

Sec. 17b-262-1001. Change in scope of services

(a) Each FQHC shall notify the department of any increase or decrease in the scope of services provided by the FQHC in accordance with section 17b-245d of the Connecticut General Statutes. If the FQHC seeks an adjustment to its encounter rate based on the change in scope of services, the FQHC shall submit a written request to the department in accordance with subsection (c) of this section.

(b) Examples of changes in scope of services by a FQHC for which the department may adjust the encounter rate include, but are not limited to, the following:

(1) A change in the volume or amount of services as a result of a significant expansion or reduction of an existing clinic, or the addition or discontinuance of a satellite or new site;

(2) A change in operational costs that is attributable to capital expenditures, including new service facilities or regulatory compliance, provided that the additional costs result in a change in the volume, amount, or intensity of services. The cost of a new or expanded building alone would not necessarily qualify;

(3) The addition or deletion of any Medicaid covered service eligible under the FQHC reimbursement program;

(4) A change in the operational costs attributable to changes in technology or medical practices at the FQHC;

(5) A change of costs due to recurring taxes, malpractice insurance premiums, or workers' compensation premiums that were not recognized and included in the PPS baseline calculation;

(6) A change in federal or state regulatory requirements that would impact FQHC costs; or

(7) A HRSA-approved change in the scope of project, provided that the change is consistent with federal and state Medicaid regulations.

(c) In the event of a change in scope of service for which a FQHC seeks a rate adjustment, a FQHC shall submit a written request to the Commissioner that includes the following:

(1) A description of the change in scope of services and the reason for the change;

(2) The impact on capital and operating costs;

(3) The requested change in rate; and

(4) All documentation submitted to HRSA regarding a change in scope of project, if applicable.

(d) A FQHC shall file a preliminary cost report to support its request for a rate adjustment not later than 90 days after the date on which the FQHC submitted its request for a rate adjustment.

(e) If a FQHC has received approval for a change in scope of project from HRSA for which it seeks a rate adjustment for a change in scope of services, the FQHC shall submit a written request for a change in scope of service in accordance with subsection (c) of this section not later than sixty days after the FQHC has received approval from HRSA for the change in scope of project. The FQHC shall submit all documentation submitted to HRSA regarding the change in scope of project.

(f) If a FQHC is not required to file a change in scope of project with HRSA but plans an increase or decrease in services or sites to be offered by the FQHC that result in a change

to the FQHC's scope of services, the FQHC shall submit a written request for a change in scope of service in accordance with subsection (c) of this section not later than sixty days after the end of the FQHC's fiscal year. A FQHC shall submit all documentation required or requested by the department with respect to the change in scope of service.

(g) The department may initiate a change in scope of service and resulting encounter rates following a review of the FQHC's scope of project, subsequent amendments to the scope of project, cost reports and audited financial statements by notifying the FQHC in writing and requesting documentation with respect to the proposed change in scope of service. A FQHC shall submit all requested documentation not later than ninety days after receipt of the notice of the proposed change in scope of services.

(h) In making its determination with respect to whether a FQHC's encounter rate may be adjusted based upon a change in scope of services, the department shall review the following:

- (1) The FQHC's Medicaid cost report;
- (2) The FQHC's audited financial statements; and
- (3) Any other documentation relevant to the change in scope of services.

(i) The department shall issue a decision on a request for an adjustment to the FQHC's encounter rate not later than 120 days after the date on which the FQHC submits the request to the department.

(j) If the department approves the request, the new encounter rate shall take effect on the date specified in the department's decision. The FQHC shall submit a final cost report by January 1 of the year following the request for an adjustment to its encounter rate.

(Effective May 13, 2015)