COLORADO
Department of Health Care Policy & Financing

Appendix A – Cycle 1 Year 3 Methodologies and Data

Executive Summary

The Colorado Department of Health Care Policy & Financing (HCPF) has engaged **CBIZ Optumas (Optumas)** to conduct a review of their Medicaid fee schedules for selected services relative to Medicare and other state Medicaid agencies. The various states selected as benchmarks vary by service category based on similarities of covered services, enrolled populations, and locality, and through discussion with HCPF and key stakeholders. To further align the payment levels of the benchmark states, Optumas has applied an adjustment to the payment rates from each benchmark state to align the cost-of-living index of the benchmark state to that of Colorado. The cost-of-living index data is courtesy of the Missouri Economic Research and Information Center public website. Optumas has examined existing payment methodologies and benchmarked fee schedule levels at the code level and in aggregate. Our findings are summarized within this report to help inform HCPF of how Colorado currently compares and if there are any areas of significant difference.

Under the direction of the State, Optumas has divided the analysis and reporting by service categories and subcategories. This report covers the following:

- Dialysis and Dialysis-related Services
    - Facility
    - Non-Facility
- Durable Medical Equipment
- DIDD
- Prosthetics, Orthotics, and Disposable Supplies (POS)
    - Prosthetics
    - Orthotics
    - Enteral Formula
    - Other and Disposable Supplies
- Laboratory and Pathology Services
- Outpatient PT/OT/ST
    - Physical Therapy
    - Occupational Therapy
    - Speech Therapy
- Specialty Care Services
- Early Intervention TCM
- TCM
    - Case Management

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    - Transition Coordination
- Vision Services
- Physician Services
    - Allergy and Immunology
    - Cardiology
    - Dermatology
    - Emergency Department (ED) and Hospital Evaluation and Management (E&M)
    - Ear, Nose, and Throat (ENT)
    - Family Planning
    - Gastroenterology
    - Gynecology
    - Health Education
    - Medication Injections & Infusions
    - Neuro/Psychological Testing Services
    - Neurology
    - Primary Care E&M
    - Radiology
    - Respiratory
    - Sleep Study
    - Vaccines and Immunizations
    - Vascular

The rate comparison benchmark analysis compares Colorado Medicaid's latest fee schedule estimated reimbursement with the estimated reimbursement of the overall benchmark(s). The underlying data used for the analysis were fee-for-service (FFS) claims incurred from July 1, 2023 through June 30, 2024 (SFY 2023-24).

To estimate a fiscal impact, Optumas has held utilization consistent to the SFY 2023-24 study period and calculated the difference between the current CO Medicaid FFS rate and the benchmark FFS rate.

Actual cost sharing amounts, third-party liability (TPL) and copayment, from the SFY 2023-24 data have been excluded from both the CO repriced and benchmark repriced dollar amounts and therefore have a neutral impact on the fiscal estimate.

Service Category	Service Subcategory	Colorado Repriced	Benchmark Repriced	Colorado as a Percent of Benchmark	Estimated SFY 2023-24 Total Fiscal Impact if 100% of Benchmark
Dialysis and Dialysis-related Services	Facility	$10,904,568	$13,459,656	81.02%	$2,555,088
Dialysis and Dialysis-related Services	Non-Facility	$1,359,519	$1,590,196	85.49%	$230,677

