

# MEMORANDUM

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**TO:** Joint Budget Committee

**FROM:** Eric Kurtz, JBC Staff (303)866-4952

**SUBJECT:** Health Care Policy and Financing – tabled item *R12 Provider rate increase*

**DATE:** March 13, 2015

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The JBC made motions on the Department's *R12 Provider rate increase*, but then tabled the request for future consideration. Attached please find:

1. **Targeted Rate Increases Table** – This table summarizes the JBC's motions on the targeted rate increases to date and the remaining targeted rate increase proposed by the Department and rejected by the Department.
2. **Targeted Rate Increases Narrative** – This text provides a narrative description of the numbered proposed rate increases and the lettered rejected rate increases.
3. **Specific Code Changes Table** – This table summarizes the specific codes and the amounts rates would change, to minimize any potential ambiguity about the intent. Specific code changes are listed for the items approved by the JBC and requested by the Department, but not for the rejected proposals, as they were not available for all of the rejected proposals.

<b>Targeted Rate Increases</b>					
	TOTAL	General Fund	Cash Funds	Federal Funds	Notes
<b><u>Approved by JBC</u></b>					
1 Special Connections Outpatient Group Rate	\$23,835	\$11,696	\$0	\$12,139	Steadman 6-0
2 Special Connections Per Diem Rate	227,604	111,683	0	115,921	Steadman 6-0
5 Dental X-Rays	365,089	99,278	32,736	233,075	Steadman 6-0
E Increase to a Number of Dental Codes	2,510,313	682,625	225,089	1,602,599	Grantham 6-0
	<u>3,126,841</u>	<u>905,282</u>	<u>257,825</u>	<u>1,963,734</u>	
					Lambert - JBC staff study fund splits for these 6-0
<b><u>Study List</u></b>					
3 Prostate Biopsy	5,485	1,206	18	4,261	
Physical and Occupational Therapy Services	3,587,269	1,075,534	33,475	2,478,260	Moved 10, but backup was for this variation of 10
Home Health/Private Duty Nursing	10,289,320	5,002,556	27,490	5,259,274	Variation of F
HCBS EBD Personal Care/Homemaker	30,480,525	14,819,307	81,432	15,579,786	Variation of F
11 Prenatal and Postpartum Care Services	624,511	306,442	0	318,069	
Anesthesia Services	56,255,360	18,803,799	101,303	37,350,258	"remainder" to go in B
	<u>101,242,470</u>	<u>40,008,844</u>	<u>243,718</u>	<u>60,989,908</u>	
<b><u>Remaining proposed by HCPF</u></b>					
4 Diabetic Self-Management Education Group Visits	485,433	162,280	874	322,279	
6 Dental Flouride Varnish	2,711,409	1,246,791	0	1,464,618	
7 Dental Sealants for Children	3,545,183	1,630,187	0	1,914,996	
8 Vision Retinal Services	407,583	136,255	734	270,594	
9 Eye Materials	3,995,056	1,837,053	0	2,158,003	
10 Physical and Occupational Therapy Services	3,000,000	1,401,267	79,653	1,519,080	Overlaps with study list
12 Selected Office Injectable Drugs	845,032	282,494	1,521	561,017	
13 In-Home Respite	66,320	30,977	1,761	33,582	
	<u>15,056,016</u>	<u>6,727,304</u>	<u>84,543</u>	<u>8,244,169</u>	
<b><u>Remaining rejected by HCPF</u></b>					
A Adult Day, Alternative Care Facilities Rate Increase	1,081,730	529,765	2,712	549,253	
B Rate Increases for Anesthesia Services	56,255,360	18,803,799	101,303	37,350,258	
C CES Respite Rate Increase	572,590	281,772	0	290,818	highest cost option
D Residential Child Care Facility	Not estimated				
F Raise all Home Care Rates	73,163,053	34,173,653	1,942,557	37,046,843	
G Hospice Rate Increase for Two Counties	Not estimated				
H Individual, Family, and Group Therapy	Not estimated				
I Inpatient Rehabilitation	Not estimated				
J Adolescent Depression Screening Reimbursement Increase	207,613	95,467	0	112,146	
K Facility Reimbursements for Five Specialty Clinical Areas	Not estimated				
L Funding to RCCO 6 for Grants to Fund Studies on Alternative Payment Methodologies for Orthopedic Care	Not estimated				
M Rate Increase Request for Independent Outpatient Physical Therapist Providers	4,306,423	2,011,483	114,340	2,180,600	
N Increase Rates for Ultrasounds	3,572,513	1,753,000	0	1,819,513	
O Supported Living Services (Day Habilitation)	1,242,089	611,232	0	630,857	
P Modification of Supported Living Services (Day Habilitation) Rate Increase	8,393,725	4,130,552	0	4,263,173	
Q Increase 5 Rates for Wheelchair and Wheelchair Accessories	73,555	34,357	1,953	37,245	

