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State/Territory Name: Colorado

State Plan Amendment (SPA) #: CO-12-008

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) 179
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



Center for Medicaid and CHIP Services

Barbara Prehmus
Colorado Department of Health Care
Policy and Financing
1570 Grant Street
Denver, Co 80203-1818

JUL 11 2012

Re: Colorado 12-008

Dear Ms. Prehmus:

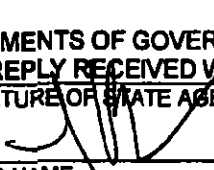
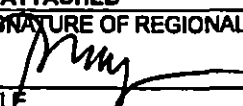
We have reviewed the proposed amendment to Attachment 4.19-A and Attachment 4.19-B of your Medicaid State plan submitted under transmittal number (TN) 12-008. Effective for services on or after July 1, 2012, this amendment modifies the reimbursement methodology necessary to comply with CMS' regulations specific for provider preventable conditions.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a) and 1923 of the Social Security Act (the Act) and the regulations at 42 CFR 447 Subpart C. We are pleased to inform you that Medicaid State plan amendment TN 12-008 is approved effective July 1, 2012. The CMS-179 and the amended plan pages are attached.

If you have any questions, please contact Christine Storey at (303) 844-7044.

Sincerely,

Cindy Mann
Director, CMCS

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER: 12-008	2. STATE: COLORADO
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE July 1, 2012	
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS A NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION 1902(a)(4), 1902(a)(6), 1803 of the Social Security Act 42 CFR §§ 434, 436, 447		7. FEDERAL BUDGET IMPACT a. FFY_2011-12 \$ 0 b. FFY_2012-13 \$ 0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT • Attachment 4.19-A, Methods and Standards for Establishing Payment Rates – Inpatient Hospital, Payment Adjustment for Provider Preventable Conditions • Attachment 4.19-B, Methods and Standards for Establishing Payment Rates – Other Types of Care, Payment Adjustment for Provider Preventable Conditions		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) • Attachment 4.19-A, Methods and Standards for Establishing Payment Rates – Inpatient Hospital, Page 4a Item 9 only (TN 11-031 Item 9 ONLY – Serious Reportable Events) and page 4b (TN09-016) • Attachment 4.19-B: NEW	
10. SUBJECT OF AMENDMENT This State Plan Amendment implements the new federal regulations on non-payment for Provider Preventable Conditions (such as Health Care Acquired Conditions, wrong surgery, wrong person, wrong body part). There are two pages: one for inpatient care and one for ambulatory/outpatient care.			
11. GOVERNOR'S REVIEW (Check One) <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED COMMENTS OF GOVERNOR'S OFFICE ENCLOSED NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL Governor's letter dated 01 September 2011			
12. SIGNATURE OF STATE AGENCY OFFICIAL 		16. RETURN TO Colorado Department of Health Care Policy and Financing 1670 Grant Street Denver, CO 80203-1618 Attn: Barbara Prehmus	
13. TYPED NAME Suzanne Brennan			
14. TITLE Director, Medical & CHP+ Program Administration Office			
15. DATE SUBMITTED 4/24/12			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED		18. DATE APPROVED JUL 11 2012	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL JUL - 1 2012		20. SIGNATURE OF REGIONAL OFFICIAL 	
21. TYPED NAME PENNY THOMPSON		22. TITLE Deputy Director, CMCS	
23. REMARKS			

**TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM**

ATTACHMENT 4.19-B

State of Colorado

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER
TYPES OF CARE**

PAYMENT ADJUSTMENT FOR PROVIDER PREVENTABLE CONDITIONS (Page 1 of 2)

Citation

42 CFR 447, 434, 438, and 1902(a)(4), 1902(a)(6), and 1903

The Medicaid agency meets the requirements of 42 CFR Part 447, Subpart A, and sections 1902(a)(4), 1902(a)(6), and 1903 with respect to non-payment for provider-preventable conditions.

Other Provider-Preventable Conditions

The State identifies the following Other Provider-Preventable Conditions for non-payment under Section 4.19-B of this State plan.

Wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient.

Additional Other Provider-Preventable Conditions identified below: None. The State is adopting the baseline approach.

