

Title of Rule: Revision to the Medical Assistance Act Rule concerning Rural Health Clinics,
Section 8.740.7
Rule Number: MSB 25-04-15-A
Division / Contact / Phone: Health Policy Office / Jessica Farmen / jessica.farmen@state.co.us

STATEMENT OF BASIS AND PURPOSE

1. Summary of the basis and purpose for the rule or rule change. (State what the rule says or does and explain why the rule or rule change is necessary).

This proposed rule revision affects 10 CCR 2505-10 Section 8.740.7.E regarding reimbursement for Rural Health Clinics. At Section 8.740.7.E.2, language has been added to include Telehealth Remote Monitoring (Remote Patient Monitoring) as a service that is reimbursed separately from the per visit encounter rate. Reimbursement for these services will be the lower of submitted charges or the fee schedule rate determined by the Department.

Senate Bill 24-168 required the Department to conduct stakeholder meetings with rural providers to discuss sustainable reimbursement options for Telehealth Remote Monitoring (Remote Patient Monitoring) services. Stakeholder engagement helped inform the proposed policy and regulation by identifying sustainable reimbursement for rural providers, qualifying conditions, fee-for-service codes to include on the fee schedule, requirements for remote patient monitoring devices, and rendering providers and supervision requirements. Specific to this proposed rule change, a sustainable reimbursement model for Rural Health Clinics was identified. Feedback informed the decision to reimburse for Telehealth Remote Monitoring (Remote Patient Monitoring) separately from Rural Health Clinic's per visit encounter rate, which prompted this proposed rule change.

2. An emergency rule-making is imperatively necessary

- ☐ to comply with state or federal law or federal regulation and/or
☐ for the preservation of public health, safety and welfare.

Explain:

N/A

3. Federal authority for the Rule, if any:

42 C.F.R. 440.20

4. State Authority for the Rule:

Sections 25.5-1-301 through 25.5-1-303, C.R.S. (2024); 581808066:/F1U1+5357,

Initial Review
Proposed Effective Date

07/11/25
09/30/25

Final Adoption
Emergency Adoption

08/08/25

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REGULATORY ANALYSIS

1. Describe the classes of persons who will be affected by the proposed rule, including classes that will bear the costs of the proposed rule and classes that will benefit from the proposed rule.

This proposed rule revision will change Rural Health Clinic (RHC) reimbursement for Telehealth Remote Monitoring (Remote Patient Monitoring). Senate Bill 24-168 required the Department to conduct stakeholder meetings with rural providers to discuss sustainable reimbursement options for Telehealth Remote Monitoring (Remote Patient Monitoring) services. Stakeholders had questions about which procedure codes were considered RPM, RPM device costs and qualifications, behavioral health and physical health diagnoses, and data transmission. Stakeholder engagement helped inform the proposed policy and regulation by identifying sustainable reimbursement (an RHC carve-out) for rural providers for Rural Health Clinics was identified.

Specifically, the Colorado Rural Health Center (CRHC), which represents the Rural Health Clinics, communicated with the Department that a carve-out for RPM services was the most sustainable option. RHCs will be impacted by the Telehealth Remote Monitoring rule as it will now be a covered service available to members who are patients of an RHC; however, with this carveout, the RHCs will not incur budgetary concerns to provide these services. RHCs being reimbursed separately from the per visit encounter rate for Telehealth Remote Monitoring services will better cover the costs of providing the service. This rule will also improve access to Medicaid members that receive RPM services at RHCs.

2. To the extent practicable, describe the probable quantitative and qualitative impact of the proposed rule, economic or otherwise, upon affected classes of persons.

RHCs will be directly reimbursed at the fee schedule rates for Telehealth Remote Monitoring (Remote Patient Monitoring) services. RHCs receive a capitated rate so the carve-out provides a sustainable and timely way for RHCs to provide RPM services. This rule will reimburse RHCs for RPM services directly instead of an indirect reimbursement through their encounter rates in the future. Independent RHCs are often the only healthcare provider in their community or county, so being able to provide RPM services at these facilities and receive reimbursement in a timely fashion is critical for healthcare access.

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3. Discuss the probable costs to the Department and to any other agency of the implementation and enforcement of the proposed rule and any anticipated effect on state revenues.

The Department will directly reimburse RHCs for Telehealth Remote Monitoring (Remote Patient Monitoring) services. Without this rule, the costs of these services would be included in future rates. Therefore, there should be no significant budgetary impact as RHC rates will not increase in the future due to their direct reimbursement with this rule revision. Additionally, there is no budget impact overall to the Department with this proposed rule as the appropriation was made in Colorado Senate Bill 24-168. Therefore, the funds are already accounted for in the Department's budget.

4. Compare the probable costs and benefits of the proposed rule to the probable costs and benefits of inaction.

If the Department does not adopt this rule change RHCs will likely suffer budgetary concerns due to not having direct reimbursement for Telehealth Remote Monitoring (Remote Patient Monitoring) services. RHCs will also be less incentivized to provide these services due to lack of direct reimbursement. This could affect access to these services for members.

Implementing Telehealth Remote Monitoring (Remote Patient Monitoring) services in RHCs will significantly expand access to care for members, ensuring they receive timely support regardless of location. By enabling continuous monitoring, this approach allows healthcare providers to identify potential health issues earlier, leading to improved health outcomes for members. Early detection and proactive intervention can also help prevent complications and reduce unnecessary emergency department visits, ultimately enhancing the quality and efficiency of care.

5. Determine whether there are less costly methods or less intrusive methods for achieving the purpose of the proposed rule.

There are no other methods that are less costly or less intrusive to achieve the purpose of the proposed rule.

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6. Describe any alternative methods for achieving the purpose for the proposed rule that were seriously considered by the Department and the reasons why they were rejected in favor of the proposed rule.

The Department considered not reimbursing RHCs the fee schedule amount for Telehealth Remote Monitoring (Remote Patient Monitoring) but decided it was better to reimburse at the fee schedule amount to improve access for rural patients.

1 **8.700 FEDERALLY QUALIFIED HEALTH CENTERS**

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3
4 **8.740 RURAL HEALTH CLINICS**

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6
7 **8.740.7 REIMBURSEMENT**

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9 *[Sections 8.740.7.A – 8.740.7.D are not affected by this proposed rule*
10 *revision.]*

11
12 8.740.7.E. The following services are reimbursed separately from the Rural Health Clinic per visit
13 encounter rate. These services shall be reimbursed in accordance with the following:

14 1. The Department will reimburse Long-Acting Reversible Contraception (LARC) and Non-
15 surgical Transcervical Permanent Female Contraceptive Devices separate from the Rural
16 Health Clinic per visit encounter rate. Reimbursement will be the lower of:

17 a1. 340B acquisition costs;

18 b2. Submitted charges; or

19 c3. Fee schedule as determined by the Department.

20 2. Telehealth Remote Monitoring (Remote Patient Monitoring) services will be reimbursed
21 separate from the Rural Health Clinic per visit encounter rate. Reimbursement will be the
22 lower of:

23 a. Submitted charges; or

24 b. Fee schedule as determined by the Department.

25
26 *[Section 8.740.7.F is not affected by this proposed rule revision.]*
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