1. Special Connections Outpatient Group Rate (Substance Use Disorder treatment for pregnant women)  
**Submitted by:** Arapahoe House  
**Description/Rationale:** Low rates limit the number of clients that can be accepted to the program as operating costs exceed revenues from Medicaid payment. Recently, the Joint Budget Committee asked the Department why the program has so few providers, citing that providers had expressed inadequate reimbursement as a barrier to becoming Special Connections providers. An increase in the rates is a necessary component in helping Special Connections grow and reach this vulnerable population of pregnant women and their unborn children. Proposal: Increase payment for Special Connections services to \$210 per diem; increase group and individual outpatient therapy rates by 10%  
**Recommendation:** Partially recommend. Increased outpatient therapy rates from 50% to 100% of Medicaid Fee-For-Service rate  
**Federal Authority:** No State Plan amendment required  
Fiscal Impact: \$23,835
2. Special Connections Per Diem Rate Submitted by: Department proposal  
**Descriptions/Rationale:** Substance use during pregnancy has long- and short-term effects on two large segments of the Medicaid population - women and children. Potential future expenses for children are greatest, due to lifelong effects resulting from exposure to drugs or alcohol in the womb. By treating Substance Use Disorder during pregnancy, current and future physical medicine costs for both mother and infant are greatly reduced or alleviated.  
**Proposal:** Increase per diem reimbursement rates by 20%  
**Recommendation:** Fully recommend  
**Federal Authority:** No State Plan Amendment required  
Fiscal Impact: \$227,604
3. Prostate Biopsy  
**Submitted by:** Urology Center of Colorado  
**Description/Rationale:** The current rate covers only six core biopsies during a standard visit; however, best practices recommend 12 biopsies to appropriately detect and provide early diagnosis of cancer. Effective early diagnosis is essential to reduce metastasis, alleviate cost of additional treatment, and improve health outcomes.  
**Proposal:** Increase rate for prostate biopsies from 47% to 100% of Medicare  
**Recommendation:** Partially recommend. Increase to 75% of Medicare  
**Federal Authority:** No State Plan Amendment required  
Fiscal Impact: \$5,485
4. Diabetic Self-Management Education Group Visits Submitted by: UPI/Colorado School of Medicine  
**Description/Rationale:** Curriculum for diabetic self-management includes one individual visit followed by nine group visits. Both services were opened to cover the full program. Diabetic self-management is an important, high-value service that prevents the need for higher-cost treatments.  
**Proposal:** Increase group visit rate for diabetic self-management to 100% of Medicare rate.  
**Recommendation:** Partially recommend. Two service codes opened, priced at 75% of Medicare  
**Federal Authority:** No State Plan Amendment required  
Fiscal Impact: \$485,433

5. Dental X-Rays  
**Submitted by:** Colorado Dental Association  
**Description/Rationale:** Evaluated and recommended by Medicaid Dental Clinical team. This x-ray series is foundational to any dental services and can only be billed once every five years. Supported by DentaQuest, Oral Health Colorado.  
**Proposal:** Increase to 65% of American Dental Association (ADA) average fee survey  
**Recommendation:** Fully recommend  
**Federal Authority:** No State Plan amendment required  
Fiscal Impact: \$365,089
6. Dental Fluoride Varnish  
**Submitted by:** Delta Dental of Colorado  
**Description/Rationale:** Evaluated and recommended by Medicaid Dental Clinical team. Fluoride varnish is an evidence-based preventative service that reduces decayed, missing, and filled tooth surfaces. Supported by CDPHE, Delta Dental, and Oral Health Colorado; also recommended by CDC and the American Dental Association (ADA).  
**Proposal:** Increase rate for fluoride varnish by 50%, from \$15.94 to \$23.91 per application  
**Recommendation:** Fully recommend  
**Federal Authority:** No State Plan amendment required  
Fiscal Impact: \$2,711,409
7. Dental Sealants for Children Submitted by: Department Proposal  
**Description/Rationale:** Increasing the rate for this preventive dental procedure will increase access for more children. When children have increased access to this preventive service, data shows that their need for more expensive, painful, and severe dental interventions decreases.  
**Proposal:** Increase payment for application of dental sealant from 10% to 50% of American Dental Association (ADA) average fee survey  
**Recommendation:** Fully recommend  
**Federal Authority:** No State Plan amendment required  
Fiscal Impact: \$3,535,183
8. Vision Retinal Services  
**Submitted by:** Colorado Retina Associates  
**Description/Rationale:** Retinal services are key to recovering vision and preventing visual disability and blindness. Improved rates allow providers to accept more Medicaid patients, avoiding delays in diagnosis and treatment. Early intervention allows clients to remain at work, able to drive and to recover lost productivity.  
**Proposal:** Increase 20 targeted retinal service codes to 100% of Medicare rate  
**Recommendation:** Partially recommend. Five lowest-paid codes increased to 75% of Medicare  
**Federal Authority:** No State Plan Amendment required  
Fiscal Impact: \$407,583
9. Eye Materials  
**Submitted by:** Colorado Optometric Association  
**Description/Rationale:** Reimbursement rates for eye glasses materials is so low that it hinders providers' ability to provide quality options for clients. The Colorado Optometric

Association has been unable to increase the number of providers offering eyeglasses at these rates. Improved reimbursement will allow higher quality products with fewer replacements needed. It will allow clients to receive full service for exam/glasses at a single location and will alleviate expending time and money to travel to several locations for a pair of glasses.

**Proposal:** Increase reimbursement on materials for prioritized services for children's eyeglasses by 70%

**Recommendation:** Partially recommend. Increase in rates for children's lens and frames by 49.5%

**Federal Authority:** No State Plan Amendment required

Fiscal Impact: \$3,995,056

#### 10. Physical and Occupational Therapy Services

**Submitted by:** Department Proposal

**Description/Rationale:** Increasing reimbursement for these services will help ensure client access to quality treatment by allowing providers to increase their Medicaid patient panels, by attracting more high quality providers to Medicaid, and by retaining existing Medicaid providers. PT/OT services are also used as alternative or complementary chronic pain treatment options.

**Proposal:** Increase for codes of seven lowest PT/OT services to 50% of Medicare rate.

**Recommendation:** Fully recommend

**Federal Authority:** State Plan amendment required

Fiscal Impact: \$3,000,000

#### 11. Prenatal and Postpartum Care Services

**Submitted by:** Department Proposal

**Description/Rationale:** An increase in payment for prenatal and postpartum care services will encourage high quality care, improved access and better health outcomes for both Medicaid mothers and infants. This proposal will increase for CPT codes 59425, 59436, and 59430 (prenatal and postpartum care) to 70% of Medicare rate.

