



MPRRAC Meeting

February 15, 2019
9:00 a.m. - 12:00 p.m.

Facilitator: Eloiss Hulsbrink, HCPF
Other Presenters: Jeremy Tipton, HCPF
Julie Tang, Optumas



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Our Mission

Improving health care access and outcomes for the **people** we serve while demonstrating sound stewardship of financial **resources**



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Agenda

- Introductions 9:00 a.m.
- Review January Meeting Minutes 9:05 a.m.
- Preliminary Rate Comparison Analysis--DME 9:15 a.m.
- **Break** **10:20 a.m.**
- MPRRAC Questions/Discussion 10:30 a.m.
- Stakeholder Comment 11:00 a.m.
- Revisit HB19-1198 11:40 a.m.
- Next Steps 11:50 a.m.
- Adjourn 12:00 p.m.



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Meeting Minutes Review

January 25, 2019

Presented By: Eloiss Hulsbrink



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Year Four Preliminary Rate Comparison Analysis

Durable Medical Equipment (DME)

Presented By: Eloiss Hulsbrink
Julie Tang, Optumas

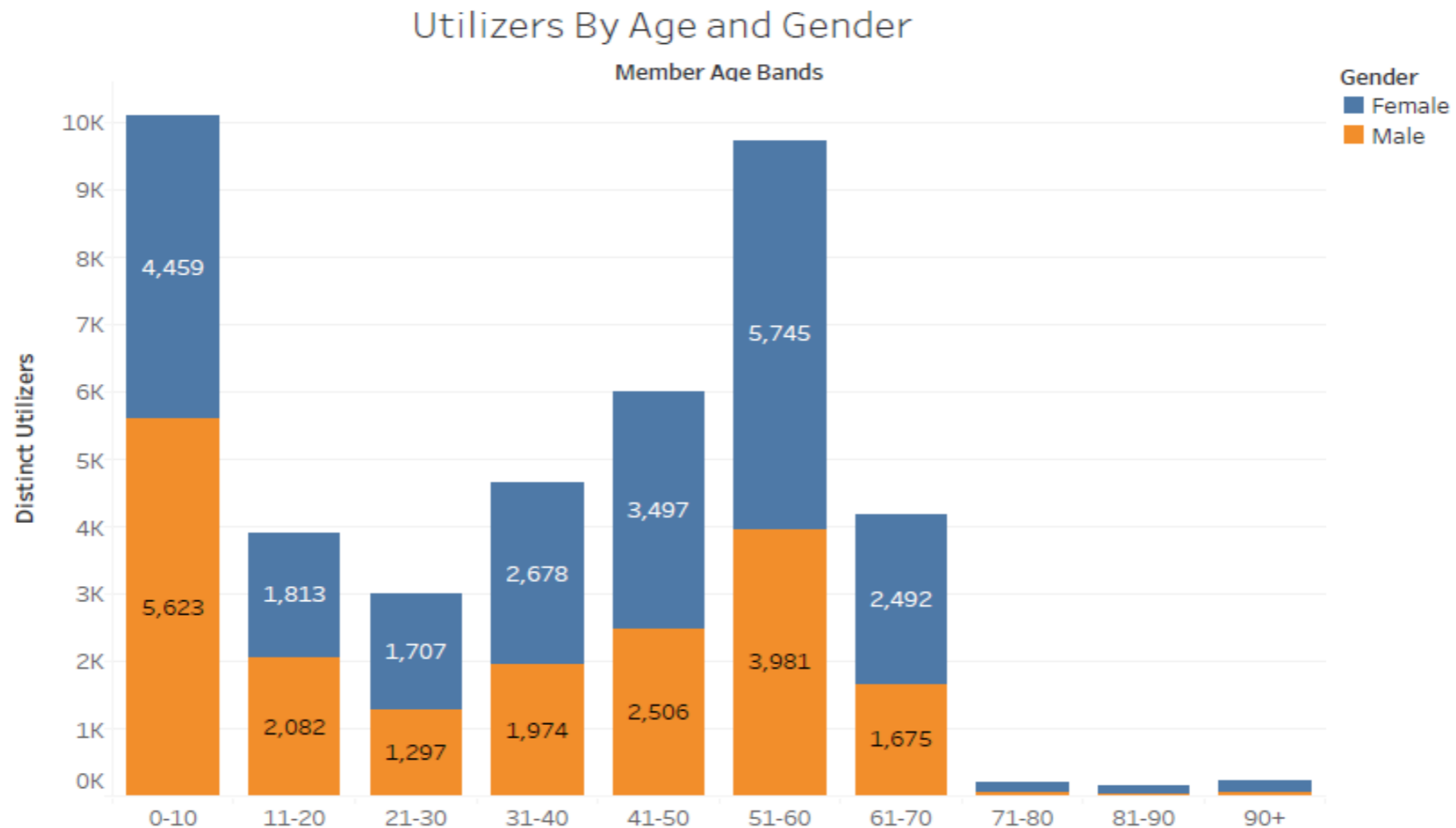


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DME Population Statistics FY2017-18

Total Client Count	Total Provider Count	Total Paid Dollars
40,670	200	\$71,190,356



Preliminary Rate Comparison Analysis

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- Base Data
 - Comparison Methodology
 - Results
 - Other States vs Non-Upper Payment Limit (UPL)
 - Medicare vs Non-UPL
 - Medicare vs UPL
 - Results Summary
-
- NOTE: ALL FIGURES SHOWN ARE PRELIMINARY

