

## **Change of Scope of Services Explanation**

1. Change in Scope of Service is defined in accordance with Section 1020 of this manual and generally represents the following:
  - a. The addition or deletion of a new category of service as defined in Section 900 of this Manual; or
  - b. (b) The department has granted a request filed by an FQHC that a service has changed in scope as described in Section 1020 of this Manual.
  - c. (c) “Increase or decrease in the scope of services” means the addition or deletion of a category of service or the department has granted a request filed by an FQHC that a service has changed in scope as specified in Section 1020 of this Manual.
2. A change in scope of service may include but is not limited to the following:
  - The addition of a service that has been mandated by a governmental entity such as the centers for Medicare and Medicaid services (CMS) in federal statute, rules, or policies enacted or amended after April 1, 2002;
  - The addition of an obstetrical-gynecological physician or nurse mid-wife or other advanced practice nurse with a certification in obstetrical-gynecological services to an FQHC site that did not previously offer obstetrical services;
  - The addition of a physician to a site that only offered nurse practitioner services previously;
  - An increase in the intensity of services provided.
3. The following situations are not considered a change in scope of services:
  - a. Wage increases;
  - b. Negotiated union contracts;
  - c. Renovations or other capital expenditures;
  - d. The addition of a disease management program;
  - e. An increase in the number of staff working in the clinic such as the addition of:
    - i. A lower level staff member such a family nurse practitioner when a site employs a family physician;
    - ii. A hygienist when a dentist is employed at the site;
    - iii. A physical therapy assistant when the site employs a physical therapist;  
and
    - iv. Social service staff;
  - f. An increase in office space that is not directly associated with an approved change in scope of service, e.g., the addition of an obstetrical-gynecological physician;

- g. An increase in equipment or supplies that is not directly associated with an approved change in scope of service, e.g., the addition of an obstetrical-gynecological physician;
- h. An increase in patient volume; and
- i. An increase in office hours.

4. An FQHC's request for a rate increase due to a change in scope of service will be granted at the sole discretion of the department. The calculated PPS rate for the service that changed in scope must increase by at least twice the MEI for that year before the department will grant the request for a change in scope of service.

5. A request for review of a change in scope of service must be filed no later than ninety days after the close of one year of operation of the service that has changed in scope.

6. A rate adjustment due to a change in scope shall be granted only once for a particular circumstance for a particular FQHC.

7. A request for rate review due to a change in scope of service must be filed in accordance with the following procedures:

- a. The request for review of a change in scope of service must be in writing.
- b. The request for a rate review must indicate that it is due to a change in scope of service.
- c. The request for a rate review must provide a detailed explanation and evidence to prove why a rate adjustment is warranted. The FQHC should demonstrate that by providing either:
  - i. A community needs assessment shows that population demographic changes warrant the change in scope of service; or
  - ii. A business plan or other similar documentation indicates that the new service is warranted; and
  - iii. Efforts were made to address the problem outside of the rate review process.

d. If the request is due to a change in the intensity of services provided, the FQHC must provide evidence that the intensity of services has changed and that the increased costs are directly related to the change in intensity of service. This evidence might include a report showing that patients' diagnoses have changed the acuity of care or a report proving that the relative values of the services provided has changed.

8. The department shall respond in writing within sixty days of receiving each written request for a change in scope of service. If the department requests additional information to determine if the rate request is warranted, the department shall respond in writing within sixty days of receiving the additional information.

9. If a request for a rate adjustment due to a change in scope of service is granted, the following provisions will apply:

- a. The department will review the FQHC's costs for the service that has changed in scope and will set a rate based on the reasonable cost parameters in Section 1000 of the manual.
- b. The rate increase shall be the difference between the new rate calculated for the service that has changed in scope, minus the rate previously calculated for the prior year for that category of service. The rate increase amount shall be added to the current year's PPS rate for that specific category of service for the FQHC.
- c. The rate adjustment shall be effective on the first day of the first full month after the department has granted the request. Retroactive adjustment will not be made.
- d. The Department's decision at the conclusion of the rate process shall be considered final.
- e. A FQHC must notify the department in writing within ninety days of any permanent decrease in a scope of service.