**Proposal:** Increase rate for prenatal and postpartum care services to 70% of Medicare

**Recommendation:** Fully recommend

**Federal Authority:** A State Plan amendment may be required

Fiscal Impact: \$624,511

#### 12. Selected Office Injectable Drugs (Oncology and Antipsychotic)

**Submitted by:** Department Proposal

**Description/Rationale:** Low pricing for office-injected drugs leads to clients not receiving services or being sent to hospitals to receive the medication, creating a higher cost service. This increase addresses two subsets of office-administered drugs, oncology, and injectable antipsychotic medications. A list of codes is included in the Addendum below.

**Proposal:** Increase rates for office-administered drugs for oncology and antipsychotic medications to average sale price

**Recommendation:** Fully recommend

**Federal Authority:** State Plan Amendment is not required

Fiscal Impact: \$845,032

#### 13. In-Home Respite

**Submitted by:** Department Proposal

**Description/Rationale:** Increasing this rate will positively impact clients by allowing options for respite other than transitioning in and out of a nursing facility.

**Proposal:** Increase rate for in-home respite services by 33.4%

**Recommendation:** Fully recommend

**Federal Authority:** The Department would likely need to change rule and submit an amendment for the Home and Community Based Service waivers that would be impacted

**Fiscal Impact:** \$66,320

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### **FY 2015-16 Targeted Rate Increase Proposals Not Recommended**

Several submitted proposals did not contain all of the information the Department requested and needed to complete evaluation. Staff attempted to research and fill in missing information where possible – if the proposal met other critical criteria (such as needed improved access to care, incentivizing more health care providers to deliver a needed service, improving health outcomes for clients), and in some cases were able to move forward with a full review. These are discussed in more detail below.

#### **A. Adult Day, Alternative Care Facilities rates increase**

**Submitted by:** Leading Age Colorado

**Stakeholder Description/Rationale:** Increasing rates will improve client access to cost-effective long term services and supports by allowing providers to continue to service Medicaid clients (many of whom are at risk of not being able to continue to serve Medicaid clients).

**Proposal:** Proposing a 2.2% rate increase for Elderly Blind and Disabled Waiver Adult Day and Alternative Care Facility services.

**Recommendation:** Not recommended

**Explanation of Recommendation:** The Department's budget request for across the board rate increases would fund a large majority of the rate increases requested in this proposal.

**Federal Authority:** CMS approval required

**Fiscal Impact:** \$1,081,730

#### **B. Rate increases for all anesthesia services or in rural and critical access facilities**

**Submitted by:** Colorado Society of Anesthesiologists

**Stakeholder Descriptions/Rationale:** Providing a rate increase to all anesthesia service codes would promote utilization of high quality anesthesia services that would improve client outcomes and reduce expenditures. It would also address an inadequate provider reimbursement rate to improve client access to cost-effective care.

**Proposal: 1.** Request that HCPF increase Medicaid rate to Workman's Comp level, \$55.73 **Proposal 2.** Alternate proposal for same rate increases but for rural practices and critical access facilities only.

**Recommendation:** Not recommended

**Explanation of Recommendation:** The cost estimate exceeds the entire TRI budget request. The second proposal was not a state-wide recommendation; implementation may not be possible under current system constraints. For those reasons, other requests for funding received higher priority.

**Federal Authority:** State Plan Amendment required

**Fiscal Impact:** 1. \$56,255,360 2. Fiscal impact not estimated due to incomplete information and implementation obstacles.

### C. CES Respite rate increase

**Submitted by:** Community Residential & Respite, LLC

**Stakeholder Description/Rationale:** Requested rate increase for respite care for children in the CES waiver to induce additional agencies to provide this service, enhance the level of care, ensuring more families will have higher comfort level leaving their children with a provider with the skills and abilities to provide for their health and safety.

**Proposal:** Increase rate for CES waver rate by one percent, or \$0.48 per 15 minute unit.

**Recommendation:** Not recommended

**Explanation of Recommendation:** A request for a one percent increase in rates is less than the Department's budget request for community provider rate increases. The Department did not consider this request in the TRI process as the Department has requested to fund this provider rate increase outside of the TRI process. Respite utilization of CES participants is 68.14%. There is no evidence of widespread access to care barriers. Increases in funding would plausibly provide for increases in the intensity of service delivery, with probable client benefits. However, other requests that were funded provided evidence of more urgent or immediate access to care problems.

**Federal Authority:** Waiver amendment required

**Fiscal Impact:** One percent increase including respite camp: \$572,590; one percent increase not including respite camp: \$11,920; \$0.48 increase including respite camp: \$146,484; \$0.48 increase not including respite camp: \$105,459

### D. Residential Child Care Facility rate increase and request for payment of trauma assessment

**Submitted by:** Mount Saint Vincent

**Stakeholder Description/Rationale:** Increase daily Residential Children's Care Facility (RCCF) rate to allow for a 1:3 ratio for RCCF (Colorado rules and regulations require 1:6 or 1:8, depending on the age of the children), allowing for optimum care, safety, and supervision. Request Medicaid create a new payment to reimburse for a specific, best-practice comprehensive trauma assessment model used by Mount Saint Vincent.

**Proposal:** 1. Increase daily RCCF rate by five percent (from \$186.18 to \$195.50). 2. Create payment for Neurosequential Model of Therapeutics (NMT) comprehensive trauma assessment model and price it at \$1,300 per assessment (provider-reported cost is between \$1,500 - \$2,000).