Base Data

- VALIDATION
- INCURRED BUT NOT REPORTED (IBNR) ADJUSTMENT
- UTILIZATION SMOOTHING ADJUSTMENTS

Base Data - Validation

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- **Data Used for Quality Validation**
 - July 1, 2015 – September 30, 2018 Incurred Claims Received
 - FY 2015-16 and FY 2016-17 used for validation and adjustment purposes only
- **Data Quality Validation steps**
 - Longitudinal analysis of paid amounts and utilization
 - UPL vs non-UPL codes
 - Dual vs Non-dual Claims
- **Final Rate Comparison Analysis is based on FY 2017-18 Utilization Data**
 - Reflects most recent year of data



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Base Data - IBNR

- Incurred but not reported (IBNR)
 - Corrects for run-out inherent in the data
 - Analysis of average claims reimbursement over time to predict the total paid amount for services that have already been rendered, but have not been fully realized in the reported data
 - Adjustment to claim data to approximate future claims reported
- Analysis of payment patterns over time
 - Changes in payment processing can skew data
 - Adjustments made to account for January 2018 UPL implementation

Base Data - IBNR

- Analysis of claim submission in prior years indicates that a year of incurred claims data, with payments up through 6 months after the final date of service, contains about 98% of the total incurred dollars reported and 97% of the total incurred units.

Metric	Percent Claims Reported in FY 2017-18	Adjustment Factor
Per Member Per Month (PMPM) Expenditures	0.98055	0.01945
Utilization	0.97066	0.02934

Base Data – Utilization Smoothing

- Data for 4 procedure codes smoothed to better reflect an annual level of utilization
- Observed temporary changes to utilization
 - Due to implementation of DME UPL in January 2018
 - Utilization returned to expected levels by end of FY 2017-18

Proc Code	Procedure	Dollars	Units	Adjusted Units
E0441	STATIONARY O2 CONTENTS, GAS	\$3,837,486	31,199	37,459
E0442	STATIONARY O2 CONTENTS, LIQ	\$334,656	2,492	2,992
E0431	PORTABLE GASEOUS O2	\$1,496,275	68,213	67,190
K0738	PORTABLE GAS OXYGEN SYSTEM	\$1,168,262	31,196	29,801

Base Data – Utilization Smoothing

- 2 codes previously coded with an hourly or daily rental basis transitioned to a monthly basis
- Smoothed units to reflect billing practice we saw in late FY2017-18 and expected to see going forward

Proc Code	Procedure	Dollars
E1390	OXYGEN CONCENTRATOR	\$19,578,636
E2402	NEG PRESS WOUND THERAPY PUMP	\$1,637,338

Comparison Methodology

- EXECUTIVE SUMMARY
- FEE SCHEDULES
- COMPARISON

CO DME Executive Summary

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Total

SFY2018	Record Count	Allowed Units	Adjusted Units	Paid Dollars	Percent of Paid
Raw Data	447,897	8,986,958	497,695	\$ 71,190,356	100.00%
Exclusions					
No Eligibility Span	1,491	16,415	1,531	\$ 161,458	0.23%
Duals Membership	62,932	8,040,425	66,552	\$ 5,689,255	7.99%
Child Health Plan <i>Plus</i> (CHP+)	-	-	-	\$ -	0.00%
Zero Paid Claims	-	-	-	\$ -	0.00%
Code is Manually Priced	6,851	19,938	19,938	\$ 9,120,381	12.81%
No Colorado Medicaid Rate Found	3,254	4,819	4,819	\$ 591,814	0.83%
No Comparison Available	1,354	1,466	1,466	\$ 309,498	0.43%
Total Exclusions	75,882	8,083,063	94,305	\$ 15,872,407	22.30%
Repricing Base					
Base Medicaid Data	372,015	903,895	403,390	\$ 55,317,949	77.70%
IBNR Adjusted Base Data	383,260	931,216	415,583	\$ 56,415,187	77.70%

Comparison Methodology – Fee Schedules

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- Health First Colorado DME UPL and General Fee Schedule rates compared to benchmark rates:
 - Medicare – zip code specific rates
 - Oklahoma, Nebraska, Arizona, Wyoming, Oregon, and California
- This approach was consistent with past methodology
 - All services matched on a procedure code-modifier basis to the fee schedules' respective levels of detail

Comparison Methodology – Comparison

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- Summarized FFS DME Claims from Base Year
 - Excluded ineligible claims, duals, CHP+, zero-paid claims
 - Excluded procedure code/modifier combination without a Jan 2019 fee schedule rate
- Health First Colorado Repriced Amount = Units x 2019 Health First Colorado Rate
- Checked for comparable rate benchmark
 - Checked for rate on Medicare first, then other states listed
 - Dollars without a benchmark rate excluded
- Benchmark Repriced Amount = Units x Most Recent Comparator Rate

Comparison Methodology – Comparison

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- Repriced using January 2019 Medicare rates
 - 89.95% of Colorado repriced dollars
- Repriced using latest other states' rates
 - Simple average of other states' rates
 - Only applied where Medicare rate did not exist
 - 10.05% of Colorado repriced dollars
- Copays and Third-Party Liability (TPL) dollars removed from all repriced amounts
 - Reflects actual budget impact to Health First Colorado

Comparison Methodology – Comparison

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- Rate Ratio = Colorado Repriced Amount / Benchmark Repriced Amount

