



## 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 20, 2018  
9:00 AM – 2:00 PM

Audio from the full meeting can be accessed via <https://cohcpf.adobeconnect.com/p2dfxa4qren0/>.  
This document contains a high-level summary of discussions during the meeting.

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

Rebecca Craig, Tim Dienst, Lisa Foster, Chris Hinds, Gretchen McGinnis, Dixie Melton, Wilson Pace, Jeff Perkins, Tom Rose, David Smart, Barbara Wilkins-Crowder, Murray Willis, Jody Wright, Carol Morrow, Sue Flynn.

### 2. Agenda Review

Committee members approved meeting minutes from May 18, 2018. Lila Cummings, the Department's Rate Review Stakeholder Relations Specialist, noted that Bill Munson has not yet been appointed to the committee but continues to attend in anticipation of appointment. Lila also shared that this meeting would be her last; she is leaving the Department.

### 3. Stakeholder Feedback and Committee Discussion

#### Evaluation & Management and Primary Care Services

Stephanie Wasserman, Executive Director of the Colorado Children's Immunization Coalition, provided feedback that access issues exist with respect to immunizations, and her organization continues to look for ways to incent providers to provide immunizations and improve immunization rates. Wilson Pace, committee vice-chair, asked Stephanie several questions, including whether her organization believes Medicaid rates are the reason for the issue or whether the issue is more systemic. Stephanie responded both play a part and that financial incentives help. The committee briefly discussed the four vaccine and administration codes under review this year; all four have been included in the Alternative Payment Model as a way to further incent provision of these services moving forward. Department staff noted that the lowest fee schedule rate for the four codes is reimbursed at 72% of the benchmark and the highest at 84%. Committee members stated that, while it is not practical to pick certain codes for increase, the proposed recommendation (to rebalance rates below 85% and above 100% of the benchmark) would allow for the Department to revisit reimbursement of these codes. See committee's preliminary recommendations below.

## Physical and Occupational Therapy Services

Betsy Murray, representative of the physical and occupational therapy provider community, stated her position that Medicaid rates for physical and occupational therapy services should be brought to 90% of Medicare rates.

Most additional discussion focused on the deconsolidation of the physical therapy evaluation code 97001.<sup>1</sup>

Some stakeholders and committee members stated again that the Center for Medicare and Medicaid Services (CMS) had not yet set different rates for the deconsolidated codes, that CMS had indicated it was going to wait and observe utilization before adjusting rates, and perhaps the Department should not have set differential rates for the deconsolidated codes until Medicare weighs-in on what those rates should be. Committee member discussion also focused on issues with billing guidance, that there seems to be a lack of guidance at the national level regarding when the deconsolidated codes should be billed, and that, in the absence of clear guidance, it appears providers may only be taking time (and not complexity) into account when billing – thereby underbilling.

Two committee members stated that, per the July 20<sup>th</sup> MPRRAC handout titled [Physical Therapy Evaluation Cod Deconsolidation](#), it appears that the deconsolidation lead to a reduction in reimbursement of almost 40%, and that such a sudden reduction is not reasonable. See committee's preliminary recommendations below.

## Dental Services

Jennifer Goodrum, Director of Government Relations at the Colorado Dental Association, stated that, while Colorado's dental rates may appear higher, when compared to the benchmark, than other rates under review appear, when compared to their benchmark, it is important to note that the comparator is other Medicaid states, not Medicare. She also noted that there are certain dental services that the State has chosen to incentivize, such as prevention, basic fillings, and extractions, and that these decisions are not called out in the analysis. Committee members stated that they understand this nuance. Jennifer recommended that the Department make this distinction in the Executive Summary of the 2018 Rate Recommendation Report, for those readers who may be less familiar with these concepts. She also recommended the committee wait until September to formulate recommendations, so that further information, such as the 2017 Dental Services Annual Report, can be factored into any recommendations made.

Committee members refrained from developing preliminary recommendations for dental services and asked the Department to develop a dental services scatter plot, similar to those developed for other services in [Appendix F of the Rate Review Analysis Report](#), for consideration in September.

## Radiology Services

Dr. Taj Kattapuram, representing radiologists, joined the committee by phone and stated that she spoke with the Colorado Radiology Society about the analysis within the Rate Analysis Report and that providers seem generally satisfied with the report. She pointed out that the rate range depicted in the scatter plot for Radiology services appears wide. See committee's preliminary recommendations below.

### Maternity Services

Wilson Pace, committee vice-chair, stated that, while access appears sufficient, perhaps because Medicaid is the largest payer in the state, rates appear uniformly low when compared to the benchmark and should likely be increased. Jeff Perkins, committee member, stated that rates should likely be increased to more than 80% of the benchmark, given that the benchmark in this case is other Medicaid states. See committee's preliminary recommendations below.

## 4. Recommendations

Committee members developed and voted upon preliminary recommendations for year three services, as captured below.

### Evaluation & Management and Primary Care Services

The Department should conduct a budget-neutral rebalancing of rates below 85% and above 100% of the benchmark. An exception to this is service rates that may lie outside this range due to policy-specific objectives.

(Votes for: 11; Votes against: 0; Abstain: 0)

### Physical and Occupational Therapy Services

The Department should:

1. Except for policy-specific carveouts, the Department should conduct a budget-neutral rebalancing of rates below 80% and above 100% of the benchmark.
2. For the deconsolidated physical therapy evaluation code (formerly 97001, currently 97161, 97162, and 97163), the Department should:
  - a. Keep 97161 at the current rate;
  - b. Adjust 97162 to 100% of the Medicare benchmark; and
  - c. Adjust 97163 to \$100.
3. Until clearer national coding guidelines are developed, Colorado Medicaid should adopt clear, time-based definitions for the deconsolidated physical therapy codes.

(Votes for: 9; Votes against: 0; Abstain: 0)

### Radiology Services

Except for policy-specific carve outs, the Department should conduct a budget-neutral rebalancing of rates below 80% and above 100% of the benchmark.

(Votes for: 13; Votes against: 0; Abstain: 0)

### Maternity Services

The Department should seek funding from the legislature to bring maternity service rates to 90% of the benchmark.

(Votes for: 12; Votes against: 0; Abstain: 0)

### Other Physician Services and Surgeries

To the extent possible, the Department should perform a budget-neutral rebalancing of rates below 80% and above 100% of the benchmark (except for policy-specific carve outs), then the Department should seek necessary funding from the legislature for additional adjustments.

(Votes for: 10; Votes against: 0; Abstain: 0)

## 5. Next Steps

Lila walked committee members through the [Rate Review Recommendation Status - Update III](#) handout, which provides an update regarding progress on implementation of past rate review recommendations.

In follow-up, committee members requested additional information:

- Can the Department clarify its policy regarding reimbursement for drugs administered; other insurers appear to reimburse for the cost of the surplus disposed.
- Does the Colorado General Assembly's approval of the recommendation to rebalance select physician services and surgery rates below 80% and above 100% of the Medicare benchmark extend to those physician services and surgery rates under review this year?

## 6. Meeting Adjourned

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<sup>1</sup> For reference, beginning January 2017, the physical therapy evaluation procedure code (97001) was deleted and replaced with three codes that contain more specific descriptions based on complexity (97161, 97162, 97163).