



OPERATIONAL MEMO

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| TITLE: | WAGE PASS-THROUGH POST-PAYMENT REVIEWS |
| SUPERSEDES NUMBER: | N/A |
| EFFECTIVE DATE: | SEPTEMBER 1, 2021 |
| DIVISION AND OFFICE: | OPERATIONS AND ADMINISTRATION DIVISION, OFFICE OF COMMUNITY LIVING |
| PROGRAM AREA: | FINANCIAL COMPLIANCE UNIT |
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| APPROVED BY: COLIN LAUGHLIN | |

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Purpose and Audience:

The purpose of this Operational Memo is to inform Home and Community-Based Services (HCBS) providers and service agencies of the operational process to satisfy the Department of Health Care Policy & Financing (Department) statutory requirements to perform post-payment reviews for paid claims specific to the wage pass-through increases for Direct Support Professionals and Direct Care Workers for various waiver services.

Information:

Background:

Colorado Revised Statue (CRS) 25.5-4-301 provides the Department with guidance on post-payment reviews for providers and service agencies. The Department rules in 10 CCR 2505-10, Section 8.505 further specify provider and Department responsibilities involving Medicaid reimbursements for services.

CRS 25.5-4-301.2 authorizes the Department to recover overpayments and the Department may withhold subsequent payments to which the provider is or becomes entitled and apply the amount withheld as an offset.

CRS 25.5-4-301.3 defines the review procedures the Department follows to determine whether an overpayment has been made to the provider. Prior to requesting documentation from the provider, the Department will collect data and other documentation from its various sources. If the data needed for the review is unavailable from other resources, the provider will be contacted about the upcoming review and will have forty-five days to gather the documentation. The provider will have informal reconsideration and appeal rights per Department rule 10 CCR 2505-10, Section 8.050 for these reviews.

CRS 25.5-6-406 ([House Bill 18-1407](#)), CRS 25.5-6-1602, and CRS 25.5-6-1603 ([Senate Bill 19-238](#)) along with the Department rules in 10 CCR 2505-10, Section 8.505 further specify provider and Department responsibilities involving Medicaid reimbursements for services.

Direct Support Professional means a worker who assists a person with intellectual and developmental disabilities to lead a fulfilling life in the community through a diverse range of HCBS waiver services or any Home Care Agency employee who provides personal care services, homemaker services, or in-home support services to long-term service and supports consumers.

Direct Care Workers are paid frontline workers who provide hands-on care, services, and support to older adults and individuals with disabilities across the long-term services and supports continuum, from home and community-based settings to skilled nursing facilities.

Information/Procedure:

HCBS providers and service agencies impacted by the wage pass through bills (HB 18-1407 and SB 19-238) are subject to these reviews.

The Financial Compliance Unit (FCU) within the Office of Community Living performs these post-payment reviews. The FCU team utilizes the [HCPF Wage Pass Through@state.co.us](mailto:HCPF_Wage_Pass_Through@state.co.us) email box for various communications.

Individual service location Medicaid billing numbers for the HCBS providers and service agencies will receive a notification letter regarding an upcoming post-payment review and a request for supporting documentation. Notification letters will be sent via email to the service location contact associated with the individual Medicaid billing provider

number. The provider or service agency contact must reply by the specified deadline. If the deadline is missed, the post-payment review will proceed per statute to recover the increased funds paid to the provider or service agency during the review period. All requested documents shall be submitted via encrypted email or uploaded to a secure site, as outlined in the letter's instructions.

The FCU will generate various communications throughout the review with instructions and deadlines. The provider or service agency contact may provide a point of contact to the FCU team to assist with the review. The provider or service agency contact, or designee, shall notify the FCU team in writing if a deadline will not be met and why. An extension may or may not be granted by the FCU team.

The review results may require payment to the Department. A final review letter with instructions will be sent to the provider or service agency contact, or its designee, via email. If no informal reconsideration and/or appeal are filed by the specified deadlines and no payment is received by the FCU team, the Department will recoup the funds from future provider payments as indicated on the final letter or informal reconsideration response letter.

Attachment(s):

None

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