Results

OTHER STATES

MEDICARE NON-UPL

MEDICARE UPL

Other States Non- UPL

-
- EXECUTIVE SUMMARY
 - TOP 10 CODE/MODIFIER COMBINATIONS
 - RATE COMPARISON VISUAL
 - FISCAL IMPACT

Other States Executive Summary

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Other States

SFY2018	Record Count	Allowed Units	Adjusted Units	Paid Dollars	Percent of Paid
Raw Data	24,612	55,761	55,761	\$ 12,970,810	100.00%
Exclusions					
No Eligibility Span	36	48	48	\$ 3,928	0.03%
Duals Membership	1,777	1,948	1,948	\$ 133,562	1.03%
Child Health Plan <i>Plus</i> (CHP+)	-	-	-	\$ -	0.00%
Zero Paid Claims	-	-	-	\$ -	0.00%
Code is Manually Priced	6,253	19,331	19,331	\$ 8,103,260	62.47%
No Colorado Medicaid Rate Found	31	61	61	\$ 6,273	0.05%
No Comparison Available	1,354	1,466	1,466	\$ 309,498	2.39%
Total Exclusions	9,451	22,854	22,854	\$ 8,556,522	65.97%
Repricing Base					
Base Medicaid Data	15,161	32,907	32,907	\$ 4,414,288	34.03%
IBNR Adjusted Base Data	15,619	8,804	33,902	\$ 4,501,846	34.03%

Other States Executive Summary

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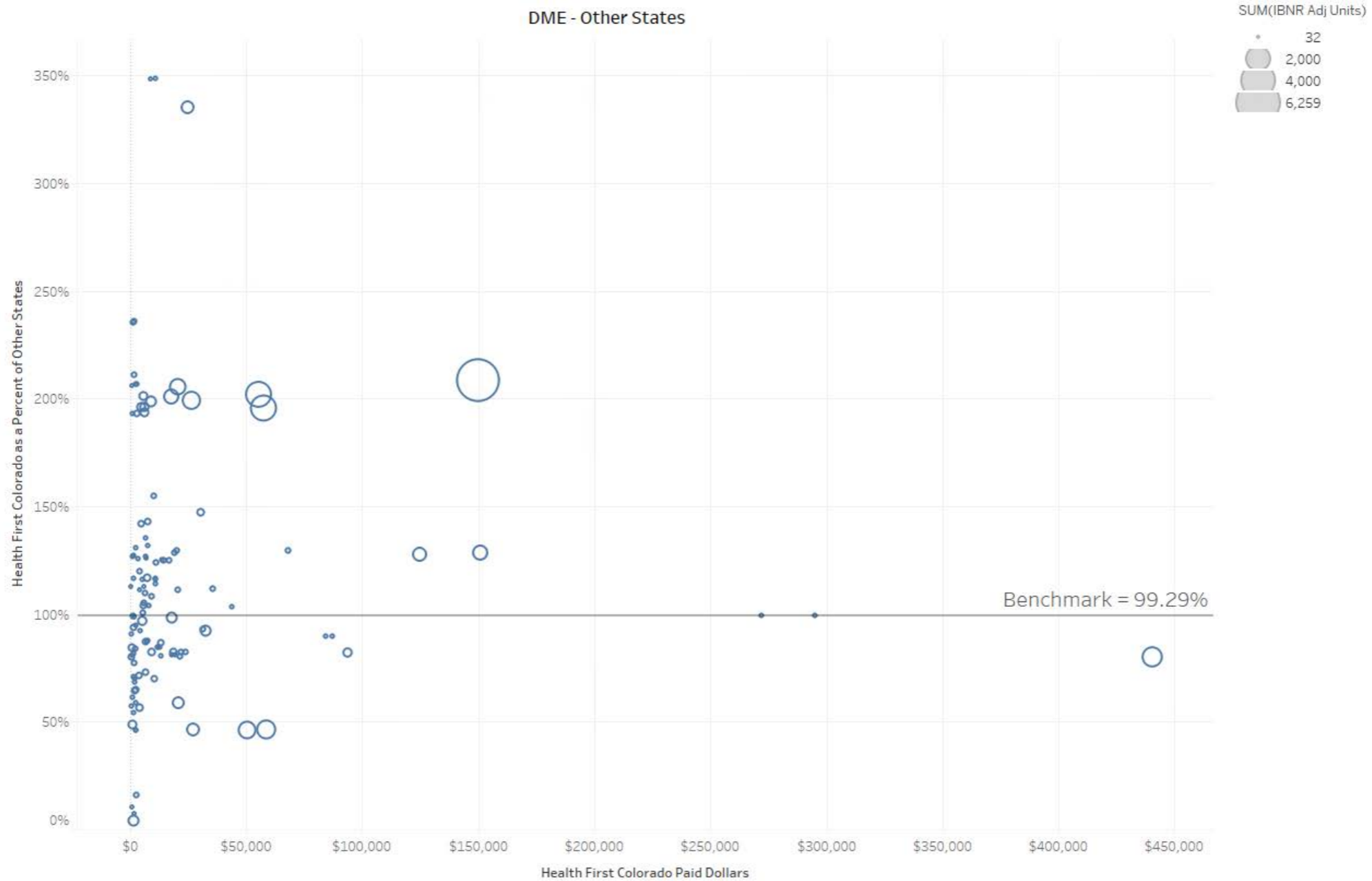
- Comprises 182 procedure codes and 7.98% of paid dollars

