



## Department of Health Care Policy and Financing

### PUBLIC NOTICE

June 10, 2011

#### Medicaid Fee-for-Service Provider Reimbursement Rates

Effective July 1, 2011, reimbursement rates will be reduced for most fee-for-service benefits by 0.75%. 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; inpatient hospital services; outpatient hospital services; outpatient substance abuse treatment services; ambulatory surgery center services; dialysis services; anesthesia services; pharmacy 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 will be effective July 1, 2011, and are expected to result in an aggregate decrease in expenditures in FY 2011-12 of approximately \$9,077,570. The estimated decreases by major service category are as follows:

<b>Estimated Decrease in Expenditure by Major Service Category</b>	
Physician, Clinic & EPSDT Services	(\$2,013,333)
Emergency Transportation Services	(\$43,357)
Non-Emergent Medical Transportation Services	(\$73,761)
Dental Services	(\$739,089)
Inpatient Hospital Services	(\$2,809,232)
Outpatient Hospital Services	(\$1,218,987)
Laboratory and Radiology Services	(\$250,966)
Durable Medical Equipment and Supplies	(\$648,035)
Pharmacy	(\$1,250,589)
Home Health Services	(\$1,280,810)

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.

As applicable, an updated fee schedule reflecting these rate changes will be posted on the Department's Web site at [www.colorado.gov/hcpf](http://www.colorado.gov/hcpf) in July 2011.

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

Effective July 1, 2011, reimbursement rates for these services will be reduced by 0.50%. 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 July 1, 2011 and are expected to result in an aggregate decrease in expenditures in FY 2011-12 of approximately \$1,335,458. The estimated decreases by major service category are as follows:

<b>Estimated Decrease in Expenditure by Major Service Category</b>	
HCBS - Elderly, Blind, and Disabled	(\$997,669)
HCBS - Mental Illness	(\$120,923)
HCBS - Disabled Children	(\$9,662)
HCBS - Persons Living with AIDS	(\$3,141)
HCBS - Consumer Directed Attendant Support	(\$18,458)
HCBS - Brain Injury	\$(60,861)
HCBS - Children with Autism	(\$0)
HCBS - Pediatric Hospice	(\$536)
Private Duty Nursing	(\$124,208)

### **Nursing Facility Provider Payments**

Effective July 1, 2011, nursing facility per diem reimbursement rates will be reduced by 1.50%. The Department anticipates that 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 2011-12 of approximately \$8,865,830.

### **Reduced Rate for Blood Glucose/Reagent Strips**

Effective July 1, 2011, the Department will reduce reimbursement for blood glucose/reagent strips from \$31.48 per box of 50 strips to approximately \$18 per box, to more closely match the actual supplier's costs. This change is expected to result in a decrease in expenditures of \$919,340 in FY 2011-12.

**Hospital Readmission within 48 Hours**

Effective July 1, 2011, the Department will not reimburse claims for hospital readmissions in which a client is readmitted to the same hospital within 48 hours of discharge, unless the readmission is completely unrelated to the first admission. This will apply to all claims for second admissions dated July 1, 2011 or later. The effect of this change is that the hospital will receive payment only one time for what is essentially one episode of care. This change is expected to result in a decrease in expenditures of \$2,700,456 in FY 2011-12.

**Facility Rate Reductions for Uncomplicated Cesarean Section Deliveries**

Effective for dates of service on or after July 1, 2011, Diagnosis Related Group (DRG) code 371 (cesarean section without complicating condition) will be reimbursed at the same rate as DRG code 372 (vaginal delivery with complicating condition). This change is expected to result in a decrease in expenditures of \$6,846,550 in FY 2011-12.

**Rate Reduction for Negative Wound Pressure Therapy**

Effective July 1, 2011, the Department will reduce reimbursement for negative pressure wound therapy to \$88.50 per day. This change is expected to result in a decrease in expenditures of \$100,000 in FY 2011-12.

**Ambulatory Surgery Centers Pilot Program**

Effective July 1, 2011, the Department intends to launch a pilot program in which the reimbursement rates for a limited number of procedures provided in ambulatory surgery centers will be increased. The purpose of this pilot is to learn whether such a rate change will increase client access to and utilization of ambulatory surgery centers for procedures that are safely performed in that setting, as an option to the more costly outpatient and inpatient hospital settings. This pilot project is structured to be limited in scope and budget neutral, and has no anticipated fiscal impact for FY 2011-12.

**Home Health Telehealth**

It is the intent of the Department to submit a state plan amendment during the first quarter of FY 2011-12 to the Centers for Medicare and Medicaid services in order to begin covering Home Health Telehealth services for clients receiving Medicaid Home Health services. Home Health Telehealth is the remote monitoring of clinical data through electronic information processing technologies. With this service, Home Health providers will be able to monitor vital signs and other clinical data remotely, allowing them to track changes in client status. The Department intends to use donated funding during the first year of this program so that the implementation will be budget-neutral in FY 2011-12.

### **Prenatal Plus Program**

Effective July 1, 2011, the Department will reimburse Prenatal Plus Program providers for Targeted Case Management (TCM) provided to eligible pregnant women on Medicaid who are at risk of delivering a low birth weight infant. Reimbursement will be made per 15-minute unit of service. TCM reimbursement rates will be based on Colorado Medicaid reimbursement rates for similar services as well as rates of other state Medicaid agencies for similar services. TCM and all other Prenatal Plus Program services will be reimbursed from a Prenatal Plus Program fee schedule. This is not expected to result in any annual aggregate increase or decrease in expenditures.

### **General Information**

A link to this notice will be posted on the Department's Web site, [Colorado.gov/hcpf](http://Colorado.gov/hcpf), by July 1, 2011. 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.