



## **MINUTES OF THE MEDICAID PROVIDER RATE REVIEW ADVISORY COMMITTEE (MPRRAC)**

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

Friday, July 21, 2017  
9:00 AM – 12:00 PM

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

Rob DeHerrera, Bruce Densley, Tim Dienst, Jennifer Dunn, Lisa Foster, Chris Hinds, Gretchen McGinnis, Wilson Pace, Jeff Perkins, Tom Rose, Tia Saucedo, Arthur Schut, David Smart, Murray Willis, Jody Wright

### **2. Agenda Review**

MPRRAC members approved meeting minutes from May 19, 2017. Chris Hinds, a committee member, abstained from the vote, citing the fact that this was his first MPRRAC meeting as the reason for abstention. Tom Rose, MPRAAC Chair, reviewed the agenda.

Lila Cummings, the Department's Rate Review Stakeholder Relations Specialist, stated that there would not be time for public comment during this meeting, but invited stakeholders to submit written or verbal feedback concerning today's discussion and preliminary recommendations. Feedback can be submitted to Lila Cummings at [Lila.Cummings@state.co.us](mailto:Lila.Cummings@state.co.us) or (303) 866-5158. Feedback will be passed along to the MPRRAC. Lila asked that she receive stakeholder feedback by Friday, August 25, 2017.

### **3. Year One Update**

Lila Cummings, the Department's Rate Review Stakeholder Relations Specialist, read through the "[2016 Medicaid Provider Rate Review Recommendation Report – Update](#)" document. Tim Dienst, a committee member, provided an update regarding the work he is doing with the Department around the emergency medical transportation (EMT) service recommendation related to supplemental federal funding.

Committee members mentioned that if the Center for Medicare and Medicaid Services (CMS) doesn't publish new laboratory service rates, the committee may want to revisit their recommendation. Committee members discussed receiving another update from the Department, regarding all recommendations, in January 2018. The Department agreed to provide updates on recommendations every six months.

Jeff Perkins, a committee member, commented that the current five-year rate review schedule isn't necessarily intuitive and that there may be more logical ways of grouping services for review. Lila Cummings mentioned that the Department has begun thinking about potential improvements and said it would be good to begin these conversations in September.

## 4. Preliminary Recommendation Development

After summarizing discussions that workgroups have had since the May 19<sup>th</sup> MPRRAC meeting, committee members voted on preliminary recommendations. Those recommendations, and summarizes of relevant discussions, are below.

### Physician Services

Jeff Perkins and Wilson Pace, another committee member, summarized the discussions of the Physician Services Workgroup, stating that the group believed that the Department could take a caliper approach to rebalancing physician service rates, but should ultimately rebalance physician service rates and then aim to bring all rates to 80% of Medicare. Committee members discussed that optimal payments would be equal to Medicare, but they understood budget constraints may make that impractical, hence the recommendation to bring rates to 80% of Medicare.

Lila Cummings explained that there are logistical considerations that may prevent rebalancing in the immediate future. These considerations included: waiting until the remaining physician services are reviewed in year three; the amount of time it would take to adjust the claims system; the amount of time it would take to redo the rate comparison analysis; and additional research by policy, rate, and budget staff to understand how rebalancing might impact providers, services, and utilization. She said the Department supported the idea of bringing order and logic to rates, but explained it might take three to four years to operationalize.

Some committee members commented that they didn't think it was necessary to wait for year three analyses to be completed before making a recommendation- they advocated an incremental approach, which could include rebalancing year two physician services.

Gretchen Hammer, the Medicaid Director, inquired if committee members thought there was some clinical framework that could be brought into examining and rebalancing rates. Lila Cummings also inquired how rebalancing rates and then bringing rates to 80% of Medicare would improve client access. Committee members discussed that the recommendation to rebalance rates and bring them to 80% of Medicare didn't speak directly to client access, but rather brought logic to rates. They also mentioned that such a move would reduce perverse incentives to provide certain services, with higher reimbursements, over other services. Indirectly, committee members commented that being logically reimbursed would allow for providers to accept more Medicaid clients.

Committee members also noted that there should be a section in the 2017 Recommendation Report that acknowledges points of tension between Department recommendations and MPRRAC

recommendations (e.g., the MPRRAC recommendation to immediately rebalance rates and, say, a Department recommendation to delay such a rebalance).

Preliminary recommendation: All physician services codes under review should be rebalanced at the budget neutral benchmark and then brought to 80% of current year Medicare rates, with exceptions for codes with targeted rate increases, such as developmental screening codes within cognitive capability assessment services. Votes for: 15; votes against: 0. This preliminary recommendation was modified slightly later in the meeting. The final preliminary recommendation, which applies to both physician services and surgeries, appears in the Surgery Services section below.

### Surgery Services

Murray Willis, an MPRRAC member, summarized the discussions of the Surgery and Anesthesia Workgroup. Murray said that though the workgroup recommended parity with Medicare, that was an optimal rate, and he agreed with other committee members that it made sense to make a recommendation for bring rates to 80% of Medicare.

