



COLORADO

Department of Health Care
Policy & Financing

Appendix D: Benchmark State Selection Rationale for 2025 MPRRAC Review

1. Dialysis and Dialysis-related Services

Benchmark states: Arizona, California, Michigan, Minnesota, Nebraska, Nevada, Oklahoma, and Oregon

Rational: 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.

2. Dental DIDD

2.1 ADA adjusted data

Rational: The American Dental Association (ADA) survey data provides national average dental fees for over 200 commonly used dental procedure codes. In the 2023 Dental Review, ADA rates were used as the primary benchmarking source, and stakeholders have recommended continuing this approach for the current year. However, the ADA does not set or recommend fees for dental procedures, as federal law prohibits it from doing so. In 2023, the Council on Dental Practice decided to discontinue the Survey of Dental Fees. As a result, the projected ADA rates for 2025 were estimated by analyzing historical rate change patterns from 2013 to 2022 and applying these trends to the 2022 ADA survey data.

2.2 Benchmark state

Benchmark states: Louisiana, Nevada, New York, Oklahoma, and South Carolina

Rational: The states chosen as benchmarks for the rate comparison analysis either have separate Dental Fee Schedules, or additional coverage, or enhanced reimbursement rates for IDD population.

3. Durable Medical Equipment (DME)

Benchmark states: Arizona, California, Nebraska, Oklahoma, Oregon, and Wyoming

Rational: 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.

4. Prosthetics, Orthotics, and Disposable Supplies

Benchmark states: Arizona, California, Louisiana, Nebraska, Nevada, Ohio, Oklahoma, Oregon, Texas, and Wyoming

Rational: 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.

5. Laboratory and Pathology Services

Benchmark states: Arizona, California, Nebraska, Nevada, Oklahoma, Oregon, and Utah

Rational: The states chosen as benchmarks for the rate comparison analysis collectively cover many of the same Laboratory and Pathology services and have comparable 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.

6. Outpatient PT/OT/ST

Benchmark states: Arizona, California, Maine, Michigan, Minnesota, North Dakota, Oregon, and South Carolina

Rational: The states chosen as benchmarks for the rate comparison analysis have comparable benefit packages and covered populations to Colorado. Additionally, most of the benchmark states are geographically close to Colorado and compact agreements. 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.

7. Specialty Care Services

Benchmark states: Arkansas, Georgia, Illinois, Maine, Nevada, New Mexico, Oklahoma, Oregon, and Washington

Rational: These states were chosen because they use a fee-for-service 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.

8. Early Intervention TCM

Benchmark states: Louisiana, Maine, Missouri, and North Carolina

Rational: 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 services are assessments to determine the complexity of care required to meet the child's needs, Missouri and North Carolina have comparable rates.

9. Targeted Case Management Services

9.1 TCM - Case Management

Benchmark states: Louisiana, Maine, Montana, and Massachusetts

Rational: Case Management services support members eligible for Colorado's waiver programs. Montana was suggested by Alliance, an external provider group, Maine and Massachusetts were suggested by HCPF's internal SMEs, while Louisiana was suggested by the actuary company Optumas. Massachusetts and Montana have monthly rates. Maine uses a 15-minute rate that was converted to a monthly equivalent using an HCPF's assumption that providers on average provide 2.13 hours of services per member per month. Louisiana explicitly combines Case Management and Monitoring into a single monthly rate. To ensure an appropriate comparison, the actuary company Optumas separated Louisiana's rate based on the ratio of Colorado's Case Management and Monitoring rates.

9.2 TCM - Transition Coordination

Benchmark states: Minnesota, Missouri, and South Dakota

Rational: Transition Coordination exclusively supports members transitioning from a congregate setting to community-based setting. In contrast, other states that offer Transition Coordination services allow it to be used for members transition to and from a variety of living situations. In Colorado, these services were originally funded through the Money Follows the Person (MFP) Grant. To identify appropriate comparisons, the actuary company Optumas analyzed states that offer transition coordination originally funded using MFP grants. Based on this research, Idaho, Minnesota, Missouri, North Dakota, and South Dakota were identified. Additional feedback from HCPFs policy experts narrowed this list down to the three states, Missouri, Minnesota, and South Dakota.

10. Vision Services

Benchmark states: Arizona, California, Louisiana, Nevada, Oklahoma, Nebraska, Oregon, Utah, and New Mexico

Rational: Vision Services is a newly created service due to regrouping efforts after the March MPRRAC meeting, including all of the original “Physician Services - Ophthalmology” codes, majority of the original “Eyeglasses and Vision” codes, and four of the original “Physician Services - Other” codes. On top of that, during our communication with a provider, concerns about California’s rate being too low as a benchmark for original “Eyeglasses and Vision” codes were brought up. After careful and thorough research, we decided to add New Mexico to the benchmark state list only for original “Eyeglasses and Vision” codes as a balancing effort for California. The states chosen as benchmarks for the rate comparison analysis have comparable vision benefit packages and covered populations to Colorado. Additionally, most of the benchmark states are geographically close to Colorado. 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.

11. Physician Services

Benchmark states: Arizona, Nebraska, Nevada, Oklahoma, Oregon, and Utah

Rational: The states chosen as benchmarks for the rate comparison analysis have comparable physician 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 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.