



# Rate Review Process – Cycle One Historical Data

*Fact Sheet February 2020*

## Services Reviewed Previously

The following services under review in Year Five of the Rate Review Process are being reviewed for their second cycle:

- Home Health, reviewed in Year One;
- Private Duty Nursing, reviewed in Year One;
- Speech Therapy, reviewed in Year Two under Physician Services;
- Physical and Occupational Therapy, reviewed in Year Three;

## Home Health 2016 Summary

Home Health Services Statistics	
Total Adjusted Expenditures – FY 2014-15	\$248,817,646
Total Members Utilizing Services – FY 2014-15	30,516
Year-over-Year change in Members Utilizing Services – June of 2015 Over July of 2013	1.30%
Total Rendering Providers – FY 2014-15	390
Year over Year Change in Providers Rendering Services – June 2015 Over July of 2013	1.03%

Colorado Medicaid as a Percent of Other States' Expenditures - 2016						
State	NE	IL	NC	ID	OH	LA
Home Health Rate Benchmark Comparison	72.49%	108.58%	109.78%	114.50%	154.41%	197.11%



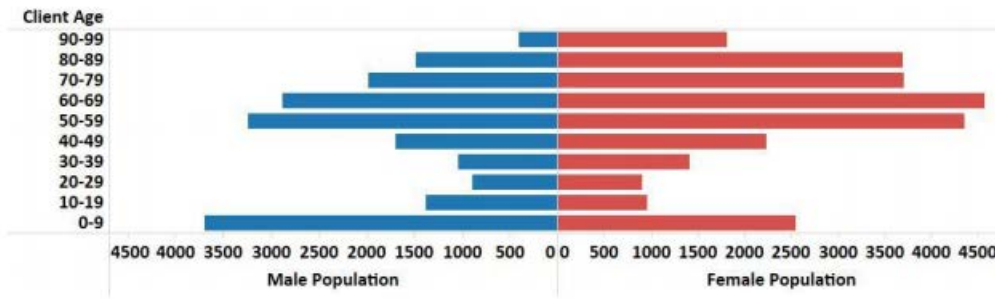


Figure 1 – Members who utilized home health services age-gender pyramid in FY 2014-15.

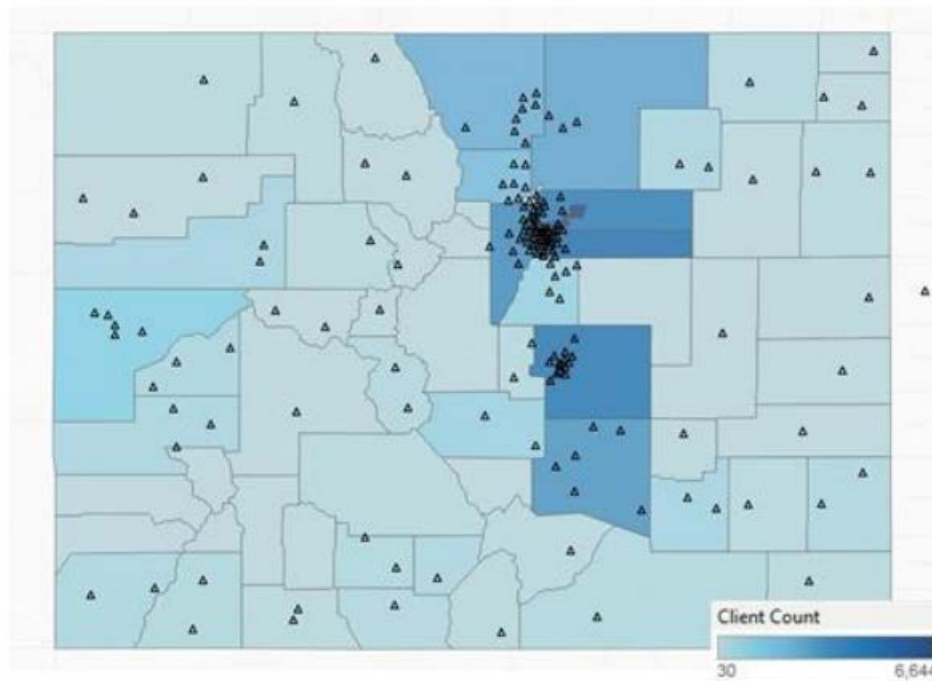


Figure 2 – Home health service utilizer density map and provider billing location in FY 2014-15.

### 2016 Home Health Analysis Conclusion

Claims data shows increases in the number of active home health agencies, the number of clients receiving both long-term and acute home health services and the percent of authorized long-term home health services utilized.

While there is not clear evidence that utilization levels were optimal, there is evidence that rates, in aggregate, were sufficient to allow for provider retention and that rates supported growth in utilization of services. Provider supply appears to have been sufficient to accommodate increases in utilization.



### 2016 Home Health Recommendations

The Department does not recommend a change to home health service rates. This recommendation is based on the results of the 2016 Analysis Report.