Murray also mentioned the Surgery and Anesthesia Workgroup encouraged the Department to continue to improve the Access to Care Index. Examples for improvement included: identifying other metrics that could be incorporated into the index; evaluating if the metrics should be weighted differently in the Access to Care Index; and researching if there were other standards that could be used for comparison, so that not all comparisons were relative. Lila Cummings mentioned that the Department wants to incorporate other metrics into the Access to Care Index for year three services (and gave examples of provider and quality survey data). She also said that the Department is constantly researching both the feasibility of different weights for the metrics and national comparison standards. Lila encouraged MPRRAC members and stakeholders to provide any expertise they may have in these areas for year three services.

Committee members also discussed making a recommendation for the Department to pay for services based on place of service, like Medicare and private payers. Lila Cummings commented that, like physician services, the Department supports this idea, but logistical considerations mean it may realistically take three to four years to operationalize this recommendation.

Preliminary Recommendation: The optimal goal for physician services and surgery rates is parity with Medicare; however, in light of budgetary constraints, in the short term, the MPRRAC recommends to rebalance rates at the budget-neutral benchmark and then adjust rates to 80% of Medicare. Votes for: 15; votes against: 0. Additionally, the Department should begin paying for physician services and surgery based on place of service, using Medicare's place of service specific rates as a model.

### Break

After the break, a stakeholder provided comment that there should always be time for stakeholder comment during these meetings. Tom Rose noted that he appreciated that feedback, but did want to point out that other extra efforts had been made to accommodate stakeholder feedback,

including extending the MPRRAC meeting by 1.5 hours in March. Lila Cummings reiterated that stakeholders could continue to provide comment via email and phone.

### Anesthesia Services

Murray Willis continued to summarize the discussions of the Surgery and Anesthesia Workgroup. He stated that anesthesia rates should be increased after another analysis was done for anesthesia services. Specifically, Murray said that a different basket of benchmarks, not just Medicare, should be used for the rate comparison analysis for anesthesia services. Some committee members disagreed with the need to use another benchmark for anesthesia and expressed they felt the Medicare comparison was appropriate.

Committee members discussed that anesthesia services are, in a way, similar to emergency medical transportation (EMT) services, in that providers of these services do not get to choose what portion of their panel are Health First Colorado clients. A suggestion was made that for services where this is the case, a different recommendation could be made. However, some committee members said it would be difficult to figure out when to apply this exception: the panel size is difficult to identify, it is difficult to understand the overhead costs for each provider, etc. A few committee members said they would like to think about this more before suggesting a recommendation or new guiding principle. Lila Cummings also mentioned that this concept could go into a philosophy section of the 2017 Recommendation Report.

Before voting, committee members debated two general recommendation ideas. The first was a recommendation for the Department to redo the rate comparison analysis with a different basket of market benchmarks. Some committee members said they didn't support this recommendation because there was not compelling evidence to treat anesthesia services differently from other specialty services. Murray Willis referenced a 2007 Government Accountability Office (GAO) report that found that Medicare's reimbursement for anesthesia services was disproportionately lower than Medicare's reimbursement for other specialty services. Lila Cummings reiterated that the Department had evaluated this report last December and still chose to compare anesthesia services to Medicare, and that the Department noted this in the 2017 Analysis Report. She summarized the Department's research, which included an evaluation of CMS's response to the GAO report and the age of the report.

The second recommendation idea was to bring anesthesia rates from 131% of the benchmark to 100% of the benchmark. Some committee members said they would not support that recommendation. Murray Willis gave further comment that this recommendation may run counter to actions the Joint Budget Committee (JBC) took in 2014, when the JBC appropriated funds for a targeted rate increase for anesthesia services. Jeff Perkins pointed out that one of the purposes for the creation of the committee was to address rate inconsistencies that may result from lobbying efforts and that the MPRRAC exists, at the request of the legislature, to give well-reasoned opinions that may be contrary to previous legislative rate changes.

Preliminary recommendation: The Department should redo the rate benchmark comparison for anesthesia services using a basket of benchmarks that include market benchmarks. Votes for: 5;

votes against: 10.

Preliminary recommendation: The Department should bring anesthesia rates from 131.64% of the benchmark to 100% of the benchmark. Votes for: 10; votes against: 5.

### Home- and Community-Based Services (HCBS) Waivers

Committee members and the Department noted that a large amount of stakeholder comment was received through the rate review process, and is summarized in the 2017 Analysis Report. Lila Cummings mentioned that the most commonly mentioned services from stakeholder comment were noted in the executive summary of this report.

David Smart, a committee member, noted that the results of the report highlight a disparity between Colorado Medicaid rates for Alternative Care Facilities and other states. Tia Saucedo, a committee member, also noted that many families view adult day services as a form of respite.

## 5. Meeting Adjourned