



Department of Health Care Policy and Financing

PUBLIC NOTICE

June 25, 2010

Medicaid Fee-for-Service Provider Reimbursement Rates

Effective July 1, 2010, reimbursement rates will be reduced for most fee-for-service benefits by one percent (1%). Among the affected benefit categories are: physician and clinic services; Early Periodic Screening, Diagnosis, and Treatment (EPSDT) program services; emergency transportation services; non-emergent medical transportation services; dental services; vision services; occupational, physical, and speech therapy services; rehabilitative services; hospital services; outpatient substance abuse treatment services; extended services for pregnant women; ambulatory surgery center services; dialysis services; anesthesia services; laboratory and radiology services; durable medical equipment and supplies; drugs administered in the office setting including vaccine administration; and home health services. These changes are expected to result in an aggregate decrease in expenditures in FY 2010-11 of approximately \$12 million.

The estimated decreases by major service category are as follows:

Estimated Decrease in Expenditure by Major Service Category	
Physician, Clinic & EPSDT Services	(\$2,547,000)
Emergency Transportation Services	(\$56,000)
Non-Emergent Medical Transportation Services	(\$106,000)
Dental Services	(\$834,000)
Hospital Services	(\$5,598,000)
Laboratory and Radiology Services	(\$320,000)
Durable Medical Equipment and Supplies	(\$941,000)
Home Health Services	(\$1,605,000)

Rates paid to physical health managed care organizations will also include corresponding decreases, as rates for these providers are tied to the fee-for-service payment schedule.

An updated fee schedule reflecting these rate changes will be posted on the [Department's Web site](#) in July 2010.

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

Effective July 1, 2010, reimbursement rates will be reduced by one percent (1%). 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 are expected to result in an aggregate decrease in expenditures in FY 2010-11 of approximately \$2.7 million.

The estimated decreases by major service category are as follows:

Estimated Decrease in Expenditure by Major Service Category	
HCBS - Elderly, Blind, and Disabled	(\$2,012,000)
HCBS - Mental Illness	(\$262,000)
HCBS - Disabled Children	(\$20,000)
HCBS - Persons Living with AIDS	(\$7,000)
HCBS - Consumer Directed Attendant Support	(\$47,000)
HCBS - Brain Injury	(\$137,000)
HCBS - Children with Autism	(\$7,000)
HCBS - Pediatric Hospice	(\$300)
Private Duty Nursing	(\$243,000)

Single Entry Points and Prepaid Inpatient Health Plan Administration

Effective July 1, 2010, reimbursement rates will be reduced by one percent (1%). Among the affected benefit categories are: single entry points and Prepaid Inpatient Health Plan (PIHP) Administration. These changes are expected to result in an aggregate decrease in expenditures in FY 2010-11 of approximately \$623,000.

The estimated decreases by major service category are as follows:

Single Entry Points	(\$231,000)
Prepaid Inpatient Health Plan Administration	(\$392,000)

Nursing Facility Provider Payments

Effective July 1, 2010, the Department intends to submit a State Plan Amendment to reduce provider per diem reimbursement rates by one percent (1%) pursuant to Colorado House Bill 10-1379. 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 expected to result in an aggregate decrease in provider reimbursements in FY 2010-11 of approximately \$6.234 million.

High Volume Medicaid and Colorado Indigent Care Program (CICP) Hospital Payment

Effective July 1, 2010, the Department intends to submit a State Plan Amendment to establish a supplemental payment for inpatient hospital services to Medicaid clients for public hospital providers with at least 35,000 inpatient days for Medicaid clients annually and where over 30 percent of annual total inpatient days are services for Medicaid and CICP clients. This action will result in an increase in annual aggregate expenditures of approximately \$42 million. Aggregate payments to hospitals will not exceed federal upper payment limits for inpatient services. This payment will be funded through Certification of Public Expenditures and matching federal Medicaid funds. No state general funds will be used and aggregate payments to hospitals will not exceed federal upper payment limits for inpatient services.

Supplemental Medicaid Payment for Home Health Providers

Effective July 1, 2010, the Department intends to submit a State Plan Amendment to modify the supplemental Medicaid payment for Home Health Agency services. This payment will be modified so the distribution of funds is made based on provider uncompensated Medicaid costs. This payment may be required to be reconciled to actual costs once final audited costs become available. There is no expected change in annual aggregate expenditures.

Supplemental Medicaid Payments and Disproportionate Hospital Payments (DSH) for Hospital Providers

Effective July 1, 2010, the Department intends to submit a State Plan Amendment to modify supplemental Medicaid inpatient and outpatient payments and Disproportionate Share Hospital payments implemented as authorized under Section 25.5-4-402.3, Colorado Revised Statutes (2010).

The Colorado Health Care Affordability Act authorizes the Department to increase Medicaid payments to hospitals for inpatient services up to the available federal upper payment limit, to increase Medicaid payments to hospitals for outpatient services up to 100 percent of costs, to increase payments to hospitals that participate in the CICP up to 100 percent of costs, and to pay quality incentive payments to hospitals. Supplemental Medicaid payments and DSH payments may be modified and payment amounts may be increased to meet these provisions.

The expected increases in hospital reimbursements are as follows:

- Quality incentive payments: \$32 million.
- Supplemental Medicaid and DSH payments: \$25 million

Aggregate payments to hospitals will not exceed federal upper payment limits for inpatient and outpatient services and aggregate DSH payments will not exceed the annual federal allotment.

Pediatric Major Teaching Hospital Payment

Effective July 1, 2010, the Department intends to submit a State Plan Amendment to modify the Pediatric Major Teaching Hospital Payment. This adjustment will result in an increase of annual aggregate expenditures of approximately \$3.228 million in FY 2010-11. Aggregate payments to hospitals will not exceed federal upper payment limits for inpatient services.

Urban Safety Net Provider Payment

Effective July 1, 2010, the Department intends to submit a State Plan Amendment to modify the Urban Safety Net Provider Payment for inpatient hospital services to Medicaid clients to reflect payments to be made in FY 2010-11. There is no expected change in annual aggregate expenditures. Aggregate payments to hospitals will not exceed federal upper payment limits for inpatient services.

Family Medicine Program and State University Teaching Hospital Payments

Effective July 1, 2010, the Department intends to submit a State Plan Amendment to modify the payment for the Commission on Family Residency Training Program payments and State University Teaching Hospital Payments to reflect payments to be made in FY 2010-11. There is no expected change in annual aggregate expenditures. Aggregate payments to hospitals will not exceed federal upper payment limits for inpatient services.

General Information

A link to this notice will be posted on the [Department's Web site](#) in July 2010.

Written comments may be addressed to:

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