



Department of Health Care Policy and Financing

PUBLIC NOTICE

August 28, 2009

Medicaid Fee-for-Service Provider Reimbursement Rates

To maintain access for clients while remaining within the Colorado Medicaid Program's spending authority, the Department is reducing provider reimbursement rates for most fee-for-service benefits by one-and-one-half percent (1.5%). Among the affected benefit categories are: physician and clinic services; Early Periodic Screening, Diagnosis, and Treatment (EPSDT) services; emergency transportation services; non-emergent medical transportation services; dental services; vision services; occupational, physical, and speech therapy services; inpatient hospital services; outpatient hospital services; home health services; ambulatory surgery center services; dialysis services; anesthesia services; laboratory and x-ray services; durable medical equipment and supplies; and drugs administered in the office setting. These changes are effective September 1, 2009 and are expected to result in an aggregate decrease in expenditures in FY 2009-10 of approximately \$12,000,000. The estimated decreases by major service category are as follows:

Estimated Decrease in Expenditure by Major Service Category	
Physician, Clinic & EPSDT Services	(\$2,400,000)
Emergency Transportation Services	(\$56,000)
Non-emergency Medical Transportation Services	(\$99,000)
Dental Services	(\$880,000)
Inpatient Hospitals Services	(\$4,000,000)
Outpatient Hospitals Services	(\$1,700,000)
Lab & X-Ray Services	(\$325,000)
Durable Medical Equipment Services	(\$875,000)
Home Health Services	(\$1,679,000)

Rates paid to managed care organizations, including Program of All Inclusive Care for the Elderly (PACE) and Prepaid Inpatient Health Plans (PIHP) will also include corresponding decreases, as the Department pays rates based on fee-for-service expenditure. Any managed care rates which fall outside the current actuarially sound rate ranges may require additional actuarial certification.

As applicable, an updated fee schedule reflecting these rate changes will be posted on the Department's Web site at Colorado.gov/hcpf in September 2009.

Nursing Facility Provider Payments

To maintain access for clients while remaining within the Colorado Medicaid Program's spending authority, it is the intent of the Department to submit a State Plan Amendment to reduce provider per diem reimbursement rates to nursing facilities by one-and-one-half percent (1.5%). In addition, the Department anticipates both hospice rates for room and board and Program of All Inclusive Care for the Elderly (PACE) rates would be affected by reducing nursing facility rates as these rates are tied to the nursing facility rates. These changes are effective September 1, 2009 and are expected to result in an aggregate decrease in provider reimbursements in FY 2009-10 of approximately \$6,400,000. In addition, these changes are expected to result in an aggregate decrease in hospice reimbursements in FY 2009-10 of approximately \$466,700.

Home and Community-Based Services, Consumer Directed Attendant Support Services, and Private Duty Nursing

To maintain access for clients while remaining within the Colorado Medicaid Program's spending authority, it is the intent of the Department to reduce provider reimbursement rates by one-and-one-half percent (1.5%). Among the affected benefit categories are: Home and Community-Based Services (HCBS) waiver services, Administrative Case Management Services provided by Community Centered Boards (CCB) for the HCBS Children with Autism Waiver, Consumer Directed Attendant Support Services (CDASS), and private duty nursing. These changes will be effective September 1, 2009 and are expected to result in an aggregate decrease in expenditures in FY 2009-10 of approximately \$3,100,000. The estimated decreases by major service category are as follows:

Estimated Decrease in Expenditure by Major Service Category	
HCBS - Elderly, Blind, and Disabled	(\$1,944,000)
HCBS - Mental Illness	(\$253,000)
HCBS - Disabled Children	(\$20,000)
HCBS - Persons Living with AIDS	(\$6,800)
HCBS - Consumer Directed Attendant Support	(\$44,000)
HCBS - Brain Injury	\$138,000)
HCBS - Children with Autism	(\$15,000)
HCBS - Pediatric Hospice	(\$350)
Private Duty Nursing	(\$244,000)

Single Entry Points and Prepaid Inpatient Health Plan Administration

To maintain access for clients while remaining within the Colorado Medicaid Program's spending authority, it is the intent of the Department to reduce provider reimbursement rates by one-and-one-half percent (1.5%). Among the affected benefit categories are: single entry points and Prepaid Inpatient Health Plan (PIHP) Administration. These changes are effective September 1, 2009

and are expected to result in an aggregate decrease in expenditures in FY 2009-10 of approximately \$334,000. The estimated decreases by major service category are as follows:

Single Entry Points	(\$272,000)
Prepaid Inpatient Health Plan Administration	(\$62,500)

Federally Qualified Health Center Reimbursement Rates

To maintain access for clients while remaining within the Colorado Medicaid Program's spending authority, it is the intent of the Department to reduce Federally Qualified Health Center (FQHC) reimbursement rates. Currently, the Department reimburses FQHCs above the minimum rate required under federal law, set in the Benefits Improvement and Protection Act of 2000 (BIPA). The Department intends to reduce rates paid to FQHCs by 50 percent of the difference between each FQHC's current rate and the minimum rate required under Medicare, Medicaid and SCHIP Benefits Improvement and Protection Act of 2000 (BIPA). These changes are effective September 1, 2009 and are expected to result in an aggregate decrease in provider reimbursements in FY 2009-10 of approximately \$3,900,000.