DIDD	DIDD	$5,075,033[1]	$3,874,071[2]	131.00%	-$1,200,962[3]
Durable Medical Equipment	Durable Medical Equipment	$73,936,431	$80,619,213	91.71%	$6,682,782
Prosthetics, Orthotics, and Disposable Supplies	Prosthetics	$7,009,735	$9,463,047	74.07%	$2,453,312
Prosthetics, Orthotics, and Disposable Supplies	Orthotics	$13,302,280	$16,091,959	82.66%	$2,789,679
Prosthetics, Orthotics, and Disposable Supplies	Enteral Formula	$28,938,451	$20,448,060	141.52%	-$8,490,391
Prosthetics, Orthotics, and Disposable Supplies	Other and Disposable Supplies	$67,302,598	$70,294,558	95.74%	$2,991,960
Laboratory and Pathology Services	Laboratory and Pathology Services	$159,181,669	$170,536,743	93.34%	$11,355,074
Outpatient PT/OT/ST	PT	$40,795,510	$40,450,673	100.85%	-$344,837
Outpatient PT/OT/ST	OT	$34,539,705	$35,766,928	96.57%	$1,227,223
Outpatient PT/OT/ST	ST	$27,150,581	$28,996,298	93.63%	$1,845,717
Specialty Care Services	Specialty Care Services	$45,409	$55,997	81.09%	$10,588
Early Intervention TCM	Early Intervention TCM	$5,111,573	$6,948,604	73.56%	$1,837,031
TCM	Case Management	$54,128,215	$59,167,102	91.48%[4]	$7,545,524
TCM	Transition Coordination	$4,765,822	$3,889,268	122.54%	-$876,554
Vision Services	Vision Services	$115,875,903	$142,837,407	81.12%	$26,961,504
Physician Services	Allergy and Immunology	$4,573,865	$5,080,181	90.03%	$506,316
Physician Services	Cardiology	$7,586,984	$7,983,635	95.03%	$396,651
Physician Services	Dermatology	$1,117,698	$1,456,605	76.73%	$338,907
Physician Services	ED and Hospital E&M	$172,992,583	$190,465,436	90.83%	$17,472,853
Physician Services	ENT	$2,498,640	$2,879,756	86.77%	$381,116
Physician Services	Family Planning	$8,132,832	$7,142,821	113.86%	-$990,011
Physician Services	Gastroenterology	$202,599	$222,125	91.21%	$19,526
Physician Services	Gynecology	$1,049,434	$1,259,488	83.32%	$210,054
Physician Services	Health Education	$172,629	$202,356	85.31%	$29,727
Physician Services	Medication Injections & Infusions	$2,898,719	$2,568,867	112.84%	-$329,852
Physician Services	Neuro/Psychological Testing Services	$15,248,262	$12,476,717	122.21%	-$2,771,545
Physician Services	Neurology	$5,093,482	$5,423,652	93.91%	$330,170
Physician Services	Primary Care E&M	$286,827,928	$328,723,440	87.26%	$41,895,512
Physician Services	Radiology	$66,926,268	$68,091,796	98.29%	$1,165,528
Physician Services	Respiratory	$1,145,246	$1,111,929	103.00%	-$33,317
Physician Services	Sleep Study	$3,540,026	$2,862,835	123.65%	-$677,191
Physician Services	Vaccines and Immunizations	$23,640,025	$24,852,249	95.12%	$1,212,224
Physician Services	Vascular	$3,558,628	$3,572,572	99.61%	$13,944
All Service Categories		**$1,254,122,213**	**$1,370,866,240**	**91.48%**	**$116,744,026**

Table 1. Colorado as a Percent of the Benchmark and Estimated SFY 2023-24 Fiscal Impact Benchmark Repriced Amounts are adjusted for cost-of-living when other states are used for benchmarking and are reduced by TPL and copayments.

[1] DIDD claim data was provided by DentaQuest. Since only the first eight months of SFY 2023–24 were available, the figures shown here are projected to represent a full 12 months. Please refer to the DIDD section in this Appendix for details on the projection methodology.

[2] DIDD codes were compared against the regular Colorado Medicaid State Plan, projected American Dental Association (ADA) rates derived from the 2022 ADA survey data, and benchmark state data. The figures presented reflect the comparison to the State Plan, as recommended by the MPRRAC committee. Please refer to the DIDD section in this Appendix for additional details.

[3] Fiscal impact extrapolated to a full year from eight months of data.

[4] Due to the targeted rate increase for T2023+HI, which is the TCM monthly rate, the MPRRAC requested that the benchmark ratio and fiscal impact numbers be updated to reflect this rate.

Data Validation

HCPF provided Optumas with two years FFS claims data, (July 1, 2022 - June 30, 2024). The data validation process included utilization and dollar volume summaries over time which were validated against HCPF's and Optumas's expectations based on prior analyses to identify inconsistencies. In addition, a frequency analysis was performed to examine valid values appearing across all fields contained in the data.

For the benchmarking analysis, it was decided that claims data should be limited to SFY 2023-24 to analyze more recent utilization patterns and service mix. SFY 2023-24 claims data were selected as the base data of the repricing analysis because it yields an annualized result derived from the most recent experience. There is an inherent processing lag in claims between the time a claim is incurred and when it is billed. Claims rendered in any given month can take weeks or months to be reported in the claims system. The claims data for Cycle 1 – Year 3 services were provided with three months of claims runout. The raw claims data reflects the vast majority of FFS experience for Cycle 1 – Year 3 services in SFY 2023-24 and HCPF chose to not have Optumas perform an IBNR analysis. After the data validations steps, the rate comparison benchmark analysis was performed. Overall, results of this process suggested that the SFY 2023-24 data for each service was reliable.

The claims data was then reviewed to determine the relevant utilization after accounting for applicable exclusions. The exclusion criteria adhere to the general guidelines set forth in the Rate Review Schedule:

- Claims attributed to members that are non-TXIX Medicaid eligible, i.e., Child Health Plan Plus (CHP+) program;
- Claims attributed to members with no corresponding eligibility span; and
- Claims associated with members enrolled in Medicaid and Medicare (dual membership)[5].

Furthermore, for the rate comparison benchmark, the validation process included additional exclusions:

- Procedure codes or revenue codes that are on the Colorado fee schedule as $0.00, "manually priced", or "not a benefit" or were not found on the schedule, which are reflected as "No CO Medicaid Rate."
- With valid Colorado rates, procedure codes or revenue codes that do not have a comparable benchmark, whether Medicare or other states, are reflected as "No Benchmark Rate Found."

Codes that were excluded from this analysis are shown in Appendix A4 - Excluded Codes.

A summary of codes by benchmark type are summarized below in Table 2, as well as those that were excluded due to having no CO Medicaid rate or no benchmark rate.

