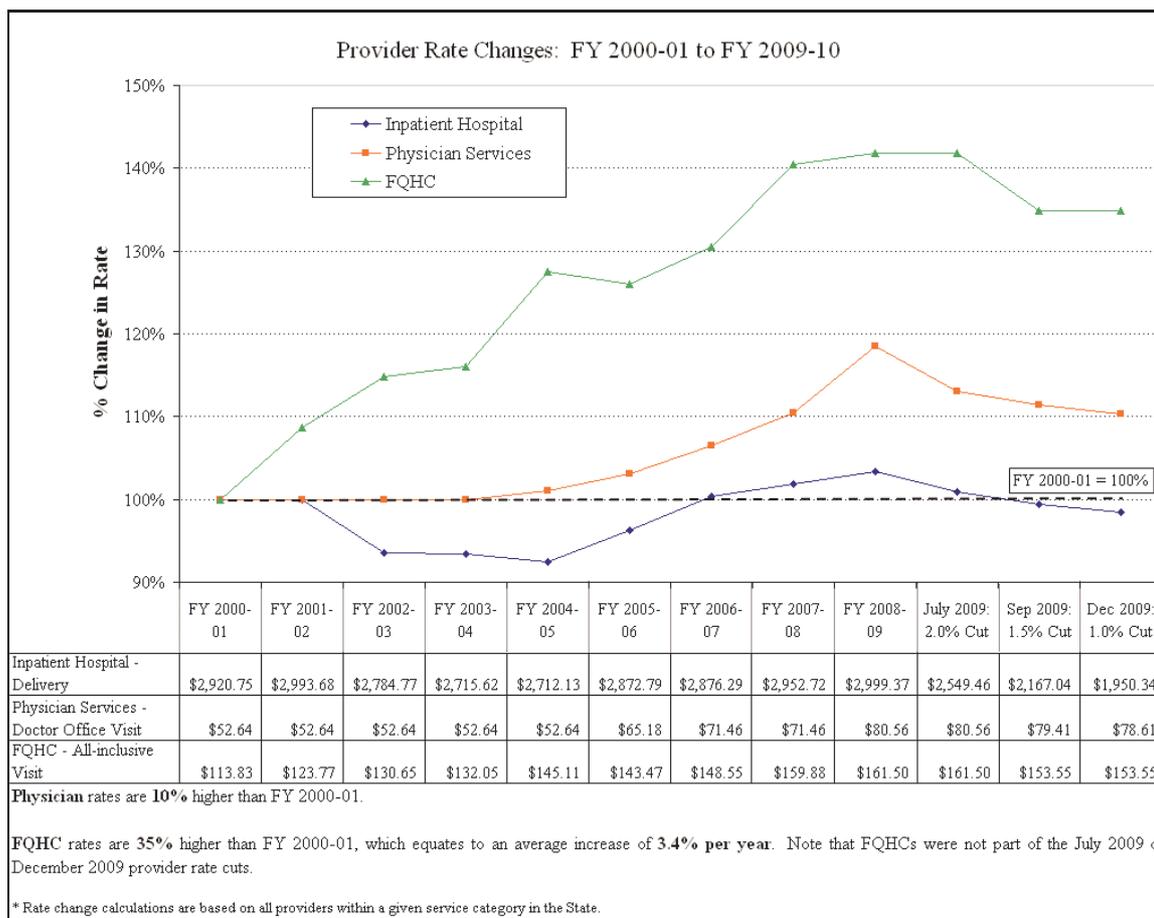
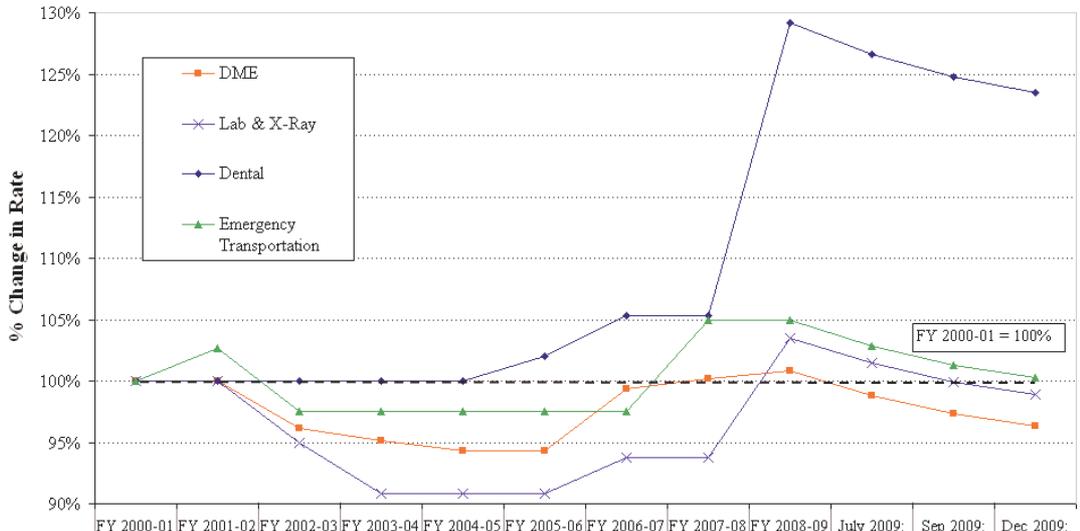