Top 10 Code and Payment Rates

Procedure Code	Description	Mod 1	Mod 2	Colorado Rate	Other States' Average Rate	Units*	Paid Dollars*	Percent of Other States
E0445	OXIMETER NON-INVASIVE	RR		\$ 367.17	\$ 455.44	1,318	\$ 440,563	80.13%
E1007	PWR SEAT COMBO W/SHEAR	NU		\$ 8,323.83	\$ 8,394.56	37	\$ 295,225	99.14%
E1007	PWR SEAT COMBO W/SHEAR	NU	RA	\$ 8,323.83	\$ 8,394.56	36	\$ 272,167	99.09%
E1028	W/C MANUAL SWINGAWAY	NU	RA	\$ 228.19	\$ 182.46	764	\$ 151,083	128.61%
K0739	REPAIR/SVC DME NON-OXYGEN EQ			\$ 26.57	\$ 13.77	6,259	\$ 150,045	208.59%
E1028	W/C MANUAL SWINGAWAY	NU		\$ 228.19	\$ 182.46	612	\$ 124,793	127.59%
E0986	MAN W/C PUSH-RIM POWR SYSTEM	NU		\$ 5,374.10	\$ 4,568.07	PHI	PHI	118.52%
E1002	PWR SEAT TILT	NU	RA	\$ 4,298.60	\$ 3,913.48	PHI	PHI	111.19%
E0218	WATER CIRC COLD PAD W PUMP	NU		\$ 354.75	\$ 431.30	272	\$ 93,927	82.24%
E0986	MAN W/C PUSH-RIM POWR SYSTEM	NU	RA	\$ 5,374.10	\$ 4,568.07	PHI	PHI	121.61%

Other States Scatterplot

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Other States Estimated Fiscal Impact

DME Comparison Results	
Colorado as a Percentage of Other States Amount	99.3%
Colorado Repriced Amount	\$4,726,646
Other States Repriced Amount	\$4,760,257
Estimated FY2017-18 Total Fund Impact of Moving to 100% of the Other States Amount	\$33,611

Medicare Non-UPL

- EXECUTIVE SUMMARY
- TOP 10 CODE/MODIFIER COMBINATIONS
- RATE COMPARISON VISUAL
- FISCAL IMPACT

Medicare Non-UPL Executive Summary

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Medicare Non-UPL

SFY2018	Record Count	Allowed Units	Adjusted Units	Paid Dollars	Percent of Paid
Raw Data	16,454	23,136	23,136	\$ 2,819,639	100.00%
Exclusions					
No Eligibility Span	31	42	42	\$ 4,995	0.18%
Duals Membership	40	60	60	\$ 4,665	0.17%
Child Health Plan <i>Plus</i> (CHP+)	-	-	-	\$ -	0.00%
Zero Paid Claims	-	-	-	\$ -	0.00%
Code is Manually Priced	390	399	399	\$ 76,125	2.70%
No Colorado Medicaid Rate Found	28	55	55	\$ 4,841	0.17%
No Comparison Available	-	-	-	\$ -	0.00%
Total Exclusions	489	556	556	\$ 90,626	3.21%
Repricing Base					
Base Medicaid Data	15,965	22,580	22,580	\$ 2,729,013	96.79%
IBNR Adjusted Base Data	16,448	23,263	23,263	\$ 2,783,144	96.79%

Medicare Non-UPL Executive Summary

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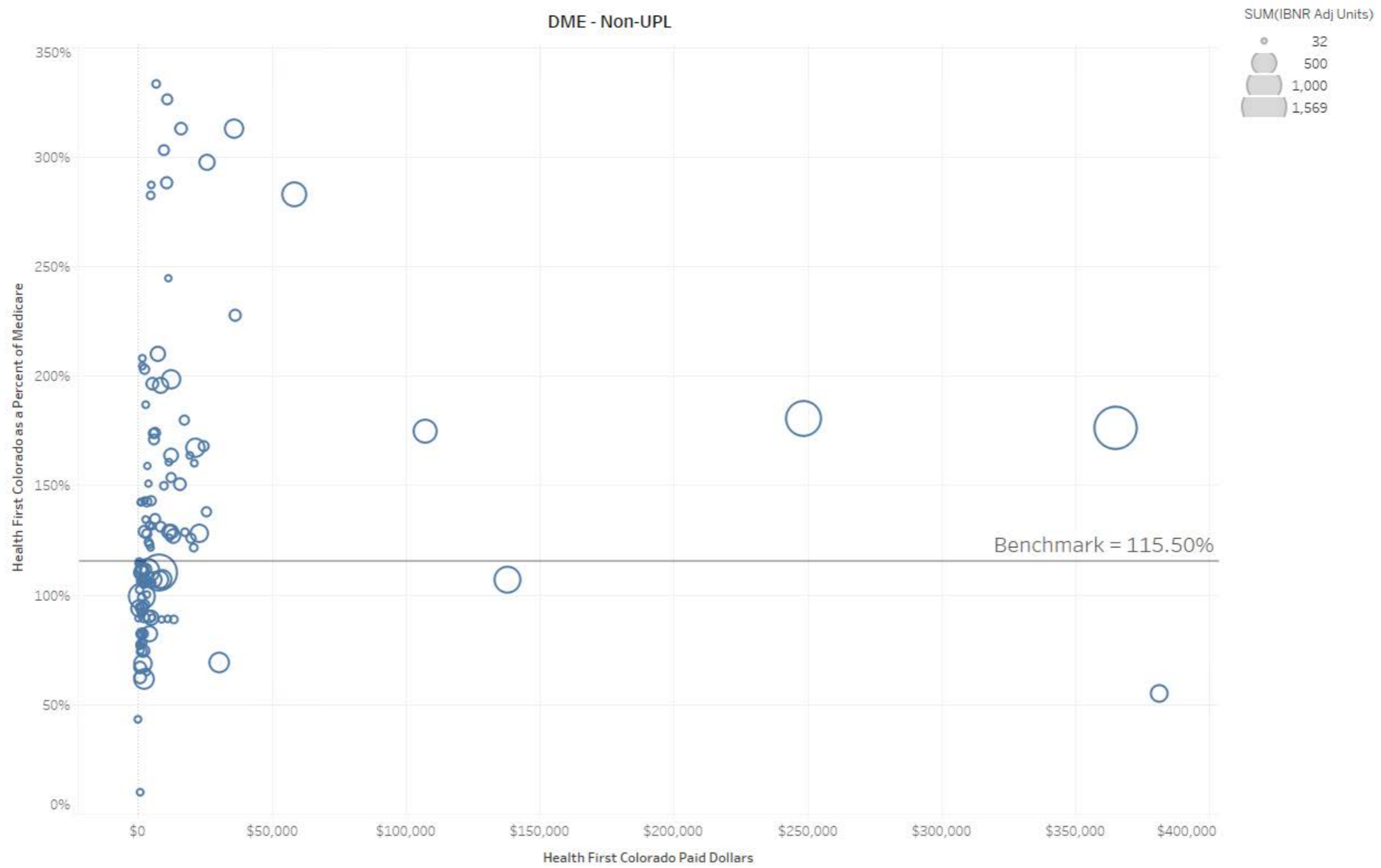
- Comprised 139 procedure codes and 4.93% of paid dollars