The Department plans to investigate:

- other state Medicaid home health programs with unit-based payments;
- if any state Medicaid home health programs changed from visit-based to unit-based payments and if they observed changes in provider retention and client utilization; and
- the systematic and operational changes such a switch might require.

### Home Health Recommendation Status and other Home Health Updates

The Department is working to implement Electronic Visit Verification (EVV) pursuant to the 21<sup>st</sup> Century Cures Act mandate. EVV was implemented January 1, 2020. The Department will use data acquired through EVV to inform the recommended assessment of a visit-based payment methodology.

Home Health services received a 1% across-the-board (ATB) rate increase in July 2017, July 2018, and July 2019.

In 2017:

- Home Health RN rates and Home Health Occupational Therapy rates received a targeted rate increase (TRI) of 6.02%; and
- Home Health Physical Therapy and Home Health Speech Therapy rates received a TRI of 6.01%.

### Private Duty Nursing (PDN) 2016 Summary

PDN Services Statistics	
Total Adjusted Expenditures – FY 2014-15	\$63,835,660
Total Members Utilizing Services – FY 2014-15	614
Year-over-Year change in Members Utilizing Services – June of 2015 Over July of 2013	1.04%
Total Rendering Providers – FY 2014-15	29
Year-over-Year Change in Providers Rendering Services – June of 2015 Over July 2013	1.56%

Colorado Medicaid as a Percent of Other States’ Expenditures - 2016						
State	NE	IL	NC	ID	OH	LA
PDN Rate Benchmark Comparison	112.38%	141.76%	111.77%	144.69%	125.72%	135.48%



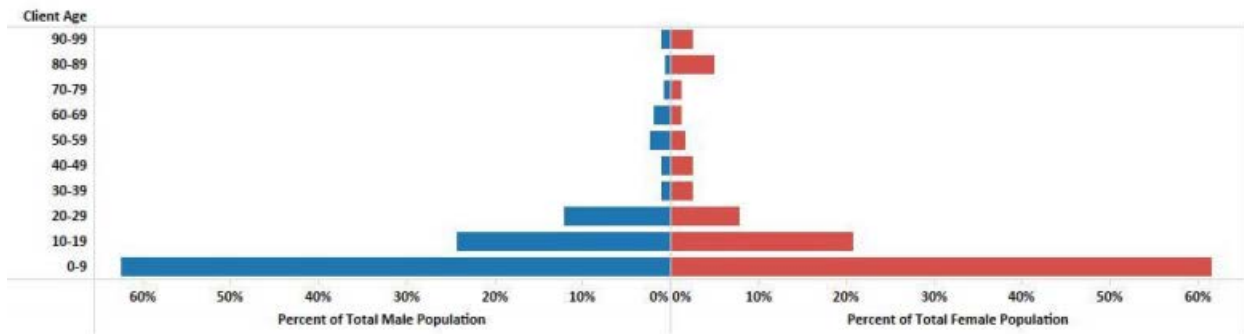


Figure 3 – Members who utilized PDN services age-gender population pyramid in FY 2014-15.

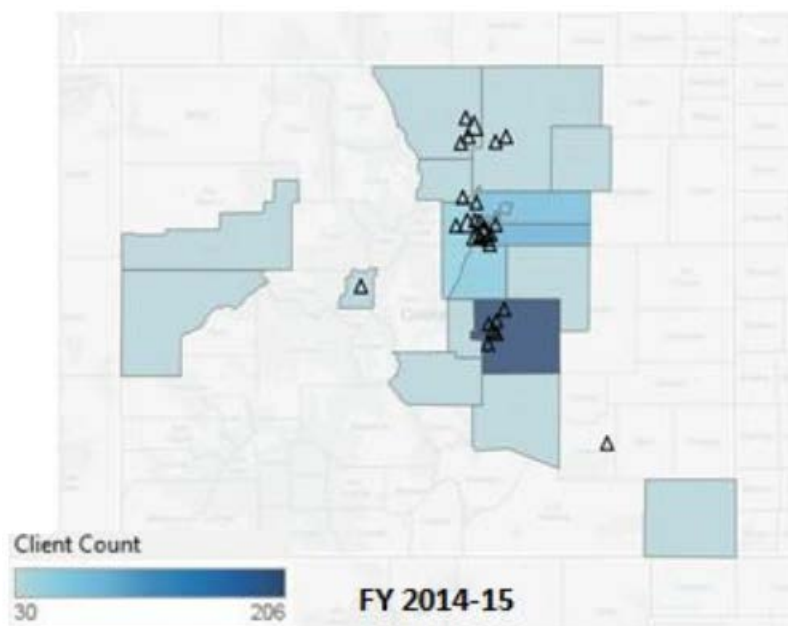


Figure 4 – PDN service utilizer density map and provider billing location in FY 2014-15.

### 2016 PDN Analysis Conclusion

Claims data shows an increase in the number of clients who utilized PDN services, as well as an increase in the percent of authorized services utilized between FY 2013-14 and FY 2014-15.

While there is not clear evidence that 2015 utilization levels were optimal, there is evidence that rates were sufficient to allow for provider retention and that rates supported growth in utilization of services.