Payment Adjustment Methodology

The State uses the following methodology to adjust payments for the occurrence of provider-preventable conditions:

No payment is made for any medical service billed for Other Provider Preventable Conditions, which areas described in the "Other Provider Preventable Conditions" section. If, during retrospective review, the State finds any Other Provider Preventable Condition that was billed and reimbursed, the State will recover the reimbursement through a claim adjustment.

In the event that individual cases are identified before the provider-preventable conditions policy is fully implemented on July 1, 2012, the State shall adjust reimbursements according to the methodology above.

In compliance with 42 CFR 447.26(c), the State assures the following:

1. There is no reduction in payment for a Provider Preventable Condition that existed before treatment had begun for that patient by that provider.
2. The State reduces provider payment for Provider Preventable Conditions only when:

TN: 12-008

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Supersedes TN: NEW

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**TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM**

ATTACHMENT 4.19-B

State of Colorado

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER
TYPES OF CARE**

PAYMENT ADJUSTMENT FOR PROVIDER PREVENTABLE CONDITIONS (Page 2 of 2)

- a. The identified Provider Preventable Condition would otherwise result in an increase in payment.
 - b. The State can reasonably isolate for nonpayment the portion of the payment directly related to the Provider Preventable Condition and its treatment.
3. Non-payment for Provider Preventable Conditions does not prevent access to services for Medicaid beneficiaries.

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**TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM**

**ATTACHMENT 4.19-A
Page 4b**

State of Colorado

Payment Adjustment for Provider Preventable Conditions

Citation

42 CFR 447, 434, 438, and 1902(a)(4), 1902(a)(6), and 1903

The Medicaid agency meets the requirements of 42 CFR Part 447, Subpart A, and sections 1902(a)(4), 1902(a)(6), and 1903 with respect to non-payment for Provider Preventable Conditions.

Health Care-Acquired Conditions

The State identifies the following Health Care Acquired Conditions for non-payment under Section 4.19-A of this State plan, which apply to all inpatient care except for inpatient psychiatric hospitals.

Hospital-Acquired Conditions as identified by Medicare other than Deep Vein Thrombosis (DVT)/Pulmonary Embolism (PE) following total knee replacement or hip replacement surgery in pediatric and obstetric patients.

Other Provider-Preventable Conditions

The State identifies the following Other Provider Preventable Conditions for non-payment under Section 4.19-A of this State plan.

Wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient.

Additional Other Provider-Preventable Conditions identified below: **None. The State is adopting the baseline approach.**

Adjustment Methodology

The State uses the following methodology to adjust payments for the occurrence of provider-preventable conditions:

1. For Health Care Acquired Conditions (HCAC): The State reviews claims to ensure that there was no reimbursement for a secondary diagnosis that is on the list of HCACs, and that was not present on admission. If the State finds any HCAC that was not present on admission, reimbursement will be adjusted automatically at the time of claim adjudication, or after a retrospective review is complete.

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Supersedes TN: 09-016

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**TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM**

ATTACHMENT 4.19-A

Page 4c

State of Colorado

Payment Adjustment for Provider Preventable Conditions (cont'd)

2. No payment is made for inpatient services billed for Other Provider Preventable Conditions, as described in the "Other Provider Preventable Conditions" section. If, during retrospective review, the State finds any Other Provider Preventable Condition that was billed and reimbursed, the State will recover the reimbursement through a claim adjustment.

In the event that individual cases are identified before the provider-preventable conditions policy is fully implemented on July 1, 2012, the State will adjust reimbursements according to the methodology above.

In compliance with 42 CFR 447.26(c), the State assures the following:

1. There is no reduction in payment for a Provider Preventable Condition that existed before treatment had begun for that patient by that provider.
2. The State reduces provider payment for Provider Preventable Conditions only when:
 - a. The identified Provider Preventable Condition would otherwise result in an increase in payment.
 - b. The State can reasonably isolate for nonpayment the portion of the payment directly related to the Provider Preventable Condition and its treatment.
3. Non-payment for Provider Preventable Conditions does not prevent access to services for Medicaid beneficiaries.

TN: 12-008

Supersedes TN: 09-016

JUL 11 2012
Approval Date: _____

Effective Date: 7/1/2012