Attachment Q4

Question 4: Please provide a graphic view of provider rates since FY 2000-01. If possible can the Department also provide information comparing the Department's provider reimbursement rates to other state Medicaid rates and compared to inflation adjustments (from FY 2000-01 base year).



Provider Rate Changes: FY 2000-01 to FY 2009-10

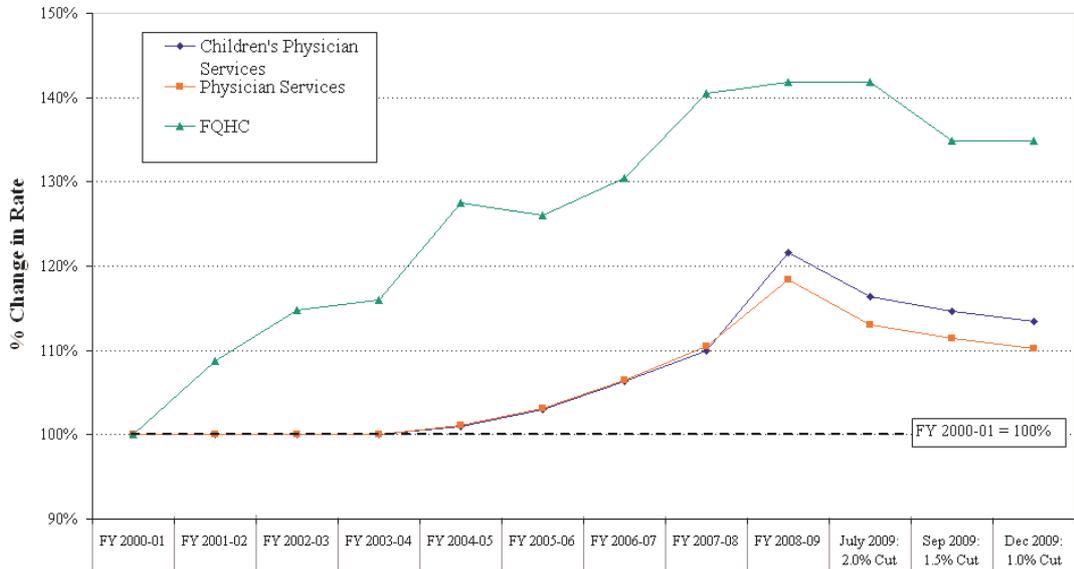


DME - Manual Wheelchair	\$571.73	\$571.73	\$571.73	\$571.73	\$566.01	\$566.01	\$597.56	\$597.56	\$597.56	\$585.79	\$577.00	\$571.23
Lab & X-Ray - Chest X-Ray	\$23.52	\$33.60	\$33.60	\$33.60	\$33.60	\$33.60	\$33.60	\$33.60	\$39.55	\$31.00	\$30.52	\$30.21
Dental - Dental Checkup	\$17.00	\$17.00	\$17.00	\$17.00	\$17.00	\$17.00	\$17.55	\$17.55	\$20.80	\$20.80	\$20.49	\$20.29
Emergency Transportation - Ambulance	\$0.00	\$138.38	\$131.46	\$131.46	\$131.46	\$131.46	\$131.46	\$138.03	\$138.03	\$135.27	\$133.24	\$131.91

