Good evening,

This e-mail is to address questions we have received related to the upcoming Period 1 EFT payment for the Nursing Facility Provider Fee. The update in this e-mail affects all Medicaid providers who received a rate change due to the Provider Fee and are preparing to pay invoices starting Thursday, May 7, 2009. Non-Medicaid providers may ignore this update.

The upcoming EFT payment for Friday, May 1 was should have included a mass adjustment for the Provider Fee Retro Period 1 (July 1, 2008 - October 31, 2008). Yesterday we discovered that many providers will receive only a partial payment for this period, and some will receive no adjustment on the May 1 payment date.

The Department has identified the cause of the under-payment and we are currently working with our claims vendor to ensure that the correct mass-adjustment will process for the next payment cycle.

Since most providers are counting on the EFT deposit of the Period 1 mass adjustment in order to pay their first invoice, the Department has implemented the following procedure to keep on track with the provider fee and ensure that providers' cash flow is protected.

1. On May 1, 2009, most providers will receive an EFT deposit as indicated on their April 27 remittance statement.
2. The Department will mass-adjust any unprocessed claims for 7/1/2008-10/31/2008 over the weekend of May 2-3.
3. On Monday, May 4, 2009, each provider's remittance statement will show that the unpaid portion of the mass-adjustment will be paid on the May 8 EFT.
4. **The Period 1 invoice payment is still due to the Department on May 7, 2009, but the Department will not cash the checks until Monday, May 11, 2009.**
5. On May 8, 2009, each nursing facility will receive the mass adjustment deposit in their bank accounts.
6. Before cashing the checks, the Department will ensure on Monday, May 11, that all EFT payments processed correctly.
7. If payments did not process correctly, the Department will continue to hold the checks until the issue is resolved.

The A/R process for Period 2 as described in the invoicing document will continue as scheduled. All providers who have not sent a check for Period 1 by Thursday, May 7, will receive an A/R transaction on the Period 2 mass adjustment for any unpaid portion of the Period 1 fee. The Period 2 mass adjustment deposit is still scheduled for Friday, May 22.

There is no penalty for late receipt of the Period 1 payment. However, if the Period 1 check is not received by May 7, A/R's will be established on May 8 for the next payment cycle.

To reiterate, the deadline for the Period 1 invoice is still Thursday, May 7, 2009. However, all facilities will know by Monday, May 4, whether the Period 1 adjustment has been applied correctly according to their remittance statement. **The Department will hold all checks that we receive until Monday, May 11, 2009, to ensure that the Period 1 adjustment is paid to providers before the payment checks are deposited.**

We apologize for the last-minute change to the first deposit, but we are confident that all providers will receive
notice of their mass adjustment on Monday, May 4, and will still be able to use the Provider Fee reimbursement to pay a significant portion of their Periods 1 and 2 invoices.

The Department used the e-mail list from the Webinar and an internal mailing list to send this e-mail. Please forward this e-mail to any other interested parties that may not have been included in this e-mail.

As always, please contact us with any questions regarding this procedure. You can contact us by replying to this e-mail or calling:

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Thank you.

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