Top 10 Code and Payment Rates									
Procedure Code	Description	Mod 1	Mod 2	Colorado Rate	Medicare Rate Group	Medicare Rate	Units*	Paid Dollars*	Percent of Medicare
K0606	AED GARMENT W ELEC ANALYSIS	RR		\$ 1,591.43	Medicare POS Rate - Non Rural	\$ 2,899.50	245	\$ 381,292	54.88%
E0562	HUMIDIFIER HEATED USED W PAP	NU		\$ 239.70	CBA Denver Rate	\$ 136.56	1,569	\$ 365,062	176.29%
E0562	HUMIDIFIER HEATED USED W PAP	NU		\$ 239.70	Medicare POS Rate - Non Rural	\$ 133.55	1,068	\$ 248,484	180.26%
E0562	HUMIDIFIER HEATED USED W PAP	NU		\$ 239.70	Medicare POS Rate - Rural	\$ 223.90	591	\$ 138,099	107.07%
E0562	HUMIDIFIER HEATED USED W PAP	NU		\$ 239.70	CBA Colorado Springs Rate	\$ 137.95	462	\$ 107,499	174.43%
E0973	W/CH ACCESS DET ADJ ARMREST	NU		\$ 128.12	CBA Denver Rate	\$ 47.97	487	\$ 58,519	282.94%
K0606	AED GARMENT W ELEC ANALYSIS	RR		\$ 1,591.43	Medicare POS Rate - Non Rural	\$ 2,899.50	31	\$ 48,123	54.87%
E2611	GEN USE BACK CUSH WIDTH <22IN	NU		\$ 345.09	CBA Colorado Springs Rate	\$ 151.58	109	\$ 36,529	227.67%
E0973	W/CH ACCESS DET ADJ ARMREST	NU	RA	\$ 128.12	CBA Denver Rate	\$ 47.97	316	\$ 35,988	312.78%
E0776	IV POLE	NU		\$ 99.89	Medicare POS Rate - Non Rural	\$ 143.96	327	\$ 30,416	69.20%



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Medicare Non-UPL Scatterplot



Medicare Non-UPL Estimated Fiscal Impact

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DME Comparison Results	
Colorado as a Percentage of Medicare Non-UPL Amount	115.5%
Colorado Repriced Amount	\$2,858,705
Medicare Non-UPL Repriced Amount	\$2,475,510
Estimated FY2017-18 Total Fund Impact of Moving to 100% of the Medicare Non-UPL Amount	(\$383,555)

Medicare UPL

- EXECUTIVE SUMMARY
- TOP 10 CODE/MODIFIER COMBINATIONS
- RATE COMPARISON VISUAL
- FISCAL IMPACT

Medicare UPL Executive Summary

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Medicare UPL

SFY2018	Record Count	Allowed Units	Adjusted Units	Paid Dollars	Percent of Paid
Raw Data	406,831	8,908,061	418,798	\$ 55,399,907	100.00%
Exclusions					
No Eligibility Span	1,424	16,325	1,441	\$ 152,535	0.28%
Duals Membership	61,115	8,038,417	64,544	\$ 5,551,028	10.02%
Child Health Plan <i>Plus</i> (CHP+)	-	-	-	\$ -	0.00%
Zero Paid Claims	-	-	-	\$ -	0.00%
Code is Manually Priced	208	208	208	\$ 940,996	1.70%
No Colorado Medicaid Rate Found	3,195	4,703	4,703	\$ 580,700	1.05%
No Comparison Available	-	-	-	\$ -	0.00%
Total Exclusions	65,942	8,059,653	70,895	\$ 7,225,259	13.04%
Repricing Base					
Base Medicaid Data	340,889	848,408	347,903	\$ 48,174,648	86.96%
IBNR Adjusted Base Data	351,193	874,052	358,419	\$ 49,130,198	86.96%