**Recommendation:** Not recommended

**Explanation for Recommendation: Proposal 1:** The Department does pay for behavioral treatment outside of the BHO managed care program for children residing in RCCFs as a result of a county child welfare placement; it is not a per diem payment. RCCF services are only paid at a daily rate when they are provided through a BHO. This request for an increase in a daily rate would impact the BHO contract and is outside the scope of this Targeted Rate Increase project. Additionally, there was no evidence provided of access to care issues, nor are any known to the Department. **Proposal 2:** Requested funding appears to be opening up a new benefit and is not a targeted rate increase. For those reasons, other requests for funding received higher priority.

**Federal Authority:** State Plan Amendment required

**Fiscal Impact:** Indeterminate fiscal impact due to reimbursement methodology.

**E. Increase to a number of dental codes**

**Submitted by:** DentaQuest

**Description/Rationale:** No description or rationale was provided.

**Stakeholder Proposal:** Increase to a number of dental service codes.

**Recommendation:** Not recommended

**Explanation for Recommendation:** The proposal was a spreadsheet with a number of codes priced out and a column for recommended increases. There was no information provided on how the proposed increases would improve quality health outcomes for clients, incentivize more providers to deliver services, or ensure improved client access to care. There was no discussion of challenges or barriers to implementation.

**Federal Authority:** State Plan Amendment may be required

**Fiscal Impact:** \$2,510,313

**F. Request to raise all home health rates except home health aides rates**

**Submitted by:** Home Care Association of Colorado

**Stakeholder Description/Rationale:** Raising home care rates to Medicare rate will incentivize home care agencies to deliver the services to Medicaid beneficiaries, improve client access to care, and save the state money by increasing access to home care versus hospitalization and other institutional care.

**Proposal:** Increase all home care rates (including skilled nursing, therapies, telehealth, private duty nursing, personal care, and homemaker services) to 100% of Medicare rates.

**Recommendation:** Not recommended

**Explanation for Recommendation:** Proposal cost of \$73.1 million quoted by submitter exceeds the entire budget for the TRI proposal. Current Medicaid rates for these services are at 78% of Medicare.

**Federal Authority:** State Plan Amendment required

**Fiscal Impact:** \$73,163,053

**G. Option: Home Health rate increase for two counties**

**Submitted by:** Hospice of Montezuma and Home Care Services

**Description/Rationale:** An increase in rates in these two medically underserved areas would improve client outcomes and reduce health care expenditures by providing an alternative to an assisted living facility or nursing home, particularly in rural communities where there are limited beds and long wait lists for housing options.

**Proposal:** Increase rates by 30% for home health services provided by Hospice of Montezuma Home Care Services.

**Recommendation:** Not recommended

**Explanation for Recommendation:** Proposal is not state-wide in scope. Proposal feedback regarding “non-reimbursable mileage and employee training,” is outside the scope of the TRI project, particularly because overtime and “drive time” issues are pending before a district court judge in an appeal regarding the Department of Labor’s rule making authority and the scope of the Fair Labor Standards Act.

**Federal Authority:** State Plan Amendment required, waiver amendment may be required

**Fiscal Impact:** Fiscal impact not estimated; additional legal and policy evaluation needed



## **H. Individual, family, and group therapy**

**Submitted by:** Ryon Medical & Associates, LLC

**Stakeholder Description/Rationale:** An increase in outpatient Medicaid provider rates can attract private providers, driving and supporting the local economies and communities. It offers clients a choice of providers to meet their individual needs.

**Proposal:** Increase Individual, Family, and Group therapy rates, and diagnostic and assessment rates (and “other”) by 20%.

**Recommendation:** Not recommended

**Explanation for Recommendation:** The proposal did not provide sufficient detail (specific units of services/procedures) to allow for a fiscal impact determination. It also did not address any challenges or barriers to implementation.

**Federal Authority:** State Plan Amendment required

**Fiscal Impact:** Unable to determine due to insufficient proposal detail

## **I. Inpatient rehabilitation**

**Submitted by:** Denver Health (two proposals)

**Stakeholder Description/Rationale:** **1.** Denver Health (DH) has implemented a major practice transformation that employs a “population health” approach to services and achieved the “triple aim” of improved health, care, and costs. DH would like to replicate the model. **2.** DH received 51% of the Medicare rate on inpatient rehabilitation costs, which represents 41% of actual costs.

**Proposal:** **1.** Provide incentive payments for “shared savings” proportionate to documented cost-avoidance. **2.** Increase rates for hospitals with Medicare-certified inpatient rehabilitation unit via an add-on to the base rate.

**Recommendation:** Not recommended

**Explanation for Recommendation:** **1.** This was not a TRI request, but rather a shared-savings proposal. **2.** The proposal was limited to Denver Health, and was not a state-wide proposal.

**Federal Authority:** State Plan Amendment required

**Fiscal Impact:** Fiscal impact not estimated

## **J. Adolescent depression screening reimbursement increase**

**Submitted by:** Colorado Association for School-based Health Care

**Stakeholder Description/Rationale:** School-based Health Care (SBHC) are dependent upon grants to keep their doors open. A targeted rate increase would help SBHCs provide crucial health care services in a sustainable way. The service is underpaid and currently rely on other funds to cover the gaps.

**Proposal:** Increase code 99420 (patients aged 11 to 20) from \$10.28 to \$30.05 to make it comparable to CPT code 99408 (substance use screening).