[5] An exception was made regarding this year's review of Targeted Case Management (TCM) services, per HCPF's request. HCPF noted that a large portion of the claims were from dual eligible members. As a result, the decision was made to include these dual claim lines in the analysis.

Service Category	Service Subcategory	Total # of Excluded Codes	No CO Medicaid Rate	No Benchmark Rate
Dialysis and Dialysis-related Services	Facility	0	0	0
Dialysis and Dialysis-related Services	Non-Facility	0	0	0
DIDD	DIDD	248	27	221[6]
Durable Medical Equipment	Durable Medical Equipment	208	89	119
Prosthetics, Orthotics, and Disposable Supplies	Prosthetics	16	16	0
Prosthetics, Orthotics, and Disposable Supplies	Orthotics	17	11	6
Prosthetics, Orthotics, and Disposable Supplies	Enteral Formula	5	5	0
Prosthetics, Orthotics, and Disposable Supplies	Other and Disposable Supplies	80	36	44
Laboratory and Pathology Services	Laboratory and Pathology Services	10	2	8
Outpatient PT/OT/ST	PT	2	0	2
Outpatient PT/OT/ST	OT	1	0	1
Outpatient PT/OT/ST	ST	0	0	0
Specialty Care Services	Specialty Care Services	0	0	0
Early Intervention TCM	Early Intervention TCM	0	0	0
TCM	Case Management	3	0	3
TCM	Transition Coordination	0	0	0
Vision Services	Vision Services	4	0	4
Physician Services	Allergy and Immunology	0	0	0
Physician Services	Cardiology	7	0	7
Physician Services	Dermatology	0	0	0
Physician Services	ED and Hospital E&M	2	0	2
Physician Services	ENT	1	0	1
Physician Services	Family Planning	0	0	0
Physician Services	Gastroenterology	1	1	0
Physician Services	Gynecology	1	0	1
Physician Services	Health Education	4	0	4
Physician Services	Medication Injections & Infusions	38	1	37
Physician Services	Neuro/Psychological Testing Services	5	0	5
Physician Services	Neurology	26	0	26
Physician Services	Primary Care E&M	4	1	3
Physician Services	Radiology	30	1	29
Physician Services	Respiratory	3	0	3
Physician Services	Sleep Study	0	0	0
Physician Services	Vaccines and Immunizations	17	2	15
Physician Services	Vascular	0	0	0
All Service Categories		**733**	**192**	**541**

Table 2. Counts of excluded codes. If a code has no valid CO Medicaid FFS rate or is manual priced, regardless of whether it has a valid benchmark rate or utilization data, we classify it as "No CO Medicaid Rate". If a code has a CO Medicaid rate, but has no benchmark rate, regardless of whether it has valid utilization data, we classify it as "No Benchmark Rate".

[6] A total of 221 DIDD codes are not covered under the State Plan.

The number of total procedure or revenue codes, with Medicare or other states as benchmark and total excluded code count for each service group is shown in Table 3 below.

Service Category	Service Subcategory	Total # of Codes	Medicare Benchmark Used	Other States as Benchmark	Excluded Codes
Dialysis and Dialysis-related Services	Facility	16	16	0	0
Dialysis and Dialysis-related Services	Non-Facility	28	21	7	0
DIDD	DIDD	444	0	196[7]	248
Durable Medical Equipment	Durable Medical Equipment	1,141	599	334	208
Prosthetics, Orthotics, and Disposable Supplies	Prosthetics	419	397	6	16
Prosthetics, Orthotics, and Disposable Supplies	Orthotics	500	432	51	17
Prosthetics, Orthotics, and Disposable Supplies	Enteral Formula	32	19	8	5
Prosthetics, Orthotics, and Disposable Supplies	Other and Disposable Supplies	700	493	127	80
Laboratory and Pathology Services	Laboratory and Pathology Services	1566	1521	35	10
Outpatient PT/OT/ST	PT	51	41	8	2
Outpatient PT/OT/ST	OT	49	40	8	1
Outpatient PT/OT/ST	ST	26	21	5	0
Specialty Care Services	Specialty Care Services	6[8]	2	4	0
Early Intervention TCM	Early Intervention TCM	2	0	2	0
TCM	Case Management	4	0	1	3
TCM	Transition Coordination	1	0	1	0
Vision Services	Vision Services	205	178	23	4
Physician Services	Allergy and Immunology	32	26	6	0
Physician Services	Cardiology	333	274	52	7
Physician Services	Dermatology	26	26	0	0
Physician Services	ED and Hospital E&M	50	46	2	2
Physician Services	ENT	112	101	10	1
Physician Services	Family Planning	59	41	18	0
Physician Services	Gastroenterology	59	58	0	1
Physician Services	Gynecology	34	33	0	1
Physician Services	Health Education	6	1	1	4
Physician Services	Medication Injections & Infusions	80	34	8	38
Physician Services	Neuro/Psychological Testing Services	22	15	2	5
Physician Services	Neurology	237	203	8	26
Physician Services	Primary Care E&M	142	103	35	4
Physician Services	Radiology	1,793	1,628	135	30
Physician Services	Respiratory	91	83	5	3
Physician Services	Sleep Study	42	33	9	0
Physician Services	Vaccines and Immunizations	87	32	38	17
Physician Services	Vascular	75	72	3	0
All Service Categories		**8,470**	**6,589**	**1,148**	**733**

Table 3. Counts of codes and benchmarks used for each service category.