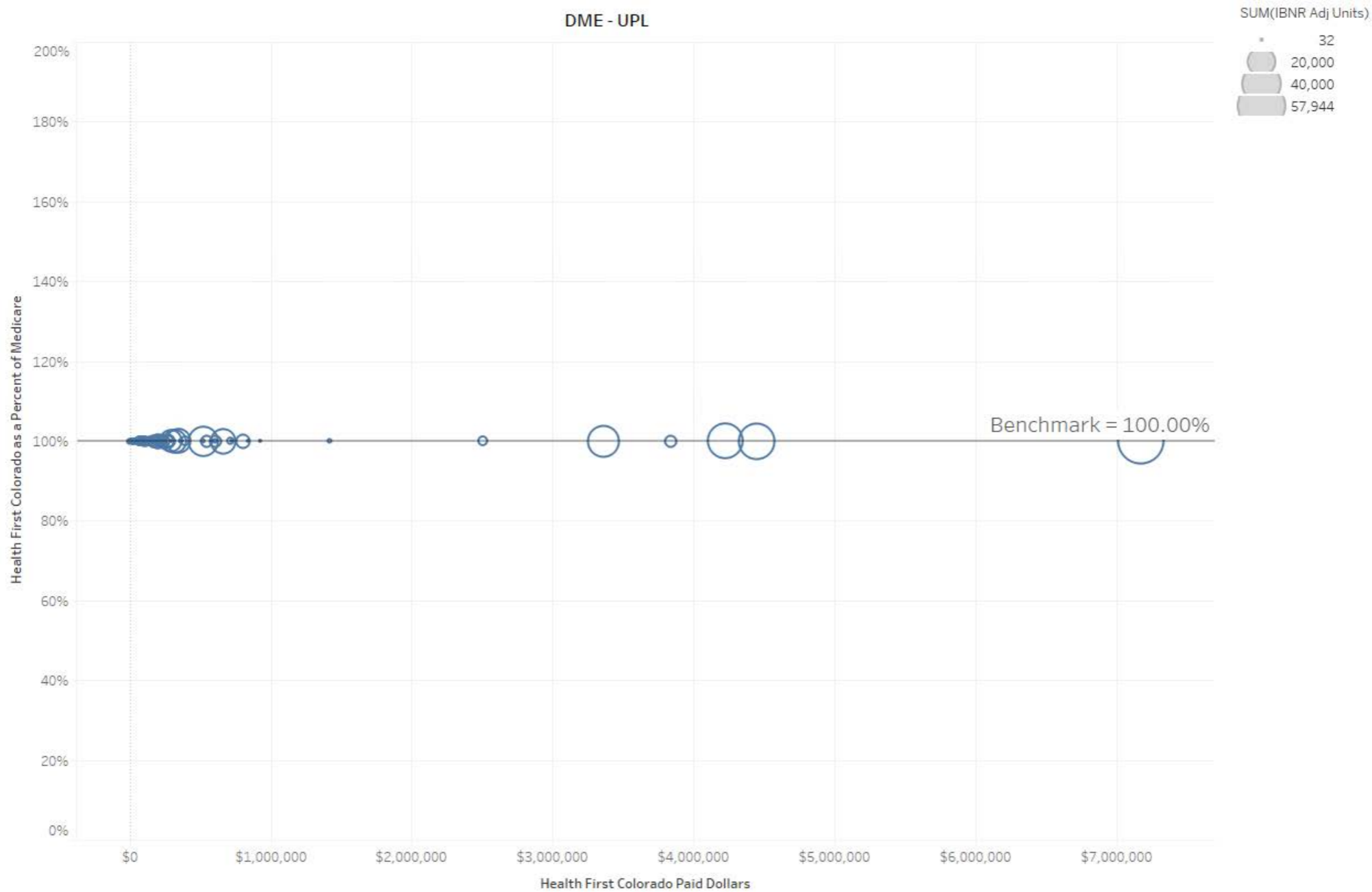
Medicare UPL Executive Summary

- Comprised 137 procedure codes and 87.09% of paid dollars

Top 10 Code and Payment Rates

Procedure Code	Description	Mod 1	Medicare Rate Group	Colorado and Medicare Rate	Units*	Paid Dollars*	Percent of Medicare
E1390	OXYGEN CONCENTRATOR	RR	CBA Denver Rate	\$ 73.88	57,944	\$ 7,175,849	100.00%
E1390	OXYGEN CONCENTRATOR	RR	Medicare POS Rate - Non Rural	\$ 73.80	35,504	\$ 4,451,106	100.00%
E1390	OXYGEN CONCENTRATOR	RR	Medicare POS Rate - Rural	\$ 134.71	33,897	\$ 4,226,885	100.00%
E0466	HOME VENT NON-INVASIVE INTER	RR	Medicare POS Rate - Non Rural	\$ 934.17	3,318	\$ 3,837,870	100.00%
E1390	OXYGEN CONCENTRATOR	RR	CBA Colorado Springs Rate	\$ 75.31	26,903	\$ 3,363,661	100.00%
E0465	HOME VENT INVASIVE INTERFACE	RR	Medicare POS Rate - Non Rural	\$ 934.17	2,316	\$ 2,501,883	100.00%
E0748	ELEC OSTEOGEN STIM SPINAL	NU	Medicare POS Rate - Non Rural	\$ 4,479.68	344	\$ 1,421,360	100.00%
E0784	EXT AMB INFUSN PUMP INSULIN	RA	CO DME UPL Rate - Non Rural	\$ 4,370.50	203	\$ 922,133	100.00%
E2510	SGD W MULTI METHODS MSG/ACCS	NU	Medicare POS Rate - Non Rural	\$ 7,792.82	155	\$ 843,136	100.00%
E0441	STATIONARY O2 CONTENTS, GAS		Medicare POS Rate - Non Rural	\$ 51.30	4,982	\$ 807,509	100.00%

