



Rate Review Recommendation Status – Update 3

July 19, 2018

Each November 1st, the Colorado Department of Health Care Policy & Financing (the Department) publishes recommendations, through the rate review process, for services under review that year. Recommendations for year one services are found in the [2016 Medicaid Provider Rate Review Recommendation Report](#). Recommendations for year two services are found in the [2017 Medicaid Provider Rate Review Recommendation Report](#).

This document serves as the third update regarding progress on the Department's recommendations. More information regarding the rate review process is available on the Department's [Medicaid Provider Rate Review Advisory Committee website](#).

Rate Changes

Some year one and year two services received targeted rate increases (TRIs) that became effective July 1, 2017 or July 1, 2018. Certain services received a TRI both years. For a list of TRIs effective July 1, 2017, see the [July 2017 Provider Bulletin](#) (pp.1-3). For a list of TRIs effective July 1, 2018, see the [July 2018 Provider Bulletin](#) (pp.2-5).

Year One Recommendations - 2016

- Laboratory & Pathology Services – Effective January 1, 2018, Medicare Clinical Laboratory Fee Schedule (CLFS) rates are based on weighted median private payor rates.¹ In accordance with the Department's and MPRRAC's recommendation from year one, the Department is conducting research to evaluate if Colorado Medicaid rates should be aligned with updated Medicare CLFS rates.
- Home Health Services – The Department is working to implement Electronic Visit Verification (EVV) pursuant to the 21st Century Cures Act mandate. The Department will use data acquired through EVV to inform an assessment of the visit-based payment methodology.
- Private Duty Nursing – Department staff continue to conduct research regarding licensed practical nurse (LPN) wages.
- Non-Emergent Medical Transportation (NEMT) and Emergency Medical Transportation (EMT) Services – On January 8 and March 5, 2018, the Department hosted a benefits collaborative to discuss changes to NEMT and EMT service rules. For more information about the benefits collaborative, see the [Questions and Answers Document](#). The Colorado General Assembly approved the Department's supplemental budget request for additional funding to explore the feasibility of a supplemental payment program to reduce uncompensated costs for EMT services.
- Physician-Administered Drugs – The Department hired a policy specialist to oversee physician-administered drugs in August 2017. The Department has implemented the new payment methodology as outlined in the 2016 Medicaid Provider Rate Review Recommendation Report.

¹ For more information, see the [Center for Medicare and Medicaid Services' Clinical Laboratory Fee Schedule website](#).



Year Two Recommendations – 2017

- Physician Services and Surgery – The Colorado General Assembly approved the recommendation for net budget neutral adjustments to select rates based on place of service and for services that are below 80% or above 100% of the Medicare benchmark ([2017-18 Budget Package & Long Bill Narrative](#), p.48). The Department is beginning necessary implementation work.
- Anesthesia Services – The Colorado General Assembly did not approve the Department's request to reduce anesthesia service rates to 100% of the rate comparison benchmark, the 2016 Medicare conversion factor.
- Home- and Community-Based Service (HCBS) Waivers – The Colorado General Assembly approved the recommendation for a rate adjustment for alternative care facilities, which will result in a 25% rate increase ([2017-18 Budget Package & Long Bill Narrative](#), p.48). Certain other waiver services will receive targeted rate increases; see the [July 2018 Provider Bulletin](#) for more information.