[7] DIDD was compared to regular Colorado Medicaid dental State Plan, as Medicare doesn't provide dental coverage.

[8] This is the number of skin substitute groups and eConsult codes. Skin substitutes are reimbursed according to their composition group.

Rate Comparison Benchmark Analysis

To develop a baseline for the benchmark analysis, FFS claims were first repriced using the most recent Colorado Medicaid fee schedule with rates effective July 1, 2024. The underlying utilization mix of the SFY 2023-24 FFS claims by procedure code is used in calculating aggregate summaries. The same utilization was then also repriced to the selected benchmark rates, Medicare or a selection of benchmark states. For services that utilize Medicaid fee schedules from other states, the benchmark rates were adjusted using cost-of-living index factors to align with the cost-of-living index of Colorado.

Optumas, in coordination with HCPF, selected appropriate benchmarks from other Medicaid fee schedules to be used in the rate review for each service category independently.

Table 4 below displays Colorado FFS rates as a percent of the selected benchmarks (weighted aggregate), as well as a benchmark range that indicates the highest and lowest percent of the respective benchmarks by procedure code for each service category.

Service Category	Service Subcategory	Colorado as a Percent of Benchmark	Benchmark Range
Dialysis and Dialysis-related Services	Facility	81.02%	75.83%-90.46%
Dialysis and Dialysis-related Services	Non-Facility	85.49%	68.86%-445.98%
DIDD	DIDD	131.00%[9]	70.39%-346.12%
Durable Medical Equipment	Durable Medical Equipment	91.71%	3.39%-486.84%
Prosthetics, Orthotics, and Disposable Supplies	Prosthetics	74.07%	6.87%-246.28%
Prosthetics, Orthotics, and Disposable Supplies	Orthotics	82.66%	26.85%-307.43%
Prosthetics, Orthotics, and Disposable Supplies	Enteral Formula	141.52%	15.03%-329.31%
Prosthetics, Orthotics, and Disposable Supplies	Other and Disposable Supplies	95.74%	1.33%-320.00%
Laboratory and Pathology Services	Laboratory and Pathology Services	93.34%	8.67%-274.60%
Outpatient PT/OT/ST	PT	100.85%	75.03%-121.83%
Outpatient PT/OT/ST	OT	96.57%	75.03%-121.85%
Outpatient PT/OT/ST	ST	93.63%	34.24%-235.53%
Specialty Care Services	Specialty Care Services	81.09%	30.24%-104.69%
Early Intervention TCM	Early Intervention TCM	73.56%	68.91%-101.60%
TCM	Case Management	91.48%[10]	91.48%
TCM	Transition Coordination	122.54%	122.54%
Vision Services	Vision Services	81.12%	7.53%-451.60%
Physician Services	Allergy and Immunology	90.03%	2.85% - 115.73%
Physician Services	Cardiology	95.03%	14.45% - 572.22%
Physician Services	Dermatology	76.73%	16.70% - 119.99%
Physician Services	ED and Hospital E&M	90.88%	10.07% - 123.85%
Physician Services	ENT	86.77%	2.36% - 867.26%
Physician Services	Family Planning	113.86%	21.64% - 384.60%
Physician Services	Gastroenterology	91.21%	2.08% - 117.01%
Physician Services	Gynecology	83.32%	65.47% - 89.75%
Physician Services	Health Education	85.31%	74.10% - 87.12%
Physician Services	Medication Injections & Infusions	112.84%	24.39%-161.94%
Physician Services	Neuro/Psychological Testing Services	122.21%	54.42% - 425.99%

[9] The figures presented reflect the comparison to the State Plan, as recommended by the MPRRAC Committee.
[10] Due to the targeted rate increase for T2023+HI, which is the TCM monthly rate, the MPRRAC requested that the benchmark ratio and fiscal impact numbers be updated to reflect this rate.

Physician Services	Neurology	93.91%	0.29% - 367.04%
Physician Services	Primary Care E&M	87.26%	31.53% - 240.64%
Physician Services	Radiology	98.29%	3.58% - 667.47%
Physician Services	Respiratory	103.00%	27.26% - 391.89%
Physician Services	Sleep Study	123.65%	30.53% - 238.22%
Physician Services	Vaccines and Immunizations	95.12%	43.94% - 249.96%
Physician Services	Vascular	99.61%	68.25% - 205.54%

Table 4. Benchmark ratios and ranges.

Estimated expenditures were only compared for the subset of Cycle 1 - Year 3 services that are common between Colorado Medicaid and Medicare or other states. If no comparable rate could be found for a specific service offered in Colorado Medicaid, then the respective utilization and expense were excluded from the comparison results.