Medicare UPL Scatterplot





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Medicare UPL Estimated Fiscal Impact

DME Comparison Results	
Colorado as a Percentage of Medicare UPL Amount	100.0%
Colorado Repriced Amount	\$39,450,727
Medicare UPL Repriced Amount	\$39,450,727
Estimated Impact of Moving to 100% of the Medicare UPL Amount	\$0

Results Summary

ESTIMATED FISCAL IMPACT SUMMARIES

CO RATES AS % OF BENCHMARKS



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Results Summary (continued)

Benchmark Group	Est. FY2017-18 Total Fund Impact	Percent Impact
Other States	\$33,611	0.71%
Medicare Non-UPL	(\$383,555)	-13.42%
Medicare UPL	\$0	0.00%
Total	(\$349,944)	-0.74%

Results Summary

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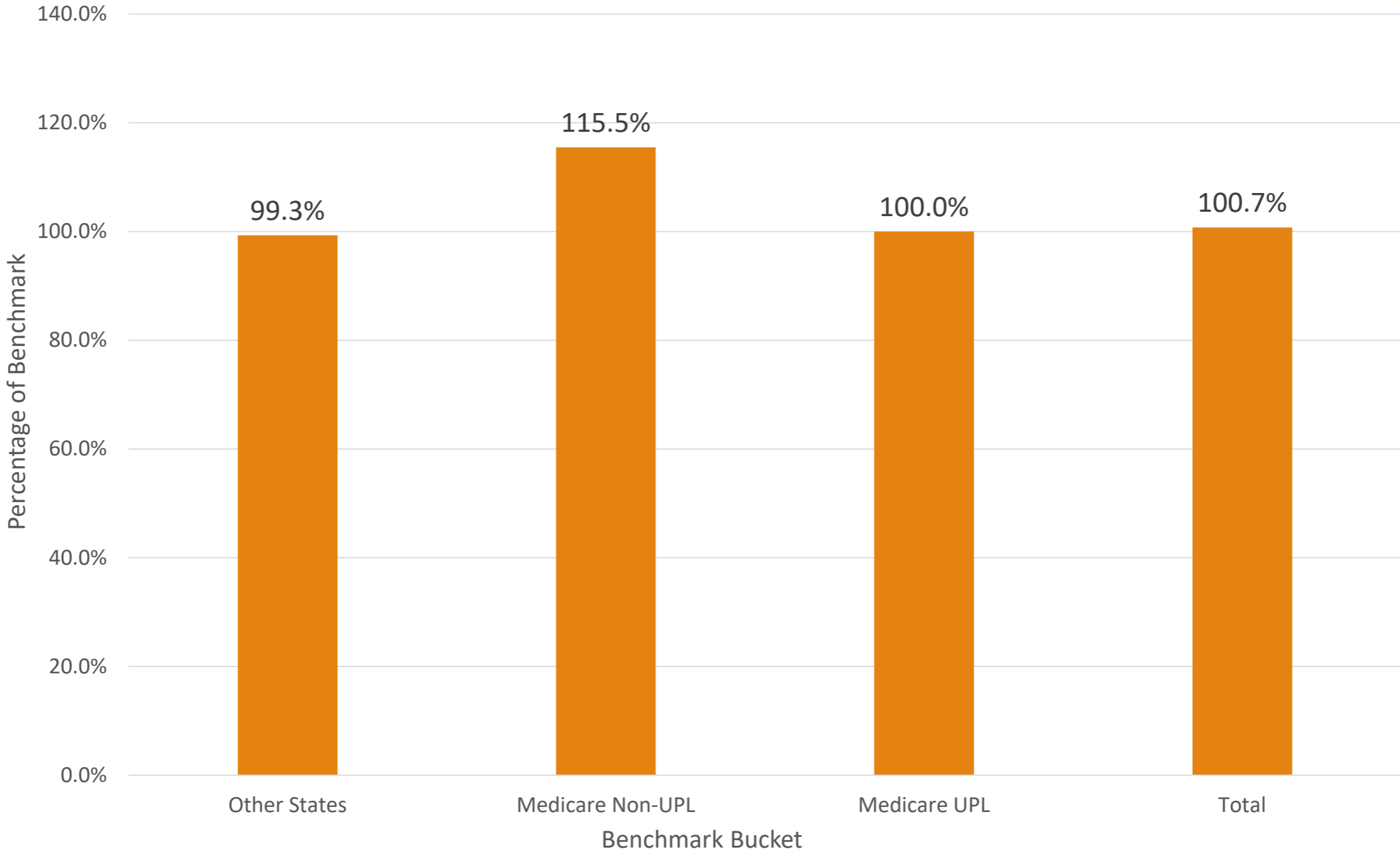
Benchmark Group	FY 2017-18 Colorado Repriced	FY 2017-18 Benchmark	Percent of Benchmark
Other States	\$4,726,646	\$4,760,257	99.29%
Medicare Non-UPL	\$2,858,705	\$2,475,150	115.50%
Medicare UPL	\$39,450,727	\$39,450,727	100.00%
Total	\$47,036,097	\$46,686,153	100.75%

