



# Colorado Medicaid Provider Rate Review Process

*Frequently Asked Questions - May 2016*

In 2015, the Colorado State Legislature adopted [Senate Bill 15-228](#), an act that requires the Colorado Department of Health Care Policy and Financing (the Department) to establish a formal rate review process. As part of this requirement, the Department created a [five-year schedule](#) to review rates not subject to already-established review processes (see item 3 for more information). The Department also established the Medicaid Provider Rate Review Advisory Committee (MPRRAC), which assists the Department in the review of provider rate reimbursements. The rate review process augments the Department's existing rate setting process.

## 1. What is the difference between rate reviewing and rate setting?

The rate setting process generally focuses on narrow and specific sets of rates and is necessary for the effective functioning of the Medicaid program. Examples of rate setting work include updating rates:

- throughout the year as required by applicable state and federal laws, regulations, and actuarial standards of practice;
- when components of a rate or the payment methodology changes;
- when new medical technologies, services, and provider types require development of a payment methodology or rate; and
- when rates need to be adjusted as a result of budgetary appropriations to the Department.

The Department's rate setting process is ongoing and independent of the rate review process. The rate review process looks at categories of services as a whole and evaluates whether established rates are sufficient to allow for provider retention, client access, and the reimbursement of high-value services.

## 2. What is the Department's process for reviewing provider rates?

A unique subset of services is examined each year in the five-year rate review cycle. Each year the Joint Budget Committee (JBC) or the MPRRAC can make amendments to the rate review schedule on or before December 1<sup>st</sup>. The current five-year schedule is posted on the Department's [MPRRAC website](#). For the purpose of illustration, the timeline for services under review in years one and two is depicted on the following page.



- **January-April 2016:** The Department presented year one services utilization, access, and quality data to the MPRRAC and stakeholders via MPRRAC meetings and Rate Review Information Sharing Sessions.
- **May 1, 2016:** The Department published the year one [Medicaid Provider Rate Review Analysis Report](#) (Analysis Report). The Analysis Report includes available utilization, access, quality, and rate comparison data and analyses for each service for the previous State Fiscal Year. The report includes an assessment of whether payments were sufficient for provider retention, client access, and reimbursement of high-value services.
- **May-August 2016:** The MPRRAC develops preliminary high-level recommendations based on Analysis Report findings and stakeholder and Department feedback. The Department in turn researches the recommendations and may generate budget recommendations, which are due to the Governor's Office in July.
- **September-October 2016:** The MPRRAC provides final recommendations to the Department by the end of September. These recommendations inform the 2016 Medicaid Provider Rate Review Recommendations Report (Recommendations Report), authored by the Department. Concurrently, the Department begins to present service utilization, access, and quality data for each year two service via the MPRRAC meetings and Rate Review Information Sharing Sessions.
- **November 1, 2016:** The year one Recommendations Report is published and submitted to the JBC. Some recommendations from this report may be reflected in the Governor's proposed budget, while others may be evaluated during the JBC budget-setting process.
- **December 1, 2016:** The deadline for changes to the 5-year rate review schedule by JBC or MPRRAC majority vote.
- **December 2016 – April 2017:** The Department continues to present service utilization, access, quality, and rate comparison data for year two services via MPRRAC meetings and Rate Review Information Sharing Sessions.
- **May 1, 2017:** The Department publishes the year two Analysis Report.

### 3. How were excluded rates determined?

Colorado Revised Statute 25.5-4-401.5 (1)(c)(I) states the Department may “propose to exclude rates from the schedule... if those rates are adjusted on a periodic basis as a result of other state statute or federal law or regulation.” On this basis, the Department recommended to the JBC that the following services and locations be excluded from the rate review process: Medicaid payer of last resort; incentive payments; contracted plans; inpatient hospitals; outpatient hospitals; Community Health Centers (which includes Federally Qualified Health Centers and Rural Health Centers); school-based clinic services and school-based clinic case management; intermediate care facilities for individuals with intellectual disabilities class II and class IV; and Title XIX drugs. More information on these rates and the methodology used to exclude them can be found in the five-year review schedule.

### 4. What is the role of the Medicaid Provider Rate Review Advisory Committee?

The MPRRAC consists of 24 members appointed by members of the Colorado State Senate and House of Representatives. MPRRAC members represent 24 different areas of health care and work together to inform the rate review process, while also providing expertise as needed. The MPRRAC assists the Department in the review of provider rate reimbursements by:

- conducting public meetings with the Department;

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- reviewing the Analysis Reports;
- providing recommendations to the Department;
- reviewing stakeholder proposals for provider rates to be reviewed or adjusted; and
- amending the rate review schedule as needed.

## 5. How can stakeholders participate in the rate review process?

Stakeholders can:

- attend Rate Review Information Sharing Sessions to gain a better understanding of, and comment on, data as it relates to service utilization, access, and quality;
- attend MPRRAC meetings and provide testimony, including recommendations, related to the meeting agenda and discussions during the public comment portion; and
- submit a proposal for provider rates to be reviewed or adjusted.

Information on MPRRAC meetings and Rate Review Information Sharing Sessions can be found on the Department's [MPRRAC website](#). The Department is in the process of creating an online submission form for provider rate proposals. The Department plans to complete this form by summer 2016; in the interim, proposals can be sent to Lila Cummings ([lila.cummings@state.co.us](mailto:lila.cummings@state.co.us)).

## 6. Where can I find more resources?

- MPRRAC website: <https://www.colorado.gov/pacific/hcpf/medicaid-provider-rate-review-advisory-committee>.
- Five-year rate review schedule: <https://www.colorado.gov/pacific/sites/default/files/Medicaid%20Provider%20Rate%20Review%20Schedule%20FINAL%20October%202015.pdf>.
- Analysis Report: <https://www.colorado.gov/pacific/sites/default/files/2016%20Medicaid%20Provider%20Rate%20Review%20Analysis%20Report.pdf>.
- MPRRAC Member list: <https://www.colorado.gov/pacific/sites/default/files/Medicaid%20Provider%20Rate%20Review%20Advisory%20Committee%20Members.pdf>.

## 7. Who do I contact if I still have questions?

Additional questions, comments, and concerns can be sent to:

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