Dental rates are 23% higher than FY 2000-01, which equates to an average increase of 2.3% per year.

* Rate change calculations are based on all providers within a given service category in the State.

Provider Rate Changes: FY 2000-01 to FY 2009-10



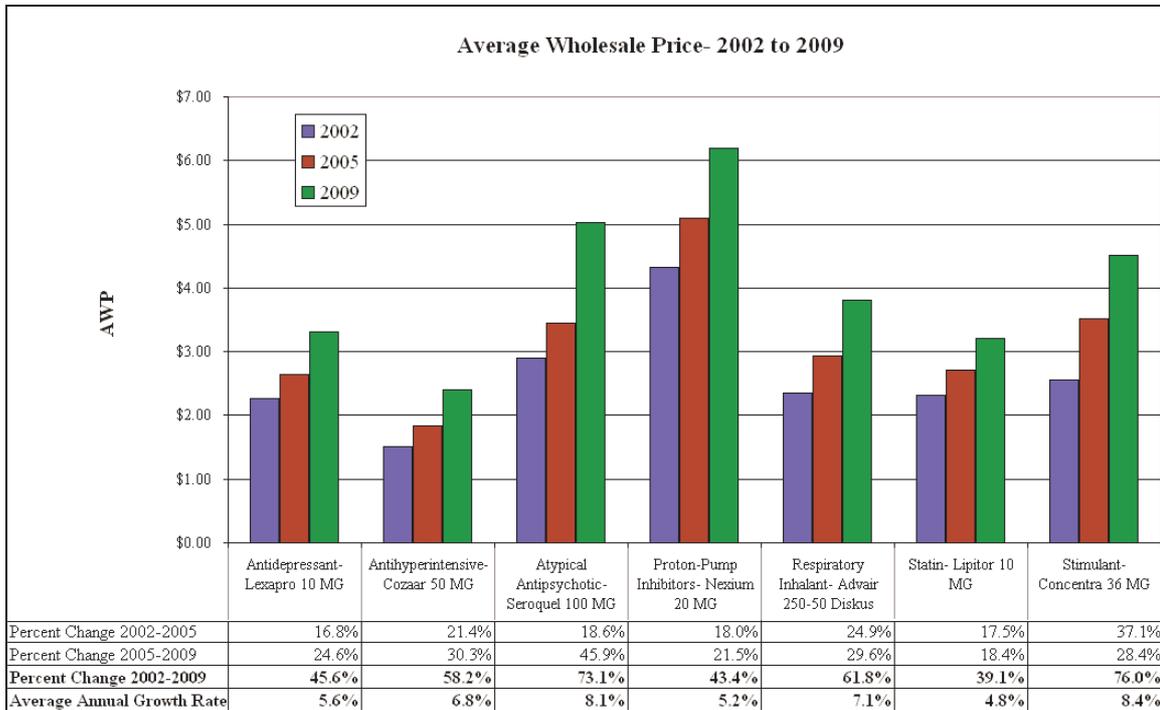
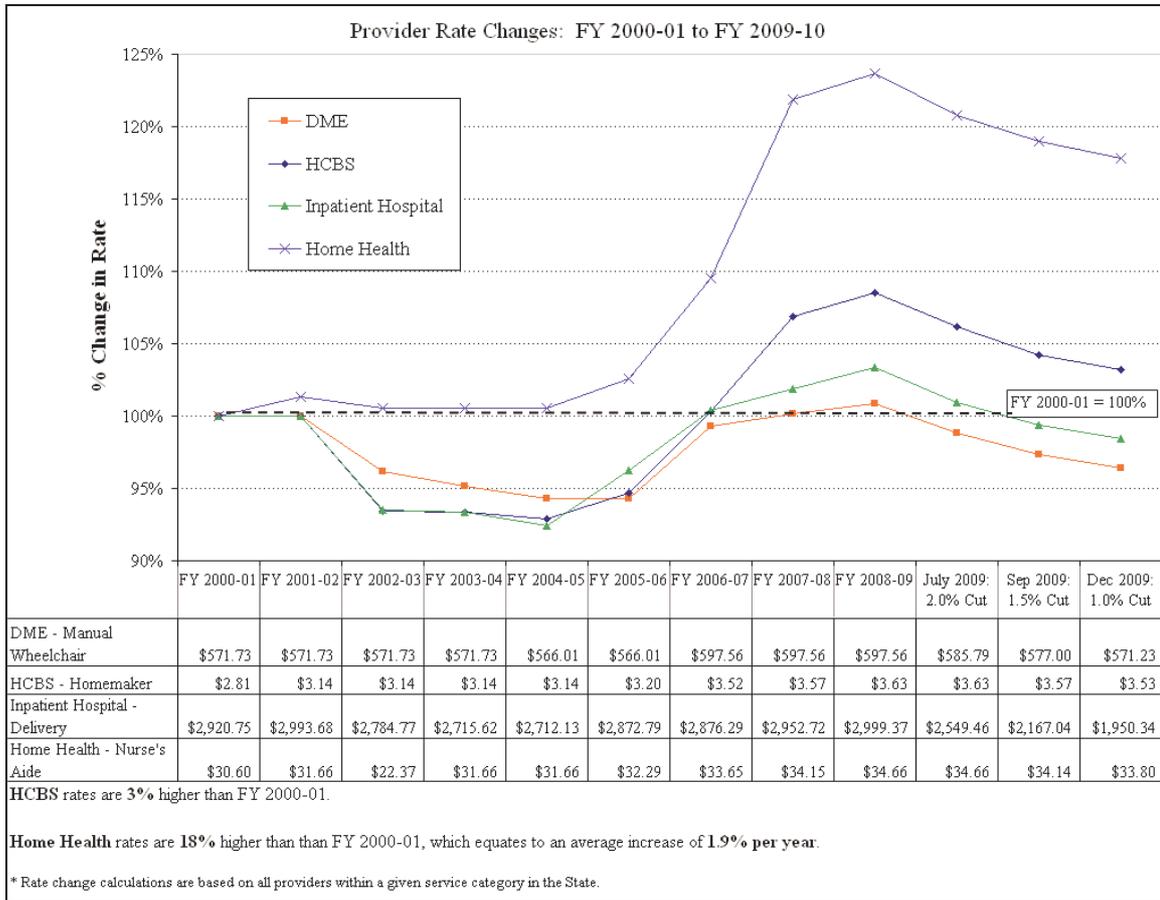
	FY 2000-01	FY 2001-02	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	July 2009: 2.0% Cut	Sep 2009: 1.5% Cut	Dec 2009: 1.0% Cut
Children's Physician - Office Visit	\$55.05	\$55.05	\$55.05	\$55.05	\$55.05	\$55.05	\$55.05	\$55.05	\$87.08	\$87.08	\$87.08	\$86.21
Physician Services - Doctor Office Visit	\$52.64	\$52.64	\$52.64	\$52.64	\$52.64	\$65.18	\$71.46	\$71.46	\$80.56	\$80.56	\$79.41	\$78.61
FQHC - All-inclusive Visit	\$141.11	\$142.11	\$143.11	\$144.11	\$145.11	\$143.47	\$148.55	\$159.88	\$161.50	\$161.50	\$153.55	\$153.55

Children's Physician rates are 15% higher than FY 2000-01, which equates to an average increase of 1.6% per year.

Physician rates are 10% higher than FY 2000-01.