In the service-specific payment comparison sections of the narrative that follow, more detailed information can be found on the Benchmark portions of the rate comparison.

Dialysis and Dialysis-related Services

Medicare was used as the benchmark for all Facility dialysis services and the 23 of the 28 procedure codes of Non-Facility dialysis services. For the other 5 procedure codes, other state benchmarks were utilized. The other states benchmarks utilized in the analysis were Arizona, California, Michigan, Minnesota, Nebraska, Nevada, Oklahoma, and Oregon.

Services	Colorado Repriced	Benchmark Repriced	Colorado as a Percent of Benchmark	Estimated SFY 2023-24 Total Fiscal Impact if 100% of Benchmark
Facility	$10,904,568	13,459,656	81.02%	$2,555,088
Non-Facility	$1,359,519	1,590,196	85.49%	$230,677
Total Dialysis and Dialysis-related Services	**$12,264,087**	**$15,049,852**	**81.49%**	**$2,785,765**

Table 5. Dialysis and dialysis-related services statistics.

The rate comparison analysis for Dialysis claims performed in a facility assigns Medicare rates to the base utilization based on information available on the claim.

Dialysis treatment performed at Dialysis Centers is “bundled” into a single per diem facility payment that includes geographic adjustment based on the county where the dialysis facility is located.

The Health First Colorado Dialysis fee schedule, effective July 1, 2024, assigns a single rate per dialysis service that is split by geographic region, and prescribes which counties are categorized into the different regions. The per diem rate based on the county where the service was performed is applied to the paid units for these services to obtain a Colorado Repriced amount.

Medicare reimburses Dialysis facility claims using a Prospective Payment System (PPS). The Medicare PPS prices dialysis with a national base rate, currently at $271.02, and applies a number of adjustments to appropriately match payment to the service provided. Most of the adjustments

are included in the Medicare benchmark analysis based on the data available, namely Wage Index Adjustment, Rural Adjustment, Training Add-On, Home Dialysis, Age, and Comorbidity.

The states chosen as benchmarks for the rate comparison analysis have comparable dialysis benefit packages and covered populations to Colorado. Additionally, most of the benchmark states are geographically close to Colorado and share provider operating groups and networks.

DIDD

The American Dental Association (ADA) survey data provides national commercial average dental fees for over 200 commonly used dental procedure codes. We typically rely on ADA survey data as the benchmark for setting Colorado Medicaid DIDD rates. However, recent changes have limited access to this data. According to the ADA[11], "The ADA cannot quote fees for dental procedures and is forbidden by federal law to set or recommend fees. The Council on Dental Practice elected to discontinue the Survey of Dental Fees in 2023 and it has been removed for download, due to a change in law eliminating safe harbor disclosure. Posting such information, therefore, is now legally problematic."

To ensure legal compliance and promote transparency, three alternative benchmarking strategies were employed. The first relied on the regular Colorado Medicaid dental State Plan, as recommended by the MPRRAC committee. The second utilized the 2022 ADA survey data, with appropriate trend adjustments, to project 2025 rates. The third drew upon benchmarks from other states with established enhanced Medicaid dental programs for individuals with intellectual and developmental disabilities (IDD).

For this review, DentaQuest provided DIDD claim data for SFY 2021-22, SFY 2022-23, and SFY 2023-24. Since the SFY 2023-24 data only includes the first eight months, we projected the full year by examining how claims typically trend. Specifically, we compared the first eight months to the full year for SFY 2021-22 and SFY 2022-23 and calculated the average ratio. This average was then applied to the SFY 2023-24 eight-month data to estimate the full 12-month totals. All figures presented in this Appendix for SFY 2023-24 will reflect these projected full-year estimates unless otherwise noted.

Strategy	Colorado Repriced	Benchmark Repriced	Colorado as a Percent of Benchmark	Estimated SFY 2023-24 Total Fiscal Impact if 100% of Benchmark
DIDD vs. Regular Colorado Medicaid Dental State Plan	$5,075,033	$3,874,071	131.00%	-$1,200,962
DIDD vs. ADA Projected Rate	$5,087,087	$6,814,427	74.65%	$1,727,340
DIDD vs. Benchmark States	$4,032,356	$2,274,902	177.25%	-$1,757,454

[11] Please refer to the ADA website for more details: https://www.ada.org/resources/research/health-policy-institute/dental-care-market

Table 6. DIDD services statistics.

DIDD includes 444 codes, of which 24 are manually priced and three are assigned a rate of $0. These 27 codes were excluded from the rate comparison analysis under all three benchmarking strategies,with the remaining 417 codes included in the comparison analysis.

Regular Colorado Medicaid Dental State Plan

Of the 417 codes analyzed, 181 have rates exceeding those in the State Plan, while 15 have lower rates. The remaining 221 codes are not covered under the State Plan and were therefore excluded from the comparison.

Projected ADA 2025 Rates

Of the 417 codes analyzed, rates for 191 were compared with ADA data. The remaining 226 codes were not included in the ADA survey and were therefore excluded.

