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State/Territory Name: Colorado

State Plan Amendment (SPA) #: CO-15-0037

This file contains the following documents in the order listed:

1) Approval Letter
2) CMS 179 Form/Summary Form (with 179-like data)
3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
1961 Stout Street, Room 08-148
Denver, CO 80294

Region VIII

October 29, 2015

Susan E. Birch, MBA, BSN, RN, Executive Director
Department of Health Care Policy & Financing
1570 Grant Street
Denver, CO 80203-1818

RE: Colorado #15-0037

Dear Ms. Birch:

We have reviewed the proposed State Plan Amendment (SPA) submitted under transmittal number (TN) 15-0037. This SPA makes technical corrections to Home Health Cost report references and negative uncompensated costs utilized in the calculation of Home Health Supplemental Payments.

Please be informed that this State Plan Amendment was approved today with an effective date of January 1, 2016. We are enclosing the CMS-179 and the amended plan page(s).

In order to track expenditures associated with this amendment, Colorado should follow the CMS-64 reporting instructions outlined in Section 2500 of the State Medicaid Manual (SMM).

For those individuals whose expenditures qualify for the newly eligible federal medical assistance percentage report on the Form CMS-64.9 VIII and those not enrolled in the new adult group, claims should be reported on the Form CMS-64.9 Base.

This amendment would affect expenditures reported on Line 12-Home Health Services.

If you have any questions concerning this amendment, please contact Curtis Volesky at (303) 844-7033.

Sincerely,

/s/

Richard C. Allen
Associate Regional Administrator
Division for Medicaid & Children's Health Operations

cc: Gretchen Hammer
Tess Ellis
Pat Connally
John Bartholomew
Barb Prehmus
Amanda Forsythe

DEPARTMENT OF HEALTH AND HUMAN SERVICES
APPROVED
CENTERS FOR MEDICARE & MEDICAID SERVICES
0938-0193

FORM

OMB NO.

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL **FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**	1. TRANSMITTAL NUMBER: **15-0037**	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 **January 1, 2016**	

5. TYPE OF PLAN MATERIAL *(Check One)*

NEW STATE PLAN | AMENDMENT TO BE CONSIDERED AS A NEW PLAN | **X AMENDMENT**

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT *(Separate transmittal for each amendment)*

6. FEDERAL STATUTE/REGULATION CITATION **42 CFR 440.70**	7. FEDERAL BUDGET IMPACT **FFY 2015-16: $0** **FFY 2016-17: $0**
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT **Attachment 4.19B 7.F. Pages 1 - 7**	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)* (TNs 11-025, [redacted] 15 0022, 15-0015) **Attachment 4.19B 7.F. Pages 1 -** [redacted] 8a

10. SUBJECT OF AMENDMENT

Technical Changes to the Supplemental Payments for Public Home Health Agencies (no financial impact)

11. GOVERNOR'S REVIEW *(Check One)*

GOVERNOR'S OFFICE REPORTED NO COMMENT
COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

X Other as Specified
Governor's letter dated 15 January, 2015

12. SIGNATURE OF STATE AGENCY OFFICIAL [redacted]	16. RETURN TO **Colorado Department of Health Care Policy and Financing** **1570 Grant Street** **Denver, CO 80203-1818** **Attn: Barbara Prehmus**
13. TYPED NAME **John Bartholomew**	
14. TITLE **Director, Finance Office**	
15. DATE SUBMITTED **September 30, 2015** Re-Submitted : Oct. 20, 2015	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED 09/30/15	18. DATE APPROVED 10/29/15

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL 01/01/16	20. SIGNATURE OF REGIONAL OFFICIAL /s/
21. TYPED NAME Richard C. Allen	22. TITLE ARA, DMCHO

23. REMARKS
Changes made in box 9 at request of State. cv

FORM CMS-179 *(07/92)* ***Instructions on Back***

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE

7. HOME HEALTH CARE SERVICES

A. Payment rates for the home health services are established as follows:

1. The unit of reimbursement for skilled nursing, physical therapy, occupational therapy, and speech/language pathology home health services is one visit up to two and one half hours in length.

2. Home health aide services are billed in basic and extended units. A basic unit is the first part of a visit up to one hour. The extended units are additional increments up to one-half hour each for visits lasting more than one hour. All basic units and all extended units must be at least 15 minutes in length to be reimbursable.

3. The unit of reimbursement for Home Health Telehealth services is one calendar day. The Home Health Agency is reimbursed for one initial visit per client each time the monitoring equipment is installed in the home, and is reimbursed a daily rate for each day the telehealth monitoring equipment is used to monitor and manage the client's care.

4. The cost of supplies used during visits by home health agency staff for the practice of universal precautions, excluding gloves used for bowel programs and catheter care, is included in the maximum unit rate.