**Recommendation:** Not recommended

**Explanation for Recommendation:** Adolescent depression screening rate was reviewed and determined utilization continues to increase, and no barrier to access is evident. Other states’ rate averages \$8.55 for this service; Colorado’s rate is \$10.28

**Federal Authority:** State Plan Amendment not required.

**Fiscal Impact:** \$207,613

## **K. Requests addition of facility reimbursements for five specialty clinical areas**

**Submitted by:** University of Colorado Hospital

**Stakeholder Description/Rationale:** Five specialty areas (Dermatology, Ophthalmology, Gastroenterology, Orthopedics, and Urology) are clinical services currently in high demand by Medicaid patients. A rate increase could help improve patient access to care and could incentivize more providers to deliver these services in their private practices.

**Proposal:** **1.** Adding facility reimbursements for the above-listed specialty areas. **2.** Examine potential funding for new (and some existing) programs or services such as grant funding for supporting patient access and care models that encourage and provide greater access to primary care.

**Recommendation:** Not recommended

**Explanation for Recommendation:** **Proposal 1** requires creation of a new type of payment (facility reimbursements), and would not be implementable by July 1, 2015. There is not enough information to allow for a fiscal impact determination (no specific units of service recommended, no percentage or dollar amount represented by the recommended rate increase, and no discussion of known challenges and barriers to implementation. **2.** This is not a TRI request, but rather a suggestion of new ways of providing funding.

**Federal Authority:** Would require State Plan Amendment and CMS approval.

**Fiscal Impact:** Unable to determine

#### **L. Funding to RCCO 6 for grants to fund studies on alternative payment methodologies for orthopedic care**

**Submitted by:** Panorama Orthopedics & Spine Center

**Stakeholder Description/Rationale:** Through population health analytics and management, Panorama seeks to build a cost-neutral system to the state, eliminating unnecessary cost shifting, and directing financing to the right sites of care.

**Proposal:** Provide \$2.3 million to RCCO 6 structured as a draw down grant, to fund actuarial study for alternative payment methodologies, and to cover the startup expenses of building an orthopedic delivery network of RCCO 6 patients.

**Recommendation:** Not recommended

**Explanation for Recommendation:** This is not a TRI request, but a request for a grant. This is not a state-wide proposal. No specifics were provided.

**Federal Authority:** Would require State Plan Amendment and CMS approval

**Fiscal Impact:** Unable to determine due to insufficient proposal detail

#### **M. Rate increase request for independent outpatient physical therapist providers**

**Submitted by:** American Physical Therapy Association

**Stakeholder Description/Rationale:** Raising the state's Medicaid rates to the Medicare level will incentivize more physical therapy providers to deliver the services to clients, improve client access to care, and will save the state money by increase access to physical therapy services.

**Proposal:** Increase codes for manual therapy (97140), Neuromuscular re-education (97112), PT evaluation (97001), PT re-evaluation (97002), Therapeutic activities (97530), and Therapeutic services (97110) to equal Medicare rates.

**Recommendation:** Partially recommended

**Explanation for Recommendation:** Department proposal to increase the lowest PT rates to 50% of Medicare was already submitted and recommended (including three of the above six codes). Two codes recommended for increase were already at 78% and 79% of Medicare.

**Federal Authority:** State Plan Amendment may be required

**Fiscal Impact:** \$4,306,423

#### **N. Increase rates for ultrasounds**

**Submitted by:** Radiology Imaging Associates

**Stakeholder Description/Rationale:** Increased access to quality prenatal and well-woman diagnostic imaging will support national and state initiatives to provide women with access to quality prenatal and pre-pregnancy care.

**Proposal:** Increase reimbursement for prenatal and related women's diagnostic ultrasound imaging to at least 80% of Medicare rates (codes 76801, 76805, 76815, 76816, 76817, and 76830).

**Recommendation:** Not recommended

**Explanation for Recommendation:** Most codes are currently paid at 70% of Medicare or higher. Increases for prenatal/delivery/postpartum physician visits were determined to be likely to have greater implications on access to quality and timely maternity care.

**Federal Authority:** State Plan amendment may be required

**Fiscal Impact:** \$3,572,513 (one code excluded as the reimbursement is above the requested rate).

#### **O. Supported Living Services (day habilitation) rate increase**

**Submitted by:** Continuum of Colorado

**Stakeholder Description/Rationale:** Increasing the unit rate will encourage providers to provide one-on-one services to clients who need it, while being more equitable to covering the costs associated with providing the service.

**Proposal:** Increase unit rate for Supported Community Connection services for individuals with SIS levels 1 – 3 (20% for SIS Level 1 to \$3.38, 13% for SIS Level 2 to \$3.49, and eight percent increase for SIS Level 3 to \$3.76).

**Recommendation:** Not recommended

**Explanation for Recommendation:** There is not an identified provider shortage in the I/DD system that would be addressed through an across the board rate increase. Adjusting the rate is not prioritized at this time because rebasing the rates, a process for on-going re-basing, and benefits restructuring are planned for system redesign. The JBC has identified funds and FTE for waiver redesign that allows the Department to complete this work over the next 18-24 months.

**Federal Authority:** Wavier amendment required

**Fiscal Impact:** \$1,242,089

#### **P. Modification of above previously submitted proposal: Supported Living Services (day habilitation) rate increase**

**Submitted by:** Continuum of Colorado

**Stakeholder Description/Rationale:** There is a shortage of providers because of the low hourly rate. With increases as recommended, more providers would offer the services, and clients would have more access to services.

**Proposal:** Increase Day Habilitation SIS levels 2 – 6 (Level 2 from \$2.55 to \$2.85; Level 3 from \$2.84 to \$3.75; Level 4 from \$3.34 to \$4.14; Level 5 from \$4.14 to \$5.95; and Level 6 from \$5.95 to \$6.33). Increase Community Connections SIS levels 1 – 6 (Level 1 from \$2.82 to \$4.00; Level 2 from \$3.09 to \$4.82; Level 3 from \$3.48 to \$6.33; Levels 4 – 6 “no less than \$7.00”).