Benchmark States

After investigating all 50 states in the US, the following 5 benchmark states were chosen as benchmark states for the rate comparison analysis: Louisiana, Nevada, New York, Oklahoma, and South Carolina. These states either have separate Dental Fee Schedules, or additional coverage, or enhanced reimbursement rates for IDD population.

Of the 417 codes analyzed, rates for 100 were compared against benchmark states. The remaining 317 codes lacked valid benchmark state rates and were therefore excluded.

Durable Medical Equipment (DME)

Medicare was used as the benchmark for 599 of the 933 procedure codes analyzed, for the other 334 codes other state benchmarks were utilized. The other states benchmarks utilized in the analysis were Arizona, California, Nebraska, Oklahoma, Oregon, and Wyoming. 89 procedure codes were excluded from the benchmarking analysis due to not having an effective Colorado Medicaid rate and another 119 procedure codes were excluded due to having no available benchmarks.

Services	Colorado Repriced	Benchmark Repriced	Colorado as a Percent of Benchmark	Estimated SFY 2023-24 Total Fiscal Impact if 100% of Benchmark
Durable Medical Equipment	**$73,936,431**	**$80,619,213**	**91.71%**	**$6,682,782**

Table 7. Durable medical equipment service statistics.

For DME rates where a separate rural and urban (non-rural) rate existed, these were analyzed as two separate rates. Urban rates from the Colorado fee schedule were benchmarked to the urban rates of the Medicare fee schedule as well as the urban rates posted on the fee schedules of the benchmark states. The same respective process was done for the rural rates. For services where there was not a different listed rate, the rate on the Colorado fee schedule was considered as a statewide rate which would be compared to the statewide rate of the benchmark or the average of the benchmark rural and urban rates where applicable.

The states chosen as benchmarks for the rate comparison analysis collectively cover many of the same DME services. Additionally, most of the benchmark states are geographically close to Colorado and share provider operating groups and networks. The ability to review rate differentials between geographics is beneficial for reviewing DME rates. Hence, some of the states have higher amounts of covered populations in rural areas, providing a rural and urban split for reimbursement that is similar to the rural and urban split in Colorado.

Prosthetics, Orthotics, and Disposable Supplies

Medicare was used as the benchmark for 1,341 of the 1,533 procedure codes analyzed, for the other 118 codes other state benchmarks were utilized. The other states benchmarks utilized in the analysis were Arizona, California, Louisiana, Nebraska, Nevada, Ohio, Oklahoma, Oregon, Texas, and Wyoming. 68 procedure codes were excluded from the benchmarking analysis due to not having an effective Colorado Medicaid rate and another 50 procedure codes were excluded due to having no available benchmarks.

Services	Colorado Repriced	Benchmark Repriced	Colorado as a Percent of Benchmark	Estimated SFY 2023-24 Total Fiscal Impact if 100% of Benchmark
Prosthetics	$7,009,735	$9,463,047	74.07%	$2,453,312
Orthotics	$13,302,280	$16,091,959	82.66%	$2,789,679
Enteral Formula	$28,938,451	$20,448,060	141.52%	-$8,490,391
Other and Disposable Supplies	$67,302,598	$70,294,558	95.74%	$2,991,960
Total Prosthetics, Orthotics, and Disposable Supplies	**$116,553,064**	**$116,297,624**	**100.22%**	**-$255,440**

Table 8. Prosthetics, orthotics and disposable supplies service statistics.

The states chosen as benchmarks for the rate comparison analysis collectively cover many of the same Prosthetics, Orthotics, and Disposable Supplies services. Additionally, most of the benchmark states are geographically close to Colorado and share provider operating groups and networks. The ability to review rate differentials between geographics is beneficial for reviewing prosthetics, orthotics, and disposable supplies rates. Hence, some of the states have higher amounts of covered populations in rural areas, providing a rural and urban split for reimbursement that is similar to the rural and urban split in Colorado. This service category contains over one hundred unique procedure codes not covered by Medicare; hence, ten states are used for benchmarking to allow for a more complete analysis of the category.

Laboratory and Pathology Services

Medicare was used as the benchmark for 1,521 of the 1,556 procedure codes analyzed, for the other 35 codes other state benchmarks were utilized. The other states benchmarks utilized in the analysis were Arizona, California, Nebraska, Nevada, Oklahoma, Oregon, and Utah. 2 procedure codes were excluded from the benchmarking analysis due to not having an effective Colorado

Medicaid rate and another 8 procedure codes were excluded due to having no available benchmarks.

Services	Colorado Repriced	Benchmark Repriced	Colorado as a Percent of Benchmark	Estimated SFY 2023-24 Total Fiscal Impact if 100% of Benchmark
Laboratory and Pathology Services	**$159,181,669**	**$170,536,743**	**93.34%**	**$11,355,074**

Table 9. Laboratory and pathology service statistics.

The states chosen as benchmarks for the rate comparison analysis have comparable dialysis benefit packages and covered populations to Colorado. Additionally, most of the benchmark states are geographically close to Colorado and share provider operating groups and networks. These states were also identified to be appropriate benchmarks in previous years of the rate review process and since have not significantly altered their payment levels or Medicaid program reimbursement policies.