B. Home health care services provided by home health providers are reimbursed at the lower of the following:

1. Submitted charges; or
2. Home health fee schedule determined by the Department of Health Care Policy and Financing

Except as otherwise noted in the State Plan, state-developed fee schedule rates are the same for both governmental and private providers. The reimbursement rates were set as of July 1, 2014 and are effective for services provided on or after that date. All rates can be found on the official web site of the Department of Health Care Policy and Financing at www.colorado.gov/hcpf.

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE

7. HOME HEALTH CARE SERVICES

C. Durable medical equipment and supplies are reimbursed at the lower of the following:

1. Submitted charges or
2. Fee schedule for durable medical equipment and supplies as determined by the Department of Health Care Policy and Financing.

D. Durable medical equipment and supplies that require manual pricing are reimbursed at the lower of the following:

1. Submitted charges;
2. Manufacturer's suggested retail price (MSRP) less 19.86 percent;
3. Actual invoiced acquisition cost plus 17.26 percent when no MSRP is available.

Except as otherwise noted in the State Plan, state-developed fee schedule rates are the same for both governmental and private providers. The reimbursement rates were set as of July 1, 2014 and are effective for services provided on or after that date. All rates can be found on the official web site of the Department of Health Care Policy and Financing at www.colorado.gov/hcpf.

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE

7. HOME HEALTH CARE SERVICES

E. Supplemental Payments for Public Home Health Agencies

Effective July 1, 2008, public home health agencies will receive supplemental Medicaid payments (Public Home Health Agency Supplemental Payment) to provide reimbursement to public providers for uncompensated care related to home health services for Medicaid clients. Public home health agencies will certify their uncompensated cost for providing home health services for Medicaid clients based on the Department's demonstration of the uncompensated Medicaid cost calculations performed for each provider. Payments shall not exceed the Medicaid costs any public home health agency incurs providing home health services to Medicaid clients.

Interim Payments for the Payment calendar year (January through December) will be made by June 30 of the following calendar year using as-filed cost reports to calculate uncompensated costs. In the event that errors are detected, a revised cost report has been filed by the home health agency, or a change in the State Plan affects the Public Home Health Agency Supplemental Payment, adjustments to impacted provider payments will be made retroactively.

Uncompensated costs will be calculated for Final Payments using audited cost reports. Final Payments will be made by June 30 for those home health agencies for which the Department received an audited cost report between the previous November 2 and May 1. Final Payments will be made by December 31 for those home health agencies for which the Department received an audited cost report between the previous May 2 and November 1. Final Payments will serve to adjust the Interim Payment such that the sum of the Interim and Final Payments to each provider shall equal the Payment amount calculated based on uncompensated costs calculated through audited cost reports. In the event that data entry errors are detected after the Final Payment has been made, or other unforeseen payment calculation errors are detected after the Final Payment has been made, reconciliations and adjustments to impacted provider payments will be made retroactively. Prior to making the Final Payment, the Department will present a demonstration of the uncompensated Medicaid costs calculations performed to each provider for purposes of authorizing certification. Each provider shall sign an acknowledgment of agreement to the uncompensated costs being certified for purposes of the Payment.

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE

7. HOME HEALTH CARE SERVICES

Uncompensated Medicaid costs are calculated as follows:

1. Skilled Nursing Care
   a. For hospital-based home health agencies, total home health agency costs for skilled nursing care are as reported on the CMS 2552-10 Hospital Cost Report worksheet H-3, part I, column 3, line 1. For free-standing home health agencies, total home health agency costs for skilled nursing care are as reported on the CMS 1728-94 Home Health Agency Cost Report worksheet C, part I, column 2, line 1.
   b. For hospital-based home health agencies, total home health agency visits for skilled nursing care are as reported on the CMS 2552-10 Hospital Cost Report worksheet H-3, part I, column 4, line 1. For free-standing home health agencies, total home health agency visits for skilled nursing care are as reported on the CMS 1728-94 Home Health Agency Cost Report worksheet C, part I, column 3, line 1.
   c. Total Medicaid home health visits for skilled nursing care are as recorded in the Medicaid Management Information System (MMIS).
   d. Total Medicaid home health payments for skilled nursing care are as recorded in the MMIS.
   e. The average cost per home health visit for skilled nursing care is calculated by dividing total home health agency costs for skilled nursing care by total home health agency visits for skilled nursing care.
   f. Total Medicaid home health costs for skilled nursing care are calculated by multiplying total Medicaid home health visits for skilled nursing care by the average cost per home health visit for skilled nursing care.