Pharmacy Provider Payments

To maintain access for clients while remaining within the Colorado Medicaid Program's spending authority, it is the intent of the Department to submit a State Plan Amendment changing two pricing methodologies used to determine reimbursement for covered fee-for-service outpatient drugs. The Average Wholesale Price (AWP)-based methodologies will be changed to AWP minus 14.5 percent for brand name drugs and AWP minus 45 percent for generic drugs. These changes are effective September 1, 2009 and are expected to reduce aggregate drug provider reimbursements by approximately \$3,500,000 in FY 2009-10.

Limit Personal Care and Homemaker Services in HCBS Waivers

To maintain access for clients while remaining within the Colorado Medicaid Program's spending authority, it is the intent of the Department to impose a cap on the amount of personal care and homemaker services a client enrolled in a home and community-based services waiver program can receive each day. The daily reimbursement and authorization of combined Homemaker and Personal Care services shall not exceed twenty (20) 15-minute units per day, which is approximately 150% of the daily rate for a client living in an alternative care facility. This daily cap will also apply to the Personal Care and Homemaker

components of Consumer Directed Attendant Support Services (CDASS). These changes are effective September 1, 2009 and are expected to reduce provider reimbursements by approximately \$1,100,000 total funds in FY 2009-10.

Limit Transportation in HCBS Waivers

To maintain access for clients while remaining within the Colorado Medicaid Program's spending authority, it is the intent of the Department to impose a cap on the amount of non-medical transportation a client enrolled in a home and community-based services waiver program can receive per week. Clients would be limited to two (2) roundtrips per week. Trips to adult day programs will not be subject to the cap. These changes are effective September 1, 2009 and are expected to reduce provider reimbursements by approximately \$482,000 total funds in FY 2009-10.

Hospital Acquired Conditions and Serious Reportable Events

Effective October 1, 2009, the Department will not provide additional reimbursement to hospitals for certain conditions acquired during a hospital stay which the Department has listed as "Serious Reportable Events." When applicable, reimbursement to a hospital will be adjusted or denied. The list of Serious Reportable Events will be published annually by the Department in the Provider Bulletin. Currently, the Department is not able to estimate the budgetary impact from this policy change. The objective of the change is to ensure patient safety and the quality of care.

Supplemental Medicaid Payments to Rural and Public Hospitals

To maintain access for clients while remaining within the Colorado Medicaid Program's spending authority, it is the intent of the Department to submit a State Plan Amendment to suspend the supplemental Medicaid payment to qualified rural hospital providers and to qualified hospital providers that provide services to low-income populations. These payments are commonly referred to as the Rural Hospital Payment and the Public Hospital Payment.

These changes are effective September 1, 2009. This action will result in a decrease in annual aggregate expenditures to the Rural Hospital payment of approximately \$2,500,000 beginning in FY 2009-10. The action will result in a decrease in annual aggregate expenditures to the Public Hospital payment of approximately \$2,500,000 beginning in FY 2009-10.

Inpatient Hospital Payment for Health Care Services

To maintain access for clients while remaining within the Colorado Medicaid Program's spending authority, it is the intent of the Department to submit a State Plan Amendment to suspend the supplemental Inpatient Hospital Payment for Health Care Services to hospitals that provide primary care services to low-income clients. These changes are effective September 1, 2009. This action will result in a decrease in annual aggregate expenditures of approximately \$2,952,000 beginning in FY 2009-10.

Urban Safety Net Provider Payment

To maintain access for clients while remaining within the Colorado Medicaid Program's spending authority, it is the intent of the Department to submit a state Plan Amendment to suspend the Urban Safety Net Provider Payment for inpatient hospital services to Medicaid clients. These changes are effective September 1, 2009. This action will result in a decrease in annual aggregate expenditures of approximately \$5,400,000 beginning in FY 2009-10.

Pediatric Major Teaching Hospital Payment

To maintain access for clients while remaining within the Colorado Medicaid Program's spending authority, it is the intent of the Department to submit a State Plan Amendment to reduce the Pediatric Major Teaching Hospital Payment. These changes are effective September 1, 2009. This adjustment will result in a decrease of annual aggregate expenditures of approximately \$21,648,000 beginning in FY 2009-10.

Family Medicine Program and State University Teaching Hospital Payments

To maintain access for clients while remaining within the Colorado Medicaid Program's spending authority, it is the intent of the Department to submit a State Plan Amendment to reduce the payment for the Commission on Family Residency Training Program payments and State University Teaching Hospital Payments by 10% beginning in FY 2009-10.

These changes are effective September 1, 2009. This adjustment will result in a decrease of annual aggregate expenditures of approximately \$200,000.

General Information

A link to this notice will be posted on the Department's Web site, Colorado.gov/hcpf, on September 4, 2009. Written comments may be addressed to: Director, Medical and CHP+ Program Administration Office, Department of Health Care Policy and Financing, 1570 Grant Street, Denver, CO 80203.