Outpatient PT/OT/ST

Medicare was used as the benchmark for 102 of the 126 procedure codes analyzed, for the other 21 codes other state benchmarks were utilized. The other states benchmarks utilized in the analysis were Arizona, California, Maine, Michigan, Minnesota, North Dakota, Oregon, and South Carolina. 3 procedure code was excluded from the benchmarking analysis due to having no available benchmarks.

Services	Colorado Repriced	Benchmark Repriced	Colorado as a Percent of Benchmark	Estimated SFY 2023-24 Total Fiscal Impact if 100% of Benchmark
Physical Therapy (PT)	$40,795,510	$40,450,673	100.85%	-$344,837
Occupational Therapy (OT)	$34,539,705	$35,766,928	96.57%	$1,227,222
Speech Therapy (ST)	$27,150,581	$28,996,298	93.63%	$1,845,717
Total Outpatient PT/OT/ST	**$102,485,796**	**$105,213,899**	**97.41%**	**$2,728,103**

Table 10. Outpatient PT/OT/ST service statistics.

The states chosen as benchmarks for the rate comparison analysis have comparable dialysis benefit packages and covered populations to Colorado. Additionally, most of the benchmark states are geographically close to Colorado and share provider operating groups and networks. These states were also identified to be appropriate benchmarks in previous years of the rate review process and since have not significantly altered their payment levels or Medicaid program reimbursement policies.

Specialty Care Services

Other states were used as the benchmark for all skin substitute rates analyzed. The other states benchmarks utilized in the analysis were Arkansas, Georgia, Illinois, Maine, Nevada, New Mexico, Oklahoma, Oregon, and Washington. Medicare was used as a benchmark for the 2 eConsult codes;

however, a rate-only comparison was performed for these codes because a full year of valid utilization data was not available for the review, as eConsult was a benefit as of February 1, 2024.

Services	Colorado Repriced	Benchmark Repriced	Colorado as a Percent of Benchmark	Estimated SFY 2023-24 Total Fiscal Impact if 100% of Benchmark
Specialty Care Services	**$45,409**	**$55,997**	**81.09%**	**$10,588**

Table 11. Specialty care services statistics.

The states chosen as benchmarks for the rate comparison analysis use a FFS model to cover skin substitutes. The service definitions and program requirements for these skin substitute codes are comparable to those covered by Health First Colorado.

Early Intervention TCM

Other states were used as the benchmark for all procedure codes analyzed. The other states benchmarks utilized in the analysis were Louisiana, Maine, Missouri, and North Carolina.

Services	Colorado Repriced	Benchmark Repriced	Colorado as a Percent of Benchmark	Estimated SFY 2023-24 Total Fiscal Impact if 100% of Benchmark
Early Intervention TCM	**$5,111,573**	**$6,948,604**	**73.56%**	**$1,837,031**

Table 12. Early intervention TCM services statistics.

A comprehensive analysis was conducted to identify appropriate state comparisons for Early Intervention services. This involved reviewing provider billing manuals and service descriptions from multiple states. Based on this research, Louisiana, Maine, Missouri, and North Carolina were identified as having comparable rates for Colorado's T1017+TL service. T1026+TL, which is an intensive, hourly service incorporating multidisciplinary care for children with complex needs, Missouri and North Carolina had comparable rates.

TCM

All analyzed procedure codes utilize other states for the benchmark. The other states benchmarks utilized in the analysis were Idaho, Louisiana, Maine, Minnesota, Missouri, Montana, Massachusetts, North Dakota, and South Dakota. 3 procedure codes were excluded from the benchmarking analysis due to having no available benchmarks.

Services	Colorado Repriced	Benchmark Repriced	Colorado as a Percent of Benchmark	Estimated SFY 2023-24 Total Fiscal Impact if 100% of Benchmark
Case Management July 2024 Rate	$51,621,578	$59,167,102	87.25%	$7,545,524
Case Management July 2025 Rate	$54,128,215	$59,167,102	91.48%	$5,038,887
Transition Coordination	$4,765,822	$3,889,268	122.54%	-$876,554
Total TCM	**$56,387,400**	**$63,056,370**	**89.42%**	**$6,668,970**

Table 13. TCM services statistics.The rate for T2023 HI received a targeted increase effective July 1, 2025. Because of this increase, the MPRRAC requested to see the benchmark ratio and fiscal impact based on the new rate.

Case Management services support members eligible for Colorado's HCBS waiver programs. Montana and Massachusetts offer monthly codes with descriptions that align with Colorado's T2023+HI code, covering multiple waiver beneficiaries. Similarly, Maine's 15-minute rate applies to multiple waiver groups. To facilitate comparison, Maine's rate was converted to a monthly equivalent using an assumption from HCPF of 2.13 hours per month. Louisiana's service description closely aligns with Colorado's but combines Case Management and Monitoring into a single rate. To ensure an appropriate comparison, Optumas separated Louisiana's rate based on the distribution of Colorado's Case Management and Monitoring rates.

