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State/Territory Name: CO

State Plan Amendment (SPA) CO: 22-0035-A

This file contains the following documents in the order listed:

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
233 North Michigan Ave., Suite 600
Chicago, Illinois 60601

Financial Management Group

December 14, 2022

Bettina Schneider, Chief Financial Officer
Attn: Amy Winterfeld
Colorado Department of Health Care Policy and Financing
1570 Grant Street
Denver, CO 80203-1818

RE: **Colorado State Plan Amendment (SPA) Transmittal Number 22-0035-A**

Dear Ms. Schneider:

We have reviewed the proposed Colorado State Plan Amendment (SPA) to Attachment 4.19-B of your state plan, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on September 15, 2022. This plan amendment updates the payment amount for the University of Colorado School of Medicine Supplemental Payment for Physicians and Professional Services rendered to Health First Colorado beneficiaries.

Based upon the information provided by the State, we have approved the amendment with an effective date of July 01, 2022. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact LaJoshica (Josh) Smith via 214-767-6453 or lajoshica.smith@cms.hhs.gov.

Sincerely,

[redacted]

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 22-0035A

2. STATE: CO

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT: ◯ XIX ◯ XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
July 1, 2022

5. FEDERAL STATUTE/REGULATION CITATION
Social Security Act, Section 1902(a)(30)(A)

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2022 $ 2,375,984
b. FFY 2023 $ 7,127,951

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
tt 4.19-B - Item 7 Home Health - Pg 3-7 of 7

Supp to Att 4.19-B – Suppl Payments for Phys and Prof Services – Page 2

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
Att 4.19-B - Item 7 Home Health - Pg 3-7 of 7 (TN 15-0037)

Supp to Att 4.19-B – Suppl Payments for Phys and Prof Services – Page 2 (TN 21-0020)

9. SUBJECT OF AMENDMENT
Updating payment amount for Univ of Colo School of Medicine Supplemental Payment for Physician and Professional Services at Qualifying Colorado State-Owned or Operated Professional Services Practices. Also includes technical updates to the CMS forms cited in the Home Health Services reimbursement pages.

10. 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
◉ OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL
Digitally signed by Bettina
[redacted]3

12. TYPED NAME
Bettina Schneider

13. TITLE
Chief Financial Officer

14. DATE SUBMITTED
September 15, 2022 (OneMAC submit date)

15. RETURN TO
Colorado Department of Health Care Policy and Financing
1570 Grant Street
Denver, CO 80203-1818

Attn: Amy Winterfeld

FOR CMS USE ONLY

16. DATE RECEIVED
September 15, 2022

17. DATE APPROVED
December 13, 2022

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
July 1, 2022

19. SIGNATURE OF APPROVING OFFICIAL
[redacted]

20. TYPED NAME OF APPROVING OFFICIAL
Todd McMillion

21. TITLE OF APPROVING OFFICIAL
Director, Division of Reimbursement Review

22. REMARKS

Instructions on Back

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
SFY 2020-21	$162,707,438
SFY 2021-22	$189,648,800
SFY 2022-23	$ 183,603,554

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 1728-20 Home Health Agency Cost Report worksheet C, part I, column 2, lines 1 and 2.
   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 1728-20 Home Health Agency Cost Report worksheet C, part I, column 3, lines 1 and 2.
   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 1728-20 Home Health Agency Cost Report worksheet C, part I, column 2, lines 3 and 4.
   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

1728-2- Home Health Agency Cost Report worksheet C, part I, column 3, lines 3 and 4.

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 1728-20 Home Health Agency Cost Report worksheet C, part I, column 2, lines 5 and 6.
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 1728-20 Home Health Agency Cost Report worksheet C, part I, column 3, lines 5 and 6.
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 1728-20 Home Health Agency Cost Report worksheet C, part I, column 2, line 7.
   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 1728-20 Home Health Agency Cost Report worksheet C, part I, column 3, line 7.
   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 1728-20 Home Health Agency Cost Report worksheet C, part I, column 2, line 9.
   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 1728-20 Home Health Agency Cost Report worksheet C, part I, column 3, line 9.

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 1728-20 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.