



## ADMINISTRATIVE RULES OF MONTANA

### 37.86.4409 PROSPECTIVE CHANGE IN SCOPE OF SERVICE

- (1) A prospective change in scope of service is a change the RHC or FQHC plans to implement in the future. An RHC or FQHC may file an application for a prospective change in scope of service and, if approved, may receive a temporary PPS rate, pending final approval of the incremental change to the baseline PPS rate.
- (2) An application is deemed timely if the department receives the completed application for a prospective change in scope of service no later than 120 days in advance of the prospective change in scope of service, or otherwise the application is deemed untimely.
- (3) An application is completed if it includes the information in (4), and, if applicable, (5).
- (4) To apply for a prospective change in scope of service rate adjustment, an RHC or FQHC must submit the following application materials:
  - (a) a narrative description of each change in scope of service;
  - (b) the date on which the change in scope of service is scheduled to occur;
  - (c) a description of each cost center(s) on the cost report that will be affected by the change in scope of service;
  - (d) the cost report for the fiscal year prior to the year in which the prospective change in scope of service is scheduled to be implemented; and
  - (e) a projected cost report for the fiscal year in which the change in scope of service is implemented, which considers the change in scope of service. If a projected cost report cannot be completed, the RHC or FQHC must provide sufficient cost and encounter information to establish a temporary rate.
- (5) The department may request additional information from the RHC or FQHC. The requested information must be received by the department no later than 30 calendar days from the date of the request to be deemed timely. If the requested information is not received within that timeframe, the application for a prospective change in scope of service is deemed untimely.
- (6) No later than 90 days after receiving a completed application, the department shall:
  - (a) establish the temporary PPS rate by calculating the RHC's or FQHC's allowable cost of services both with and without the added or removed services; and
  - (b) notify the RHC or FQHC of the temporary PPS rate.
- (7) After the change in scope of service occurs, the RHC or FQHC shall notify the department in writing of the implementation date, even if the change is implemented on the scheduled date.

- (8) For timely applications, the effective date of the temporary PPS rate is the date the change in scope of service is implemented.
- (9) For untimely applications, the effective date of the temporary PPS rate is the later of:
  - (a) the date the department receives the RHC's or FQHC's completed application materials in (4) and, if applicable, (5); or
  - (b) the date the change in scope of service is implemented.
- (10) No later than six months after the close of the RHC's or FQHC's fiscal year in which the change in scope of service occurred, the RHC or FQHC must supplement its application by filing with the department the following materials:
  - (a) a narrative description of each change in scope of service, including how the services were provided both before and after the change;
  - (b) the date on which the prospective change in scope of service was implemented;
  - (c) the RHC's or FQHC's as-filed Medicare cost reports for the fiscal year prior to the year in which the change in scope of service occurred and for the fiscal year in which the change in scope of service occurred;
  - (d) for the FQHCs the Uniform Data System reports for the calendar year prior to the change in scope of service, and the calendar year in which the change in scope of service occurred;
  - (e) a description of each cost center on the cost report affected by the change in scope of service;
  - (f) an attestation statement that certifies the accuracy, truth, and completeness of the information in the application signed by an officer or administrator of the RHC or FQHC; and
  - (g) any approved changes in scope of project as defined by the federal Health Resources and Service Administration (HRSA).
- (11) The department may request additional information to process the application and must receive the additional information no later than 30 calendar days from the date of the request, or otherwise the application is deemed untimely. The request for additional information will include a notice that failure to submit the materials within the requested 30 calendar days will result in suspension of payments for Medicaid services billed to the department until such time as the supplemental materials are received by the department.
- (12) The department must receive the supplemental materials no later than six months after the close of the RHC's or FQHC's fiscal year in which the change in scope of service occurred, or otherwise the application is deemed untimely. Thirty days prior to the expiration of the six-month deadline, if the department has not yet received the supplemental materials, the department shall send a notice to the RHC or FQHC and inform it that failure to submit the materials in a timely manner will result in suspension of payments for Medicaid services billed to the department until such time as the supplemental materials are received by the department.
- (13) No later than 90 days after receiving the supplemental materials, the department shall:
  - (a) establish the incremental change in the baseline PPS rate by calculating the RHC's or FQHC's allowable costs of services both with and without the added or removed services; and
  - (b) notify the RHC or FQHC of the incremental change in the baseline PPS rate.

- (14) For timely filed supplemental materials, the effective date of the incremental change to the baseline PPS rate is the date the change in scope of service was implemented. If the final PPS rate differs from the temporary PPS rate, the department shall calculate the amount of underpayment or overpayment to the RHC or FQHC and reimburse or recoup the amount from future payments to the RHC or FQHC.
- (15) If an RHC or FQHC fails to timely submit supplemental materials, the department shall suspend all payments to the RHC or FQHC for Medicaid services billed to the department until such time as the supplemental materials are received. Once all required supplemental materials are received the effective date of the incremental change to the baseline PPS rate is the date the change in scope of service was implemented.

**Authorizing statute(s):** 53-2-201, 53-6-113, MCA

**Implementing statute(s):** 53-2-201, 53-6-101, 53-6-111, 53-6-113, MCA

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**History:** NEW, 2019 MAR p. 1866, Eff. 10/19/19.