Transition Coordination supports members transitioning from institutional settings to community-based care. In Colorado, these services are funded through the Money Follows the Person (MFP) Grant. To identify appropriate comparisons, Optumas analyzed states offering similar services under MFP funding. Based on this research, Idaho, Minnesota, Missouri, North Dakota, and South Dakota were identified as suitable benchmarks for Colorado's Transition Coordination services.

Vision Services

Medicare was used as the benchmark for 178 of the 205 procedure codes analyzed, for the other 23 codes other state benchmarks were utilized. The other states benchmarks utilized in the analysis were Arizona, California, Louisiana, Nevada, Oklahoma, Nebraska, Oregon, Utah, and New Mexico. 4 procedure codes were excluded from the benchmarking analysis due to having no available benchmarks.

Services	Colorado Repriced	Benchmark Repriced	Colorado as a Percent of Benchmark	Estimated SFY 2023-24 Total Fiscal Impact if 100% of Benchmark
Vision Services	**$115,875,903**	**$142,837,407**	**81.12%**	**$26,961,504**

Table 14. Vision services statistics.

The states chosen as benchmarks for the rate comparison analysis have comparable dialysis benefit packages and covered populations to Colorado. Additionally, most of the benchmark states are geographically close to Colorado and share provider operating groups and networks. These states were also identified to be appropriate benchmarks in previous years of the rate review process and since have not significantly altered their payment levels or Medicaid program reimbursement policies.

Physician Services

Medicare was used as the benchmark for 2,809 of the 3,141 procedure code and modifier combinations analyzed, for the other 332 combinations other state benchmarks were utilized. The other states benchmarks utilized in the analysis were Arizona, Nebraska, Nevada, Oklahoma, Oregon, and Utah. Six combinations were excluded from the benchmarking analysis due to not

having an effective Colorado Medicaid rate and another 133 combinations were excluded due to having no available benchmarks.

Within the Physician Services category, the ED and Hospital E&M and Primary Care E&M subcategories account for 75% of Colorado's repriced dollars. Together, these two subcategories represent more than 100% of the net positive estimated fiscal impact for SFY 2023–24, as five other subcategories—Family Planning, Medication Injections & Infusions, Neuro/Psychological Testing Services, Respiratory, and Sleep Study—produced negative offsets. For these five subcategories, repricing to the recommended rates results in decreases relative to the existing Colorado FFS rates.

Overall, physician services in Colorado are reimbursed at about 91% of the benchmark level. Out of the 18 subcategories under this service group, one subcategory (Dermatology) has a benchmark ratio below 80%, while five subcategories (Respiratory, Medication Injections & Infusions, Family Planning, Neuro/Psychological Testing Services, and Sleep Study) exceed 100% of the benchmark ratio.

Services	Colorado Repriced	Benchmark Repriced	Colorado as a Percent of Benchmark	Estimated SFY 2023-24 Total Fiscal Impact if 100% of Benchmark
Allergy and Immunology	$4,573,865	$5,080,181	90.03%	$506,316
Cardiology	$7,586,984	$7,983,635	95.03%	$396,651
Dermatology	$1,117,698	$1,456,605	76.73%	$338,907
ED and Hospital E&M	$172,992,583	$190,465,436	90.88%	$17,472,853
ENT	$2,498,640	$2,879,756	86.77%	$381,116
Family Planning	$8,132,832	$7,142,821	113.86%	-$990,011
Gastroenterology	$202,599	$222,125	91.21%	$19,526
Gynecology	$1,049,434	$1,259,488	83.32%	$210,054
Health Education	$172,629	$202,356	85.31%	$29,727
Medication Injections & Infusions	$2,898,719	$2,568,867	112.84%	-$329,852
Neuro/Psychological Testing Services	$15,248,262	$12,476,717	122.21%	-$2,771,545
Neurology	$5,093,482	$5,423,652	93.91%	$330,170
Primary Care E&M	$286,827,928	$328,723,440	87.26%	$41,895,512
Radiology	$66,926,268	$68,091,796	98.29%	$1,165,528
Respiratory	$1,145,246	$1,111,929	103.00%	-$33,317
Sleep Study	$3,540,026	$2,862,835	123.65%	-$677,191
Vaccines and Immunizations	$23,640,025	$24,852,249	95.12%	$1,212,224
Vascular	$3,558,628	$3,572,572	99.61%	$13,944
Total Physician Services	**$607,205,847**	**$666,376,460**	**91.12%**	**$59,170,613**

Table 15. Physician services statistics.

The states chosen as benchmarks for the rate comparison analysis have comparable benefit packages and covered populations to Colorado. Additionally, all of the benchmark states are

geographically close to Colorado. With some of the physician service subcategories, the primary providers are specialists and the other state benchmarks share similar economic and healthcare delivery characteristics with Colorado, including rural and frontier areas where physician access is a challenge. Many of the regions around Colorado tend to have lower physician-to-population ratios, making them relevant for assessing whether reimbursement rates impact workforce availability.