement, Section 8.700.6

Medical Assistance. Due to the COVID-19 pandemic, the Department set FQHC rates using inflationary factors for cost reports in 2020 and 2021. This helped the Department avoid skyrocketing rates due to higher costs and lower visits. Part of the FQHC encounter rates include a base rate, which is set using a three-year weighted average of costs and visits. Starting with cost reports with fiscal year ends May 31, 2022 and after, we have decided to set FQHC rates using the actual cost and visit data again. However, our rules currently state that the base rates are set using the previous year's data – which we did not use to set rates at the time. This rule revision restarts the base rate calculation, so that we are not using the higher costs and lower visits from 2020 and 2021.

The authority for this rule is contained in Section 1902(bb) of the Social Security Act and Sections 25.5-1-301 through 25.5-1-303 (2021).

MSB 22-03-22-A, Revision to the Medical Assistance Act Rule concerning Outpatient Payment Rates for Newly Enrolled and Out of State Hospitals, Sections 8.013 & 8.300.6

Medical Assistance. Rule MSB 22-03-22-A updates the references found within the current rule and adds clarifying language regarding payment for Outpatient services provided by hospitals, effecting newly enrolled and out of state hospitals. Currently, to assign an outpatient base rate to a newly enrolled hospital, the hospital is placed into either a 'Urban' or 'Rural' category. Then they are assigned the base rate which is the average of the other hospitals that currently fall into the assigned category. In addition, any out of state hospital requiring an outpatient base rate would be assigned 90 percent of the assigned peer group weight. Effective 09/01/2022, rule MSB 22-03-22-A will exclude any provider that is considered as Pediatric, Rehabilitation, or Long-Term Acute Care from these grouped averages, as relative to other hospitals, their costs for outpatient services are

atypical. If a hospital is not deemed as a Pediatric, Rehabilitation, or Long-Term Acute Care, it is then grouped into either the Urban or Rural category. For the hospitals that are not within these three groups, this adjustment will align payment more accurately with the type of services they provide. Pediatric, Rehabilitation, and Long-Term Acute Care hospitals will each have their own peer groups from which average base rates will be calculated. Those average rates will be used for assigning outpatient base rates for new and out-of-state hospitals.

The authority for this rule is Sections 25.5-1-301 through 25.5-1-303, C.R.S. (2021).