



# 2016 Medicaid Provider Rate Review Recommendation Report - Update

July 25, 2017

On November 1, 2016, the Colorado Department of Health Care Policy & Financing (the Department) published the [2016 Medicaid Provider Rate Review Recommendation Report](#). This document serves as an update regarding progress on the Department's recommendations and a list of targeted rate increases, as they relate to year one services, from the 2016-17 legislative session.<sup>1</sup>

## Department Recommendation Progress

- Laboratory & Pathology Services – After Medicare publishes new laboratory service rates (expected this November), the Department will re-evaluate laboratory service rates.
- Home Health Services – The Department recently hired an Access Stakeholder Relations Specialist, who will oversee completion of research regarding what a switch from visit-based payments to unit-based payments would entail.
- Private Duty Nursing – Similarly, the Access Stakeholder Relations Specialist will oversee completion of research regarding licensed practical nurse (LPN) wages.
- Non-Emergent Medical Transportation (NEMT) Services – The Department's transportation services Policy Specialists continue to study the strengths of the nine-county state broker shared-risk contract and research how to reduce fragmentation in the administration of NEMT services. The Department is exploring convening stakeholders to assist in this, and other transportation-related, research. Additionally, the Department has begun examining claims adjudication information in the new claims system and plans to perform more robust claims analyses as the new claims system progresses.
- Emergency Medical Transportation (EMT) Services – The Department is researching EMT service rates from other states, with help from information provided by stakeholders this past winter. The Department is working with a consultant and stakeholder group of public EMT providers to explore the feasibility of a supplemental payment program to reduce uncompensated costs for EMT services provided to Health First Colorado clients. Additionally, the transportation services Policy Specialists have begun gathering provider and stakeholder feedback regarding paramedic intercept codes. Similar to NEMT services, the Department is exploring convening stakeholders to assist in this research. The Department plans to both gather more information regarding rate components and to forecast the complete budgetary impact a rate change may have on utilization of other services.
- Physician-Administered Drugs – The Joint Budget Committee approved the Governor's November 1, 2016 executive budget request allowing for an update to pricing for physician-

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<sup>1</sup> For information regarding all Medicaid provider rate increases during the 2016-17 legislative session, see the [July 2017 Provider Bulletin](#).



administered drugs on a periodic basis and funding for one employee to oversee this work. This employee is anticipated to begin this August.

### **Targeted Rate Increases**

- Home Health Services - The Joint Budget Committee appropriated funding for a 6.02% increase for home health registered nurse (RN) services and home health occupational therapy services and a 6.01% increase for home health physical therapy and home health speech therapy services.
- Private Duty Nursing - The Joint Budget Committee appropriated funding for a 7.24% increase for PDN LPN services.
- NEMT and EMT Services - The Joint Budget Committee appropriated funding for a 7.01% increase for all transportation services.
- Physician-Administered Drugs – The Joint Budget Committee approved the request for physician-administered drugs to be paid at average sales price (ASP) +2.5%.

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