**Recommendation:** Not recommended

**Explanation for Recommendation:** There is not an identified provider shortage in the I/DD system that would be addressed through an across the board rate increase. Adjusting the rate is not prioritized at this time because rebasing the rates, a process for on-going re-basing, and benefits restructuring are planned for system redesign. The JBC has identified funds and FTE for waiver redesign that allows us to complete this work over the next 18-24 months.

**Federal Authority:** Waiver amendment required

**Fiscal Impact:** \$8,393,725

#### **Q. Increase five rates for wheelchairs and wheelchair accessories**

**Submitted by:** NuMotion

**Stakeholder Description/Rationale:** Ensure clients have the opportunity to receive the best mobility solution for their unique needs by offering products that are both functional and highly reliable. Current reimbursement could limit access to particular products that might be the most clinically appropriate selection based on the reimbursement rate.

**Proposal:** Increase unit rate for five wheelchair and wheelchair accessory HCPCS rates: E1028 to \$223; E0960 to \$102.63, E2622 to \$317.10, E2624 to \$319.71, and K0005 to \$2,200.

**Recommendation:** Not recommended

**Explanation for Recommendation:** Last year DME providers came together collaboratively and requested to repurpose the 2% across-the-board increases to instead increase or decrease targeted codes. Three of the requested codes have seen significant increases as a result. The Department is not aware of any member access issues related to reimbursement. The requestor did not provide any documentation on their acquisition costs for these items.

- E1028: Current rate is now about three percent higher than last fiscal year, and is at 97% of the Medicare rate.
- E0960: Wheelchair providers (including Numotion) requested a decrease to the current rate to shift those savings to other wheelchair procedure codes.
- K0005: Current rate is approximately 34% higher than last fiscal year and is at 99% of the Medicare rate. (The requested amount would put the rate \$147.96 above the Medicare rate.)
- E2622: Current rate is about 56% higher than last fiscal year, and is at 98% of the Medicare rate.
- E2624: Current rate is about 63% higher than last fiscal year, and exceeds the Medicare rate by about 1%.

**Federal Authority:** State Plan Amendment may be required

**Fiscal Impact:** \$73,555 (E1028, E2622, and E2624 not included in calculation as the current rate exceeds the proposed rate.)

Other Submissions:

<b>Submitter</b>	<b>Organization</b>	<b>Type of Submission</b>
Gretchen McGinnis	Access Management Services	Comments/support for TRI process
Joshua Rael	Alliance	Feedback/does not support TRI process but recommends any TRI increases should go to various ID/D services
Greg Hill	Colorado Dental Association	Comments/support for dental increases
Lisa Tarr	First Steps Pediatric Therapy	Support for TRI process
Deborah Foote	Oral Health Colorado	Comments/support for dental increases
Katie Pachan Jacobson	CCHN	Comments/support for non-specific rate increases in five areas
Julie Reiskin	CCDC	Feedback on proposed areas of increase and non-specific suggestions for other areas of focus
Linda Ross Reiner	Caring for Colorado Fund	Support for dental increases
Annie Mannering	Unknown	Comment on independent providers
Carol Bruce-Fitz	Community Health Partnership	Feedback and support for four Department proposals
Julie Dreyfuss	CCI Colorado	Comment on lack of overall funding
Karen Mooney	Women's SUD Programs	Feedback/support for Special Connections proposal

