

# Rural Health Clinic Engagement Meeting

Thursday, July 10, 2025  
1:00 PM - 2:00 PM

Location  
Online Only

## Rural Health Clinic Zoom Meeting

Conference Line: 1-877-853-5257

Meeting ID: 870 4490 0719

Passcode: 245046



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Department of Health Care  
Policy & Financing

# Our Mission

Improving health care equity, access and outcomes for the people we serve while saving Coloradans money on health care and driving value for Colorado.



# Bi-Monthly Rural Health Clinic Meetings

**Today's Meeting:** 1:00 - 2:00 P.M.

**Next Meeting:** September 4, 2025, 1:00 - 2:00 PM

## **Webinar Link:**

<https://us06web.zoom.us/j/86828883009?pwd=ZmpsNWRUcG40ZGNVU0hKUmtOcnI4UT09>

**Conference Line:** 833-548-0282

**Meeting ID:** 868 2888 3009

**Passcode:** 848558



# AGENDA

## July 2025 Rural Health Clinic Engagement Meeting Topics – mm:ss

Rate Methodology Overview: Freestanding Rural Health Clinics - 2:36

Rate Methodology Overview: Hospital-based Rural Health Clinics - 5:14

Hospital-based RHC Reconciliation Status - 7:09

Scope of Service Rate Adjustments - 11:05

Managed Care Accuracy Audits - 11:53

Future Meeting Topics - 13:32

Questions, Comments, Solutions - 15:20

Contact Info - 18:40



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# Rate Methodology Overview: Freestanding (Part 1)

- Defined in Code of Colorado Regulations: 8.740.7.B
- Encounter rates are the higher of:
  - The **Prospective Payment System (PPS)** as defined by Section 702 of the Medicare, Medicaid and SCHIP Benefits Improvement and Protection Act (BIPA) included in the Consolidated Appropriations Act of 2000, Public Law 106-554.
  - The **Alternative Payment Methodology (APM)** rate, which is the Medicare upper payment limit for Rural Health Clinics



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# Rate Methodology Overview: Freestanding (Part 2)

- Defined in Code of Colorado Regulations: 8.740.7.C-D
- **New** freestanding RHCs will receive an interim rate that is the average of other freestanding RHC's rates in the new RHC's Regional Accountable Entity
- **New** freestanding RHCs will have a PPS rate calculated as the average of other freestanding RHC's PPS rates in the new RHC's RAE



# Medicare RHC UPL Rates

Year	RHC Payment Limit
2021	\$100
2022	\$113
2023	\$126
2024	\$139
2025	\$152
2026	\$165
2027	\$178
2028	\$190

# Rate Methodology Overview: Hospital-based (Part 1)

- Defined in Code of Colorado Regulations: 8.740.7.B
- Encounter rates are the higher of:
  - The Prospective Payment System (PPS) (see previous slide)
  - The Alternative Payment Methodology (APM) rate, based on actual costs
    - Interim rate is the higher of the current year PPS rate and the most recent audited and finalized cost per visit from the Medicare Cost Report
    - After an RHC's Medicare cost report has been audited and finalized, the Department shall perform a reconciliation for the services provided by the RHC during the year the cost report covers



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# Rate Methodology Overview: Hospital-based (Part 2)

- Defined in Code of Colorado Regulations: 8.740.7.C-D
- New hospital-based RHC rates will have interim rates calculated based on either the per visit encounter rate established by a Medicare rate letter, or a sister clinic's per visit encounter rate (in that order)
- New hospital-based RHCs will have their PPS rate calculated based on the average of two year's audited cost and visit data from the RHC's Medicare cost report



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# Hospital-based RHC Reconciliation Schedules

- HCPF receives Medicare cost per visit rates from auditor at beginning of each Calendar Year
  - Based on most recent cost report data from Medicare near end of Calendar Year
- Reconciliations calculated based on historic claims data - letters sent describing one-time payments
  - 2024 RHC Reconciliation letters sent
  - 2025 RHC Reconciliations being calculated



# Scope of Service Rate Adjustments

- Complies with section 702(b) of Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act (BIPA), which allows for an adjustment to the Prospective Payment (PPS) rate whenever an RHC experiences a valid change in scope of service.
- More information available on Rural Health Clinic Forms site:
- <https://hcpf.colorado.gov/rural-health-clinic-forms>



# Managed Care Accuracy Audits

- Managed Care Entities are required to reimburse RHCs at an amount no less than the encounter rate set by Department of Health Care Policy & Financing
- Facilities can participate by:
  - Not submitting data (after which HCPF determines facility has been paid in full)
  - Submitting data indicating they have been paid in full
  - By submitting data which indicate that payment is still due
    - Recommended to reconcile data with relevant MCEs prior to submission
- More information on Rural Health Clinic forms site <https://hcpf.colorado.gov/rural-health-clinic-forms>
- Contact Kennedy Vance ([kennedy.vance@state.co.us](mailto:kennedy.vance@state.co.us))



# Future Meeting Topics

- Next meeting in September - what other topics to be discussed?
- Considerations around payment methodology, reconciliations, MCAAR, others?
- Email Andrew Abalos ([andrew.abalos@state.co.us](mailto:andrew.abalos@state.co.us)) and allow a couple week's notice prior to next meeting for preparation





# Questions, Comments, Solutions?

# Contact Info

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# Thank you!

