

TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

SUPPLEMENT TO ATTACHMENT 4.19-B

State of Colorado

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**SUPPLEMENTAL PAYMENTS FOR PHYSICIAN AND PROFESSIONAL SERVICES
AT QUALIFYING COLORADO STATE-OWNED OR OPERATED PROFESSIONAL
SERVICES PRACTICES**

1. Qualifying Criteria

Physicians and other eligible professional service practitioners as specified in 2. below who are employed by the University of Colorado School of Medicine, which is a state-owned school of medicine.

To qualify for the supplemental payment, the physician or professional service practitioner must be:

- a. licensed by the State of Colorado; and
- b. enrolled as a Colorado Medicaid provider; and
- c. members of an organization established by the University of Colorado School of Medicine pursuant to section 23-20-114, C.R.S.

2. Qualifying Providers Types

For purposes of qualifying for supplemental payments under this section, services provided by the following professional practitioners will be included:

- a. Physicians;
- b. Certified Registered Nurse Anesthetists (CRNA);
- c. Physician Assistants
- d. RN Clinical Nurse Specialists
- e. Nurse Midwives
- f. RN Nurse Practitioners
- g. Psychologists
- h. Licensed Clinical Social Workers
- i. Optometrists
- j. Dentists (For Medicare covered medical codes only)

3. Payment Methodology

The supplemental payment will be limited based on the available upper payment limit, which is the Medicare equivalent of the average commercial rate. The average commercial rate is defined as the rates paid by the five largest commercial payers for the same service. Under this methodology the terms "physician" and "physician services" includes services provided by all qualifying provider types as set forth in "2.", above.

The specific methodology to be used in establishing the supplemental payment for physician services is as follows:

- a. For services provided by physicians meeting the criteria as set forth in "1." above, the state will collect from the providers its current commercial physician fees by CPT code for the provider's top five commercial payers by volume.

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- b. The state will calculate the average commercial fee for each CPT code for qualifying provider types, as defined under "2." above, that are eligible in "1." above.
 - c. The state will extract from its paid claims history file for the preceding fiscal year all paid claims for those qualifying provider types, as defined under "2." above, who will qualify for a supplemental payment. For each CPT code, the state will align the average commercial fee as determined in "b" above to Medicaid payments for qualifying provider types, as defined under "2." above and calculate the average commercial payments for the claims.
 - d. The state will also align the same paid Medicaid claims with the Medicare fees for each CPT code for each qualifying provider type, as defined under "2." above and calculate the Medicare payment amounts for those claims. The Medicare fees will be the most currently available national non-facility fees.
 - e. The state will then calculate an overall Medicare to commercial conversion factor by dividing the total amount of the average commercial payments for the claims by the total Medicare payments for the claims. The commercial to Medicare ratio will be re-determined at least every three years.
 - f. For each quarter the state will query its MMIS system for paid Medicaid claims for qualifying provider types, as defined under "2." above for that quarter.
 - g. The state will then calculate the amount Medicare would have paid for those claims by aligning the claims with the Medicare fee schedule by CPT code. The Medicare fees will be the most currently available Medicare Physician Fee Schedule for MAC Locality 0411201 – Colorado.
 - h. The total amount that Medicare would have paid for those claims is then multiplied by the Medicare equivalent of the average commercial rate and the amount Medicaid actually paid for those claims is subtracted to establish the total allowable supplemental payment amount for the physician or physician practice plan for that quarter.
 - i. In order to allow for adequate claims runout, the payment for Medicaid services in any given quarter will be made one year after the quarter in which the dates of service occurred. Providers will be notified of payment amounts through the Colorado Medicaid Provider Bulletin at least 30 days before the quarterly payment is made.
4. Effective Date of Payment
The supplemental payment will be made effective for services provided on or after July 1 2016.

5. Payment Amount

State Fiscal Year	Payment (Total Funds)
SFY 2017-18	\$123,529,218

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