<b>Specific Code Changes</b>					
	Current Rate	Proposed Rate	Difference	Units	Total Funds
<b><u>Approved by JBC</u></b>					
1 Special Connections Outpatient Group Rate	\$15.32	\$29.30	\$13.98	1,705	23,836
2 Special Connections Per Diem Rate	\$156.31	\$187.57	\$31.26	7,281	227,604
5 Dental X-Rays	\$53.11	\$78.36	\$25.25	14,459	365,089
E Increase to a Number of Dental Codes					<u>2,510,313</u>
ORAL EVALUATION FOR A PATIENT UNDER THREE YEARS OF AGE AND COUNSELING WITH PRIMARY CAREGIVER D0145	\$25.93	\$31.93	\$6.00	27,718	166,308
INTRAORAL - COMPLETE SERIES OF RADIOGRAPHIC IMAGES D0210	\$51.53	\$61.53	\$10.00	14,549	145,490
PROPHYLAXIS - ADULT D1110	\$36.35	\$39.35	\$3.00	100,608	301,824
PROPHYLAXIS - CHILD D1120	\$26.85	\$29.85	\$3.00	267,022	801,066
SEALANT - PER TOOTH D1351	\$21.33	\$26.33	\$5.00	147,343	736,715
PREVENTIVE RESIN RESTORATION (PRR) D1352	\$17.49	\$22.49	\$5.00	2,402	12,010
CROWN - PORCELAIN/CERAMIC SUBSTRATE D2740	\$423.97	\$433.97	\$10.00	86	860
CROWN - PORCELAIN FUSED TO PREDOMINANTLY BASE METAL D2751	\$418.78	\$428.78	\$10.00	562	5,620
CROWN - PORCELAIN FUSED TO NOBLE METAL D2752	\$427.36	\$437.36	\$10.00	41	410
CROWN - ¾ CAST PREDOMINANTLY BASE METAL D2781	\$426.93	\$436.93	\$10.00	10	100
CROWN - ¾ CAST NOBLE METAL D2782	\$425.81	\$435.81	\$10.00	14	140
CROWN - ¾ PORCELAIN/CERAMIC D2783	\$426.93	\$436.93	\$10.00	5	50
CROWN - FULL CAST PREDOMINANTLY BASE METAL D2791	\$421.78	\$431.78	\$10.00	310	3,100
CROWN - FULL CAST NOBLE METAL D2792	\$426.93	\$436.93	\$10.00	41	410
ENDODONTIC THERAPY, ANTERIOR TOOTH (EXCLUDING FINAL RESTORATION) D3310	\$276.80	\$326.80	\$50.00	713	35,150
ENDODONTIC THERAPY, BICUSPID TOOTH (EXCLUDING FINAL RESTORATION) D3320	\$347.62	\$417.62	\$70.00	718	50,260
ENDODONTIC THERAPY, MOLAR (EXCLUDING FINAL RESTORATION) D3330	\$415.82	\$515.82	\$100.00	2,508	250,800
<b><u>Study List</u></b>					
3 Prostate Biopsy	\$67.54	\$107.87	\$40.33	136	5,485
Physical and Occupational Therapy Services					<u>3,587,269</u>
Manual Therapy - CPT 97140	\$13.37	\$27.18	\$13.81	42,424	585,875
Neuromuscular Re-Education - CPT 97112	\$11.15	\$30.42	\$19.27	30,900	595,443
PT Evaluation (targeted in 2014-15) - CPT 97001**	\$59.69	\$68.54	\$8.85	8,952	79,225
PT Re-Evaluation (targeted in 2014-15) - CPT 97002**	\$33.64	\$38.49	\$4.85	993	4,816
Therapeutic Activities - CPT 97530	\$11.15	\$31.73	\$20.58	23,687	487,478
Therapeutic Svcs (Exercise) - CPT 97110	\$11.15	\$29.12	\$17.97	102,083	1,834,432
Home Health/Private Duty Nursing					<u>10,289,320</u>
Skilled Nursing (per visit)	\$103.11	\$111.00	\$7.89	414,392	3,269,553
Physical Therapist (per visit)	\$112.77	\$120.00	\$7.23	92,700	670,221
Occupational Therapist (per visit)	\$113.50	\$120.00	\$6.50	70,612	458,978
Speech Therapist (per visit)	\$122.54	\$130.00	\$7.46	62,099	463,259
PDN - RN (per hour)	\$40.83	\$45.00	\$4.17	1,301,513	5,427,309
HCBS EBD Personal Care/Homemaker					<u>30,480,525</u>
Personal Care per 15 minutes	\$3.84	\$4.67	\$0.83	29,906,148	24,822,103
Homemaker per 15 minutes	\$3.84	\$4.67	\$0.83	6,817,376	5,658,422

<b>Specific Code Changes</b>					
	Current Rate	Proposed Rate	Difference	Units	Total Funds
11 Prenatal and Postpartum Care Services					<u>624,511</u>
Postpartum Care (59430)	\$81.12	\$134.05	\$52.93	1,688	89,346
Antepartum Care, 4-6 Visits (59425)	\$232.43	\$331.51	\$99.08	1,768	175,172
Antepartum Care, 7+ Visits (59426)	\$399.97	\$593.10	\$193.13	1,864	359,993
Anesthesia					
<b><u>Remaining proposed by HCPF</u></b>					
4 Diabetic Self-Management Education Group Visits					<u>485,433</u>
G0109: Diabetic Management - Group	\$0.00	\$11.04	\$11.04	24,300	268,272
G0108: Diabetic Management - Individual	\$0.00	\$80.43	\$80.43	2,700	217,161
6 Dental Fluoride Varnish	\$15.94	\$23.91	\$7.97	340,290	2,711,409
7 Dental Sealants for Children	\$23.90	\$45.00	\$21.10	168,007	3,545,183
8 Vision Retinal Services					<u>407,584</u>
92250	\$21.15	\$59.75	\$38.60	6,258	241,528
92225	\$12.12	\$20.51	\$8.39	1,551	13,013
92226	\$9.39	\$18.90	\$9.51	2,343	22,282
92235	\$30.91	\$83.58	\$52.67	2,430	128,000
67105	\$365.62	\$549.69	\$184.07	15	2,761
9 Eye Materials					<u>3,995,056</u>
V2020	\$23.30	\$34.83	\$11.53	134,105	1,546,700
V2100	\$15.20	\$22.72	\$7.52	58,181	437,754
V2101	\$15.20	\$22.72	\$7.52	2,830	21,293
V2102	\$15.20	\$22.72	\$7.52	754	5,673
V2103	\$15.20	\$22.72	\$7.52	121,822	916,589
V2104	\$19.14	\$28.61	\$9.47	31,357	297,086
V2105	\$24.11	\$36.04	\$11.93	6,873	82,025
V2106	\$26.79	\$40.05	\$13.26	531	7,042
V2107	\$19.14	\$28.61	\$9.47	10,319	97,765
V2108	\$23.11	\$34.55	\$11.44	4,556	52,118
V2109	\$26.79	\$40.05	\$13.26	1,486	19,706
V2110	\$30.71	\$45.91	\$15.20	168	2,554
V2111	\$23.11	\$34.55	\$11.44	626	7,161
V2112	\$26.79	\$40.05	\$13.26	360	4,774
V2113	\$30.71	\$45.91	\$15.20	108	1,642
V2114	\$34.69	\$51.86	\$17.17	113	1,940
V2744	\$3.42	\$5.11	\$1.69	2,010	3,403
V2745	\$3.42	\$5.11	\$1.69	83	141
V2784	\$4.57	\$6.83	\$2.26	216,471	489,690
10 Physical and Occupational Therapy Services					
Application iontophoresis 97033	\$10.95	\$15.79	\$4.84		
Therapeutic procedure, one or more areas, each 15 mins; therapeutic exercises to develop strength and endurance, range of motion, flexibility. 97110	\$10.95	\$15.59	\$4.64		
Neuromuscular re-education, one or more areas, intended to improve balance, coordination, movement, kinesthetic sense, posture, proprioception for sitting/standing. 97112	\$10.95	\$16.09	\$5.14		

