Notice for Providers of Emergency and Non-Emergency Medical Transportation - February 2012

We are writing to notify Medicaid emergency and non-emergency transportation providers of claim adjustments and rate changes that the Department of Health Care Policy and Financing (Department) will make within the next few months. These changes apply to all emergency and non-emergency medical transportation services except those provided under contract with the Department’s transportation broker during the affected time periods.

What claim adjustments and rate changes is the Department planning to make?

The Department will make three changes:

1. The Department will reverse the 1% rate reduction that was effective starting July 1, 2010, because this reduction was not approved by the Centers for Medicare and Medicaid Services (CMS). We will adjust any medical transportation claims made on or after July 1, 2010, so they are paid at the rate that was in place before the 1% rate reduction was implemented. We are planning to make these adjustments during February and March.

2. The Department will implement the 0.75% rate reduction that was effective starting July 1, 2011. We will adjust any medical transportation claims for services delivered on or after July 1, 2011 to reflect the 0.75% reduction. We are planning to make these adjustments during February and March.

3. The Department will propose a new 1% rate reduction to make up for the one that was disapproved (see #1). This proposed reduction has not yet been submitted to CMS and does not yet have CMS approval. Therefore, we do not yet know when this will take effect, and we will keep you updated as we learn this information. When the reduction is approved, it will not be retroactive to July 1, 2010. We estimate the effective date will be sometime in March or April 2012.

Why does the Department need to make these adjustments? In July 2010, the Department reduced rates for all providers, including transportation providers, by 1%. This rate change was implemented but was later disapproved for transportation services by CMS. Therefore, the Department plans to adjust any claims made on or after July 1, 2010, so they are paid at the rate that was in place before the 1% rate reduction was implemented.

In July 2011, the Department further reduced rates by 0.75% for all providers, but has been waiting to implement this rate reduction for transportation services until CMS gave its approval. The Department received this approval on January 20, 2012, and will adjust any claims for services delivered on or after July 1, 2011 to reflect the rate reduction.
What do the counties need to do as a result of these adjustments?
For claims that were originally submitted by the county on behalf of transportation providers, the county must pass the adjustments on to the provider who provided the transportation service. We will itemize the adjusted claims on your Provider Claim Report, which will reflect the date of service. Counties should make these adjusted payments to providers after the Department has made both the 1% credit adjustment and the 0.75% reduction adjustment. The county does not need to do anything for claims that were submitted directly by the transportation provider.

I am a transportation provider. What do I need to do?
For claims that were originally submitted by the counties on your behalf, talk to the county who submitted your claims so they can alert you when they receive the adjustments and tell you how your claims were adjusted. For claims that you submitted directly, you do not need to do anything. We will adjust your claims, and the adjustments will be itemized on your Provider Claim Report.

Who should I contact with questions?
If you have questions about the rate adjustments described in this notice, contact Chris Acker at Chris.Acker@state.co.us or 303-866-3920.