



## **MINUTES OF THE MEDICAID PROVIDER RATE REVIEW ADVISORY COMMITTEE**

The Colorado Department of Health Care  
Policy and Financing  
303 East 17th Avenue, 7th Floor Conference Room

Friday, September 16, 2016  
9:00 AM – 12:00 PM

### **1. MPRRAC Members Present (in person or via phone)**

Rebecca Craig, Rob DeHerrera, Bruce Densley, Tim Dienst, Jennifer Dunn, Lisa Foster, David Lamb, Gretchen McGinnis, Wilson Pace, Jeff Perkins, Tom Rose, Tia Saucedo, Barbara Wilkins-Crowder, Murray Willis, Jody Wright.

### **2. Agenda Review**

The MPRRAC approved meeting minutes from April 29, 2016 and June 16, 2016 MPRRAC meetings. Jeff Perkins then went over the current agenda: the first half of the meeting would focus on finalizing draft MPRRAC Recommendations and the second half of the meeting would focus on the rate review process improvements, via a discussion led by the Department, and housekeeping activities.

### **3. Finalize MPRRAC Recommendations**

MPRRAC members discussed each of the draft MPRRAC recommendations. The MPRRAC members also added their impressions for each service to their recommendations. High-level discussion summaries and final MPRRAC impressions and recommendations are below.

#### **Laboratory Services**

The Department communicated that the Centers for Medicare and Medicaid Services (CMS) announced Medicare's release of new laboratory service rates would be delayed by one year, until November 2017. The Department expressed it still plans to, following the MPRRAC's preliminary recommendation, examine new Medicare rates, when they become available.

#### **Final MPRRAC Laboratory Services Recommendations**

The MPRRAC's general impression is that the Department may be overpaying on laboratory service rates.

The MPRRAC recommends:

1. Moving forward, Department should attempt to gather additional data on Medicare and commercial payments for laboratory services to make sure that Medicaid payments are appropriate. The MPRRAC is interested in, and recommends the Department investigate, Medicare's restructuring of rates, when they become available, as described in the CMS Clinical Laboratory Fee Schedule (CLFS) final rule entitled "Medicare Program: Medicare Clinical Diagnostic Laboratory Tests Payment System"; and
2. The Department continue its annual rate setting process, particularly for laboratory services that are not reimbursed by Medicare.

### Home Health Services

The Home Health workgroup responded to Department questions regarding their preliminary recommendation. Specifically, the workgroup outlined their vision for increasing a rate over time. Documents received from the Home Health workgroup will be available on the MPRRAC website.

Committee members also discussed whether or not the two preliminary MPRRAC recommendations for home health were in conflict. After discussion, the MPRRAC expressed that the two recommendations were not in conflict; the first recommendation could be pursued in the short term, while the Department could evaluate the second recommendation over time. The Department also stated that its preliminary investigation led it to conclude that Medicare's low-utilization payment adjustment (LUPA) rate was not a comparable rate to Health First Colorado's (Colorado's Medicaid Program) home health rates.

The Department also requested a terminology change for the MPRRAC's recommendations: the use of "visit-based payment" instead of "lump-sum payment" and the use of "unit-based payment" instead of "base-plus payment". The MPRRAC agreed to make this change in their final recommendation.

### Final MPRRAC Home Health Services Recommendations

The MPRRAC's general impression is that home health reimbursement is below market therefore the Department should consider increasing rates.

The MPRRAC recommends:

1. The Department increase rates towards 90% of LUPA over three years, then maintain 90% of LUPA rates in subsequent years; and
2. The Department investigate, as an alternative to the current visit-based payment methodology, unit-based payment methodologies.

### Private Duty Nursing Services

The Private Duty Nursing workgroup responded to Department questions regarding which hospitals and long-term acute care facilities the workgroup envisioned the Department surveying. Documents received from the Private Duty Nursing workgroup will be available on the MPRRAC website.

MPRRAC members clarified that their preliminary recommendations did not include a

recommendation to increase LPN rates, but they discussed a belief that increased LPN rates might allow for the provision of more PDN services.

#### Final MPRRAC Private Duty Nursing Services Recommendations

The MPRRAC's general impression is that, via the provision of PDN services, there may be opportunity for clients to receive services in less restrictive and less costly environments. Additionally, the MPRRAC's impression is increasing LPN rates for PDN services could save the Department money by decreasing the use of RNs for PDN services, who are reimbursed at higher amounts.

The MPRRAC recommends:

1. The Department gather more information about LPN reimbursement rates and/or wages from hospitals and long-term acute care facilities to help investigate appropriate increases in the LPN rate for PDN services; and
2. The Department should maintain adequate RN reimbursement rates over time.

#### Non-Emergency Medical Transportation (NEMT) and Emergency Medical Transportation (EMT) Services

At the Department's request, the Transportation Services workgroup clarified how the preliminary MPRRAC recommendations could be implemented over time. Additionally, the workgroup specified the suggested states mentioned in the first MPRRAC recommendation (Arizona, Kansas, Montana, New Mexico, North Dakota, Oklahoma, South Dakota, Utah, and Wyoming).