Service Group	FY 2017-18 Colorado Repriced	FY 2017-18 Benchmark	Percent of Benchmark
Oxygen	\$19,269,246	\$19,269,246	100.00%
Other	\$27,766,833	\$27,416,889	101.28%
Total	\$47,036,097	\$46,686,153	100.75%



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Colorado DME Rates as Percentage of Benchmark





Committee Questions / Discussion



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Stakeholder Comments



HB18-1198

Presented by: Eloiss Hulsbrink

Presented By: Eloiss Hulsbrink



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Questions



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Next Steps

Presented By: Eloiss Hulsbrink





- Rate Review

- Preliminary Analyses – One Week per Service Grouping
 - Ambulatory Surgical Centers
 - Dialysis & End-Stage Renal Disease
 - Fee-for-Service (FFS) Behavioral Health
 - Residential Child Care Facilities & Psychiatric Residential Treatment Facilities
- Access to Care and Utilization Analyses

- MPRRAC

- Term Limits & Re-Appointments
 - Watch for Letter to Fourth-Year members
- Next Meeting – March 29, 2019
 - Watch for meeting materials

Contact

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Thank You



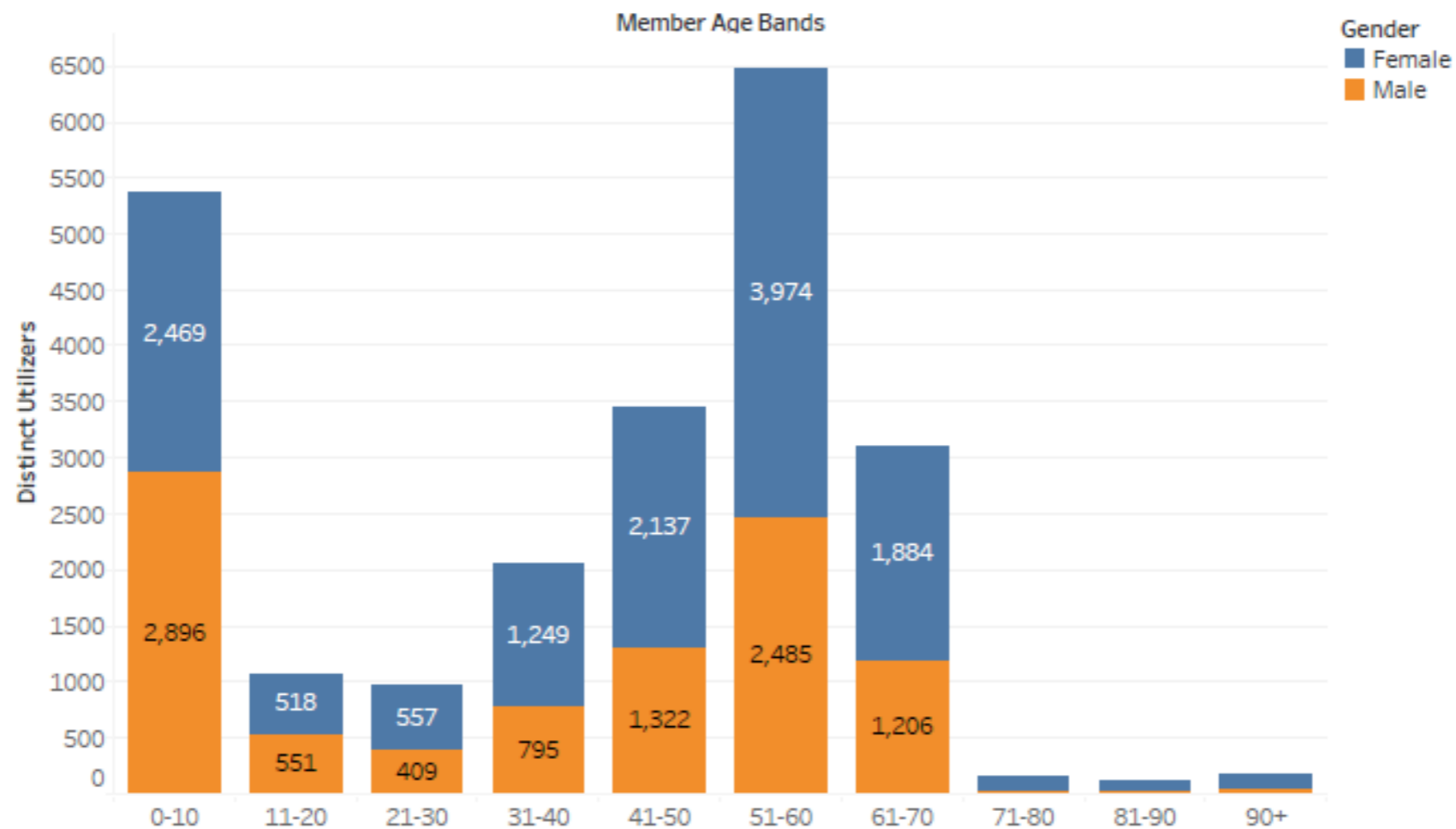
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Oxygen Population Statistics

Total Client Count	Total Provider Count	Total Paid Dollars
21,713	125	\$19,285,673

Utilizers By Age and Gender For Oxygen Codes





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All Oxygen - Paid Dollars