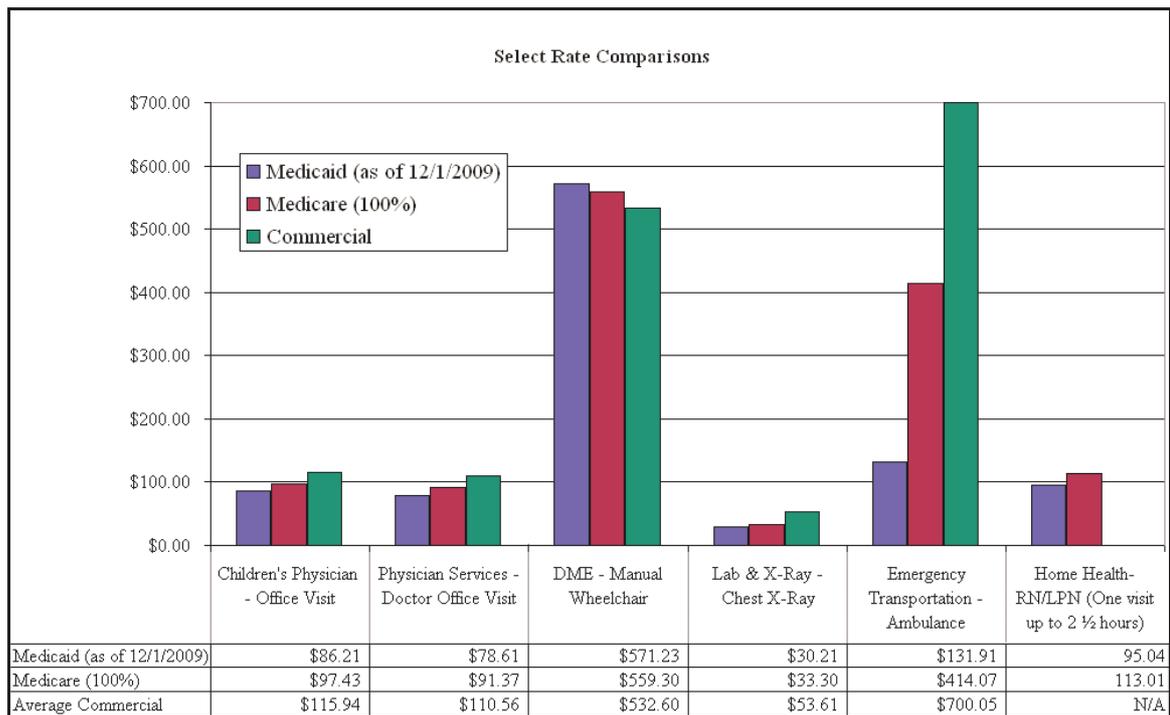
FQHC rates are 35% higher than FY 2000-01, which equates to an average increase of 3.4% per year. Note that FQHCs were not part of the July 2009 or December 2009 provider rate cuts.

* Rate change calculations are based on all providers within a given service category in the State.



Question 4b: If possible can the Department also provide information comparing the Department's provider reimbursement rates to other state Medicaid rates and compared to inflation adjustments (from FY 2000-01 base year).

The chart below displays a comparison of select rates used in the graphs above to 100% of Medicare reimbursement and commercial rates. Commercial rates are from United Health Care and Ingenix.



The Department does not believe that standard medical inflation is applicable to Medicaid rates because reimbursement is normally capped at the Medicare limit. Because Medicare reimbursement rates generally do not change according to traditional inflation rates, Medicaid rates are artificially capped. The Medicare Economic Index (MEI) is used to update select Medicare payments, and consists of various categories of inputs used to produce health care services, price indexes used as proxies to represent the change in price in those categories, and percentage weights for the categories based on information about spending by providers on inputs. The MEI is also subject to limits imposed by the Medicare Volume Performance Standards, which require payment cuts if service volume grows beyond a certain point. Thus, it would be misleading to adjust the Medicaid rates using the consumer price index to gauge the change in costs in real dollars.