2. Physical Therapy
   a. For hospital-based home health agencies, total home health agency costs for physical therapy are as reported on the CMS 2552-10 Hospital Cost Report worksheet H-3, part I, column 3, line 2. For free-standing home health agencies, total home health agency costs for physical therapy are as reported on the CMS 1728-94 Home Health Agency Cost Report worksheet C, part I, column 2, line 2.
   b. For hospital-based home health agencies, total home health agency visits for physical therapy are as reported on the CMS 2552-10 Hospital Cost Report worksheet H-3, part I, column 4, line 2. For free-standing home health agencies, total home health agency visits for physical therapy are as reported on the CMS

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE

7. HOME HEALTH CARE SERVICES

1728-94 Home Health Agency Cost Report worksheet C, part I, column 3, line 2.

c. Total Medicaid home health visits for physical therapy are as recorded in the MMIS.
d. Total Medicaid home health payments for physical therapy are as recorded in the MMIS.
e. The average home health agency cost per visit for physical therapy is total home health agency costs for physical therapy divided by total home health agency visits for physical therapy.
f. Total Medicaid home health costs for physical therapy is calculated by multiplying total Medicaid home health visits for physical therapy by the average home health agency cost per visit for physical therapy.

3. Occupational Therapy

a. For hospital-based home health agencies, total home health agency costs for occupational therapy are as reported on the CMS 2552-10 Hospital Cost Report worksheet H-3, part I, column 3, line 3. For free-standing home health agencies, total home health agency costs for occupational therapy are as reported on the CMS 1728-94 Home Health Agency Cost Report worksheet C, part I, column 2, line 3.
b. For hospital-based home health agencies, total home health agency visits for occupational therapy are as reported on the CMS 2552-10 Hospital Cost Report worksheet H-3, part I, column 4, line 3. For free-standing home health agencies, total home health agency visits for occupational therapy are as reported on the CMS 1728-94 Home Health Agency Cost Report worksheet C, part I, column 3, line 3.
c. Total Medicaid home health visits for occupational therapy are as recorded in the MMIS.
d. Total Medicaid home health payments for occupational therapy are as recorded in the MMIS.
e. The average home health agency cost per visit for occupational therapy is total home health agency costs for occupational therapy divided by total home health agency visits for occupational therapy.
f. Total Medicaid home health costs for occupational therapy is calculated by multiplying total Medicaid home health visits for occupational therapy by the average home health agency cost per visit for occupational therapy.

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE

7. HOME HEALTH CARE SERVICES

4. Speech Pathology
   a. For hospital-based home health agencies, total home health agency costs for speech pathology are as reported on the CMS 2552-10 Hospital Cost Report worksheet H-3, part I, column 3, line 4. For free-standing home health agencies, total home health agency costs for speech therapy are as reported on the CMS 1728-94 Home Health Agency Cost Report worksheet C, part I, column 2, line 4.
   b. For hospital-based home health agencies, total home health agency visits for speech pathology are as reported on the CMS 2552-10 Hospital Cost Report worksheet H-3, part I, column 4, line 4. For free-standing home health agencies, total home health agency visits for speech pathology are as reported on the CMS 1728-94 Home Health Agency Cost Report worksheet C, part I, column 3, line 4.
   c. Total Medicaid home health visits for speech pathology are as recorded in the MMIS.
   d. Total Medicaid home health payments for speech pathology are as recorded in MMIS.
   e. The average home health agency cost per visit for speech pathology is total home health agency costs for speech pathology divided by total home health agency visits for speech pathology.
   f. Total Medicaid home health costs for speech pathology is calculated by multiplying total Medicaid home health visits for speech pathology by the average home health agency cost per visit for speech pathology.

5. Home Health Aides
   a. For hospital-based home health agencies, total home health agency costs for home health aides are as reported on the CMS 2552-10 Hospital Cost Report worksheet H-3, part I, column 3, line 6. For free-standing home health agencies, total home health agency costs for home health aides are as reported on the CMS 1728-94 Home Health Agency Cost Report worksheet C, part I, column 2, line 6.
   b. For hospital-based home health agencies, total home health agency visits for home health aides are as reported on the CMS 2552-10 Hospital Cost Report worksheet H-3, part I, column 4, line 6. For free-standing home health agencies, total home health agency visits for home health aides are as reported on the CMS 1728-94 Home Health Agency Cost Report worksheet C, part I, column 3, line 6.

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE

7. HOME HEALTH CARE SERVICES

c. Total Medicaid home health visits for home health aides are as recorded in the MMIS.
d. Total Medicaid home health payments for home health aides are as recorded in the MMIS.
e. The average home health agency cost per visit for home health aides is total home health agency costs for home health aides divided by total home health agency visits for home health aides.
f. Total Medicaid home health costs for home health aides is calculated by multiplying total Medicaid home health visits for home health aides by the average home health agency cost per visit for home health aides.

Total uncompensated Medicaid home health agency costs is the sum of the Medicaid home health agency costs for skilled nursing care, physical therapy, occupational therapy, speech pathology, and home health aides less the total Medicaid home health payments. Costs included on the CMS 2552-10 Hospital Cost Report worksheet H-3 and the CMS 1728-94 Home Health Agency Cost Report worksheet C for medical social services, medical supplies, drugs, and administration of vaccines are not included in the calculations for this Public Home Health Agency Supplemental Payment.