#### Final MPRRAC NEMT and EMT Services Recommendations

The MPRRAC's general impression is that NEMT and EMT rates are significantly below surrounding state Medicaid rates and significantly below Medicare rates.

The MPRRAC recommends:

1. The Department first survey surrounding states' NEMT and EMT rates and bring Colorado Medicaid rates to parity with surrounding states;
2. Over time, the Department bring EMT rates to parity with Medicare and investigate supplemental funding sources;
3. The Department look at initiating reimbursement for "treat and release" and "supplies used" codes; and
4. The Department investigate reimbursing for alternative transportation vehicles (i.e., vehicles other than ambulances).

#### Physician-Administered Drugs

The Department explained that it plans to do an analysis of the MPRRAC's first recommendation by examining the Average Sales Price (ASP) price, ASP +2.5%, and ASP +6%.

## FINAL MPRRAC Physician-Administered Drugs Recommendations

The MPRRAC's general impression is that current Colorado Medicaid physician-administered drug rates don't adjust frequently enough, therefore there are drugs that are significantly over-reimbursed and significantly under-reimbursed when compared to current physician-administered drug prices.

The MPRRAC recommends:

1. Physician-administered drugs with an Average Sales Price (ASP) should be reimbursed using "ASP Plus" pricing, that is updated on a quarterly basis for all buy and bill drugs;
2. The Department investigate carving out long-acting anti-psychotic injectables from the physician-administered drugs benefit and placing them into the pharmacy benefit; and
3. For physician-administered drugs that do not have a comparable Medicare rate, the Department investigate objective ways of determining cost and reimburse at a similar rate to ASP.

## 4. Committee Housekeeping

The Committee decided to shuffle some agenda items and discussed setting meeting dates and electing a year two Vice Chair. The Committee discussed two other housekeeping topics later, but for ease, all Committee housekeeping discussions are summarized below.

### Year Two Meeting Dates

Committee members identified the third Friday of every other month as the best time for MPRRAC meetings. The Department stated that three Rate Review Information Sharing Sessions would be scheduled in-between MPRRAC meetings during the next six months, bringing the total number of public meetings related to year two of the rate review process to nine.

### Elect Year Two Vice-Chair

Lisa Foster was elected Year Two MPRRAC Vice-Chair. Tom Rose is the Year Two MPRRAC Chair.

### Out of Cycle Reviews

Jeff Perkins suggested that Physician Services Evaluation and Management (E&M) codes be moved from year three of the rate review process to year two. He cited the upcoming changes in certain primary care rates as the impetus for this suggestion.

Staff from the Department responded that they do not necessarily agree with the suggestion to review E&M codes a year earlier. They stated that reviewing E&M codes in year two meant the analysis would examine utilization, access, and rates from FY 2014-15 and FY 2015-16, which would not capture any effects of FY 2016-17 rate changes. Jeremy Tipton, the Special Projects Manager, in the Payment Reform Section of the Department's Finance Office, also mentioned an analysis of E&M rates that was started before the rate review process was established, as well as ways the upcoming payment methodology changes within the Accountable Care Collaborative might impact E&M codes.

### Rate Review Petitions and Proposals Process

The Committee indicated they would like any petitions or proposals the Department receives to be delivered to them at each Committee meeting. Additionally, Tom Rose indicated he would work with Lila Cummings, Rate Review Stakeholder Relations Specialist, to develop a messaging for MPRRAC members to use when they receive questions. Lila mentioned the Department is developing a form to put on its website, where providers can submit petitions and proposals for rates to be reviewed or adjusted.

## 5. Year Two Process Improvements

Lila led a presentation regarding planned process improvements for year two of the rate review process. The Department received feedback from the MPRRAC that the Department should share rate comparison information earlier and that the Department should share more information about existing constraints, which may impact both the MPRRAC's and the Department's recommendations.

Lila said that the Department plans to share preliminary rate comparison in the fall. She noted that Optumas, a contractor assisting the Department in the rate comparison analysis, would be available during Rate Review Information Sharing Sessions. Lila noted she had not received responses from MPRRAC members to her August request for potential comparator states.

During year one, the Department took a hands-off approach to the MPRRAC's recommendation development. However, the Department received feedback from the MPRRAC that this may not be the most appropriate way to develop recommendations. To address this, the Department proposed committee members split into workgroups at the beginning of year two and engage with the Department's subject matter experts throughout the year. It was suggested that this format would allow for the Department to share more information with Committee members and respond to Committee member ideas throughout the year. Committee members stated they were comfortable with forming workgroups at the beginning of year two.

Lila indicated she would email MPRRAC members to gather needed information to set final meeting dates and develop three workgroups (Physician Services workgroup, Surgery and Anesthesia workgroup, and a Home- and Community-Based Services Waivers workgroup).

## 6. Meeting Adjourned