<b>Specific Code Changes</b>					
	Current Rate	Proposed Rate	Difference	Units	Total Funds
Therapeutic exercise one or more areas. Also, aquatic therapy. 97113	\$9.86	\$20.74	\$10.88		
Therapeutic procedure, one or more areas, gait training, includes stair climbing. 97116	\$8.74	\$13.70	\$4.96		
Manual therapy techniques, manual traction, one or more areas 97140	\$13.13	\$14.38	\$1.25		
Therapeutic activities to improve functional performance. 97530	\$10.95	\$16.78	\$5.83		
11 Prenatal and Postpartum Care Services					<u>624,511</u>
Postpartum Care (59430)	\$81.12	\$134.05	\$52.93	1,688	89,346
Antepartum Care, 4-6 Visits (59425)	\$232.43	\$331.51	\$99.08	1,768	175,172
Antepartum Care, 7+ Visits (59426)	\$399.97	\$593.10	\$193.13	1,864	359,993
12 Selected Office Injectable Drugs					<u>845,033</u>
Capecitabine, oral, 150 mg	\$5.97	\$8.10	\$2.13	1	2
Capecitabine, oral, 500 mg	\$19.82	\$26.34	\$6.52	194	1,264
Bendamustine injection	\$19.35	\$22.72	\$3.37	5,057	17,062
Bleomycin sulfate injection	\$331.06	\$23.32	(\$307.74)	168	(51,700)
Cabazitaxel injection	\$137.90	\$142.38	\$4.48	60	269
Carmustine injection	\$184.42	\$1,982.07	\$1,797.65	5	8,988
Cisplatin 10 MG injection	\$2.42	\$2.18	(\$0.24)	2,972	(710)
CYCLOPHOSPHAMIDE 100MG	\$4.19	\$58.02	\$53.83	3,724	200,470
Cytarabine hcl 100 MG inj	\$1.82	\$0.92	(\$0.90)	258	(232)
Dactinomycin injection	\$566.74	\$807.19	\$240.45	5	1,202
Dacarbazine 100 mg inj	\$4.17	\$4.32	\$0.15	469	69
Eribulin mesylate injection	\$91.85	\$100.08	\$8.23	2,466	20,298
Etoposide injection	\$0.48	\$0.67	\$0.19	5,717	1,058
Fludarabine phosphate inj	\$170.17	\$88.90	(\$81.27)	38	(3,088)
Fluorouracil injection	\$1.51	\$2.00	\$0.49	3,912	1,917
GOSERELIN ACETATE IMPLANT PER 3.6MG	\$204.35	\$230.01	\$25.66	77	1,976
Ixabepilone injection	\$66.44	\$71.34	\$4.90	690	3,384
Ifosfamide injection	\$146.90	\$30.83	(\$116.07)	591	(68,595)
Mesna injection	\$4.37	\$2.76	(\$1.61)	1,804	(2,904)
Interferon alfa-2b inj	\$16.07	\$21.28	\$5.21	1,636	8,530
Vantas implant	\$1,646.15	\$3,000.24	\$1,354.09	5	6,770
Ipilimumab injection	\$127.55	\$133.66	\$6.11	100	611
Mechlorethamine hcl inj	\$153.42	\$194.13	\$40.71	4	163
METHOTREXATE SODIUM MTX, 2 CC. OR 5 MG.	\$0.22	\$0.25	\$0.03	61	2
METHOTREXATE SODIUM MTX, 50MG	\$2.14	\$2.49	\$0.35	194	68
Paclitaxel injection	\$8.05		(\$8.05)	2,802	(22,556)
Pentostatin injection	\$1,446.94	\$1,510.36	\$63.42	5	317
Mitomycin injection	\$14.87	\$39.86	\$24.99	43	1,074
Panitumumab injection	\$89.58	\$96.98	\$7.40	1,008	7,459
Rituximab injection	\$618.23	\$725.44	\$107.21	2,450	262,652
Romidepsin injection	\$222.01	\$279.81	\$57.80	50	2,890
Injection temsirolimus 1 mg	\$50.85	\$60.04	\$9.19	975	8,959
Topotecan injection	\$27.68	\$1.53	(\$26.16)	4,216	(110,269)
Vinblastine sulfate inj	\$1.05	\$2.64	\$1.59	811	1,286
VINCRISTINE SULFATE, 1MG	\$40.92	\$4.86	(\$36.07)	190	(6,852)



**Specific Code Changes**

	Current Rate	Proposed Rate	Difference	Units	Total Funds
Vinorelbine tartrate inj	\$80.42	\$10.40	(\$70.02)	252	(17,644)
INJ., HALOPERIDOL DECANOATE, PER 50 MG	\$15.75	\$18.67	\$2.92	15,180	44,310
Naltrexone, depot form	\$2.90	\$2.89	(\$0.01)	73,749	(1,032)
Olanzapine long-acting inj	\$2.78	\$2.75	(\$0.03)	14,518	(436)
Paliperidone palmitate inj	\$7.43	\$8.12	\$0.69	334,854	232,389
INJ., FLUPHENAZINE DECANOATE, TO 25 MG	\$11.10	\$23.28	\$12.18	12,062	146,904
Risperidone, long acting	\$5.77	\$6.50	\$0.73	203,431	148,708
13 In-Home Respite	\$3.24	\$4.87	\$1.63	40,687	66,320