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**State/Territory Name: Colorado**

**State Plan Amendment (SPA) #: 19-0013**

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  
1961 Stout Street, Room 08-148  
Denver, CO 80294



**Denver Regional Operations Group**

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December 13, 2019

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) 19-0013. This amendment revises the Average Commercial Rate percentage and payment amount for the University of Colorado School of Medicine Supplemental Payment 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 today with an effective date of July 1, 2019. 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  
Director, Western Regional Operations Group  
Denver Regional Office  
Centers for Medicaid and CHIP Services

cc: Dr. Tracy Johnson, Colorado  
Laurel Karabatsos, Colorado  
John Bartholomew, Colorado  
Russell Ziegler, Colorado  
Whitney McOwen, Colorado  
Jami Gazarro, Colorado

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>  <b>FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>		1. TRANSMITTAL NUMBER:  <b>19 – 0013</b>	2. STATE:  <b>COLORADO</b>
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		3. PROGRAM IDENTIFICATION: <b>TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)</b>	
4. PROPOSED EFFECTIVE DATE:  <b>July 1, 2019</b>		5. TYPE OF PLAN MATERIAL ( <i>Check One</i> ):  NEW STATE PLAN                      AMENDMENT TO BE CONSIDERED AS A NEW PLAN <b>X AMENDMENT</b>	
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT ( <i>Separate transmittal for each amendment</i> )			
6. FEDERAL STATUTE/REGULATION CITATION:  <b>Section 1902(a)(30)(A) of the Social Security Act</b>		7. FEDERAL BUDGET IMPACT:  a. FFY 2018-19: \$ <u>19,499,540</u> b. FFY 2019-20: \$ <u>58,498,620</u>	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  <b>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</b>		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT ( <i>If Applicable</i> ):  <b>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 18-0034)</b>	
10. SUBJECT OF AMENDMENT:  <b>Updating the Average Commercial Rate percentage and payment amount for the University of Colorado School of Medicine Supplemental Payment for Physician and Professional Services at Qualifying Colorado State-Owned or Operated Professional Services Practices.</b>			
11. GOVERNOR'S REVIEW ( <i>Check One</i> ):  GOVERNOR'S OFFICE REPORTED NO COMMENT <b>X OTHER, AS SPECIFIED</b> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <b>Governor's letter dated 29 March, 2018</b> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO:  <b>Colorado Department of Health Care Policy and Financing 1570 Grant Street Denver, CO 80203-1818</b>  <b>Attn: Lauren Reveley</b>	
13. TYPED NAME:  <b>John Bartholomew</b>		15. DATE SUBMITTED: <i>September 27, 2019</i>	
14. TITLE:  <b>Director, Finance Office</b>			
17. DATE RECEIVED  September 27, 2019			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
18. DATE APPROVED  December 13, 2019		<b>PLAN APPROVED – ONE COPY ATTACHED</b>	
19. EFFECTIVE DATE OF APPROVED MATERIAL  July 1, 2019		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME  Richard C. Allen		22. TITLE  Director, WROG	
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 255.46% 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
SFY 2019-20	\$155,996,320