Rate Review Recommendation Status - Update

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, Year Two services in the 2017 report, and Year Three in the 2018 report.

This document serves as the fourth 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, Year Two, and Year Three services received across-the-board (ATB) or targeted rate increases (TRIs) that became effective July 1, 2017, July 1, 2018, or will become effective July 1, 2019. Certain services received a TRI in multiple years. For a list of TRIs effective July 1, 2017, see the July 2017 Provider Bulletin (pp.1-3), for those effective July 1, 2018, see the July 2018 Provider Bulletin (pp.2-5), and for those effective July 1, 2019, see the June 2019 Provider Bulletin (pp.1-4).

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 Year One recommendation, in 2018 the Department conducted research to evaluate if Colorado Medicaid rates should be aligned with updated Medicare CLFS rates. To date, the Department has rebalanced those codes that are less than 20% and greater

¹ For more information, see the Center for Medicare and Medicaid Services’ (CMS) Clinical Laboratory Fee Schedule website.
than 200% of the benchmark rate.\(^2\) Please see the State Plan (TXIX) Rates Information and Resources section on the Provider Rates & Fee Schedule webpage for more information on the Laboratory & Pathology services rebalance effective July 1, 2019.

**Home Health Services** — The Department is working to implement Electronic Visit Verification (EVV) pursuant to the 21st Century Cures Act mandate. EVV will be implemented January 1, 2020. The Department will use data acquired through EVV to inform the recommended assessment of a visit-based payment methodology. Home Health services also received a 1% across-the-board (ATB) rate increase in July 2018 and June 2019.

**Private Duty Nursing** — PDN services received a 1% ATB rate increase effective July 1, 2019.

**Non-Emergent Medical Transportation (NEMT) & Emergency Medical Transportation (EMT) Services**

Year One recommendations included finding ways to decrease fragmentation of transportation services, exploring novel reimbursement of EMT services, and evaluating the effectiveness of the NEMT brokerage model.

- The Department worked with stakeholders during the 2017-18 legislative session to co-author legislation that will create an urgent transportation benefit for those needing urgent but not emergent medical transportation, effective summer of 2020. This benefit is expected to address fragmentation of transportation services by bridging the gap between emergent and non-emergent transportation, which usually requires 48-hour notice.

- Effective January 1, 2018, the Department amended the Colorado State Plan to create an EMT Supplemental Payment program. Over 40 providers have begun training on the program, and payment will begin in September 2019. For more information, see the Public Emergency Medical Service Supplemental Payment webpage.

- Last year, as a result of the rate review team working with the Governor’s Office in response to past recommendations, the legislature approved targeted rate increases (TRIs) to a subset of Emergent and Non-Emergent Medical Transportation services. Rate

\(^2\) Due to the high number of codes below 80% and above 100% of the benchmark Medicare rates, the Department chose to rebalance those below 20% and above 200% as a first priority.
increases will be effective July 1, 2019. ³

➢ This year, the Department concluded a Benefits Collaborative to make changes to NEMT and EMT service rules and inform re-procurement of the NEMT broker. For more information about the Benefits Collaborative, see the Questions and Answers Document. As part of this effort, the Department studied the strengths of, and any concerns with, the nine-county state broker shared-risk contract. The Department is moving to a statewide brokerage model, effective July 1, 2020.

Physician-Administered Drugs — Due to the successful implementation of the new payment methodology recommended in the 2016 Medicaid Provider Rate Review Recommendation Report, most Physician-Administered Drugs (PADs) have been removed from the Medicaid Provider Rate Review Schedule.

Year Two Recommendations - 2017

Physician Services & Surgery — The Department is continuing the recommended implementation of a net budget neutral adjustment to select rates based on place of service and for services that are below 80% or above 100% of the Medicare benchmark.

Anesthesia Services — In May 2019, the Colorado General Assembly acted upon the Department’s recommendation to reduce anesthesia service rates. Rates were decreased to 120% of the rate comparison benchmark, the 2016 Medicare conversion factor. Rate decreases were effective July 1, 2019.

Home- and Community-Based Service (HCBS) Waivers — As a result of the rate review team working with the Governor’s Office in response to past recommendations, the legislature approved across-the-board (ATB) increases and TRIs for all waiver service packages in May 2019.

➢ The approved ATB effective July 1, 2019 is a 1.0% increase for most HCBS waiver services.

➢ The approved TRIs are listed under the HCBS Rates Information & Resources tab of the Provider Rates & Fee Schedule webpage. For example, the Department received approval to eliminate entirely the budget neutrality factor for respite care, transition services, and behavioral health counseling. Behavioral health counseling rates are set to increase by more than 70%. Please note, HCBS TRIs will not be effective until January 1, 2020.

³ Such as the ALS and BLS base rates, rates for wheelchair and stretcher vans, and NEMT associated meals and lodging.
Year Three Recommendations - 2018

The recommendations from the 2018 Medicaid Provider Rate Review Recommendations Report were largely successful and, with the exception of recommended increases to certain dental rates, were approved by the legislature. Specifically, the legislature approved:

Primary Care/Evaluation and Management — A budget neutral rebalancing of rates that are below 80% and above 100% of the benchmark Medicare rates.4

Radiology Services — A budget neutral rebalancing of rates that are below 80% and above 100% of the benchmark Medicare rates.4

Physical and Occupational Therapy — A budget neutral rebalancing of rates that are below 80% and above 100% of the benchmark Medicare rates.4

Maternity Services — An increase of $4.4 million total funds, to increase maternity rates to 80 percent of the benchmark. Rate increases will be effective July 1, 2019.

Dental Services — Although the recommendation to increase certain preventive service rates was not adopted for inclusion in the Long Bill, the annual cap on adult dental services was raised from $1,000 to $1,500, effective July 1, 2019. Dental services are approved for a 1.0% ATB rate increase effective July 1, 2019.

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4 For more information, see page 49 of the Joint Budget Committee Budget Package and Long Bill Narrative. The budget neutral rebalancing project has not yet been initiated.

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