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State/Territory Name: Colorado

State Plan Amendment (SPA)#: 18-0034

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- 3) Approved SPA Page

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



REGION VIII – DENVER

October 9, 2018

Kim Bimestefer, Executive Director
Department of Health Care Policy &
Financing 1570 Grant Street
Denver, CO 80203

Dear Ms. Bimestefer:

We have reviewed the proposed State Plan Amendment (SPA) submitted under transmittal number (TN) 18-0034. This amendment revises Supplemental Payments for Physician and Professional Services at Qualifying Colorado State-owned or Operated Professional Services Practices.

Please be informed that this State Plan Amendment was approved October 5, 2018, with an effective date of July 1, 2018. We are enclosing the CMS-179 and the amended plan page(s).



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

Sincerely,



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

cc: Gretchen Hammer
John Bartholomew
David DeNovellis
Russell Ziegler
Whitney McOwen

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER: 18 - 0034	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, 2018	
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: Title XIX of the Social Security Act, Section 1902(a)30(A)		7. FEDERAL BUDGET IMPACT: a. FFY 2017-18: \$ 17,084,151 b. FFY 2018-19: \$ 51,211,468	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Supplement to Attachment 4.19-B – Supplemental Payments for Physician and Professional Services at Qualifying Colorado State-Owned or Operated Professional Services Practices (Page 2)		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Supplement to Attachment 4.19-B – Supplemental Payments for Physician and Professional Services at Qualifying Colorado State-Owned or Operated Professional Services Practices (Page 2) (TN 16-0006)	
10. SUBJECT OF AMENDMENT: Revising Supplemental Payments for Physician and Professional Services at Qualifying Colorado State-Owned or Operated Professional Services Practices.			
11. GOVERNOR'S REVIEW (Check One): GOVERNOR'S OFFICE REPORTED NO COMMENT X OTHER, AS SPECIFIED COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Governor's letter dated 29 March, 2018 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Colorado Department of Health Care Policy and Financing 1570 Grant Street Denver, CO 80203-1818 Attn: David DeNovellis	
13. TYPED NAME: Gretchen Hammer			
14. TITLE: Medicaid Director			
15. DATE SUBMITTED: September 18, 2018			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED September 18, 2018		18. DATE APPROVED October 5, 2018	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL July 1, 2018		20.  AL OFFICIAL	
21. TYPED NAME Richard C. Allen		22. TITLE ARA, DMCHO	
23. REMARKS			

TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

SUPPLEMENT TO ATTACHMENT 4.19-B

State of Colorado

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- b. The state will calculate the average commercial fee for each CPT code for qualifying provider types, as defined under "2." above, that are eligible in "1." above.
- c. The state will extract from its paid claims history file for the preceding fiscal year all paid claims for those qualifying provider types, as defined under "2." above, who will qualify for a supplemental payment. For each CPT code, the state will align the average commercial fee as determined in "b" above to Medicaid payments for qualifying provider types, as defined under "2." above and calculate the average commercial payments for the claims.
- d. The state will also align the same paid Medicaid claims with the Medicare fees for each CPT code for each qualifying provider type, as defined under "2." above and calculate the Medicare payment amounts for those claims. The Medicare fees will be the most currently available national non-facility fees.
- e. The state will then calculate an overall Medicare to commercial conversion factor by dividing the total amount of the average commercial payments for the claims by the total Medicare payments for the claims. The current Medicare to commercial ratio is 241.6% and will be re-determined at least every three years.
- f. For each quarter the state will query its MMIS system for paid Medicaid claims for qualifying provider types, as defined under "2." above for that quarter.
- g. The state will then calculate the amount Medicare would have paid for those claims by aligning the claims with the Medicare fee schedule by CPT code. The Medicare fees will be the most currently available Medicare Physician Fee Schedule for MAC Locality 0411201 - Colorado.
- h. The total amount that Medicare would have paid for those claims is then multiplied by the Medicare equivalent of the average commercial rate and the amount Medicaid actually paid for those claims is subtracted to establish the total allowable supplemental payment amount for the physician or physician practice plan for that quarter.
- i. In order to allow for adequate claims runout, the payment for Medicaid services in any given quarter will be made one year after the quarter in which the dates of service occurred.

4. Effective Date of Payment

The supplemental payment will be made effective for services provided on or after July 1 2016.

5. Payment Amount

State Fiscal Year	Payment (Total Funds)
SFY 2017-18	\$123,529,218
SFY 2018-19	\$136,577,576

TN No. 18-0034
Supersedes
TN No. 16-0006

Approval Date October 5, 2018
Effective Date July 1, 2018