The results of the benchmark analysis and continued growth in PDN service utilization leads the Department to conclude that provider retention and client access concerns expressed by stakeholders may be attributed to other causes, such as statewide nursing shortages and home health agency operational differences.



### 2016 PDN Recommendations

The Department does not recommend a change to current PDN rates. This is informed by the results of the 2016 Analysis Report.

Regarding the investigation of LPN wage information from hospitals and long-term acute care facilities (LTACs), the Department plans to:

- survey several hospitals and long-term acute care facilities; and
- reach out to other state Medicaid agencies that increased their LPN rates for PDN services, to see if their data shows evidence of an LPN and RN substitution effect.

In addition to gathering LPN wage information, the Department will also attempt to gather information pertaining to the differences in client populations, facility costs, and types of services provided within facility vs home settings. This will help the Department determine if comparing LPN wages for facility and home settings is appropriate.

### PDN Recommendation Status and other PDN Updates

Department staff have concluded that LPN wage information from other settings (i.e. hospitals and LTACs) would not be an accurate comparison due to the differences in job duties, among other factors.

PDN services received a 1% ATB rate increase in July 2017, July 2018, and July 2019. In 2017, PDN LPN rates also received a TRI of 7.24%.

### Speech Therapy 2017 Summary

Speech Therapy Services Statistics	
Total Adjusted Expenditures – FY 2015-16	\$21,376,810
Total Members Utilizing Services – FY 2015-16	25,382
Year-over-Year change in Members Utilizing Services – June 2016 Over July 2015	0.85%
Total Rendering Providers – FY 2015-16	506
Year over Year Change in Providers Rendering Services – June 2016 Over July 2015	0.61%

Speech Therapy Rate Benchmark Comparison – FY 2015-16		
Colorado Medicaid Repriced	Benchmark Repriced	Rate Benchmark Comparison
\$21,780,736	\$30,704,503	70.94%



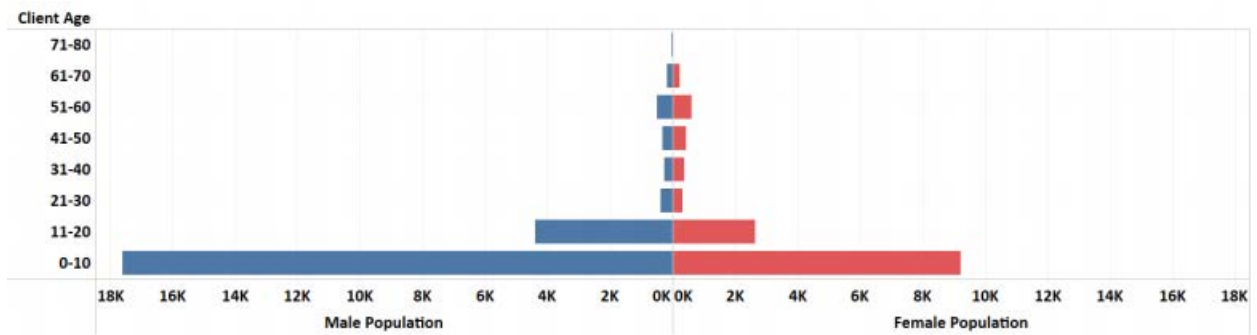


Figure 5 – Speech therapy members by age-gender population pyramid in FY 2014-15 and FY 2015-16.

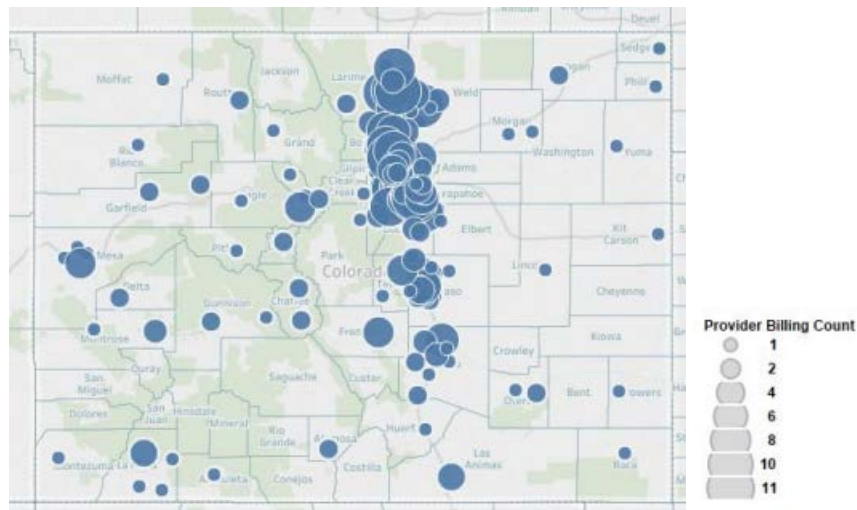


Figure 6 – Speech Therapy Provider Location Map with Billing Counts by Zip Code in FY 2015-16.

**2017 Speech Therapy Analysis Conclusion**

Access analysis results were inconclusive in determining whether speech therapy service payments at 70.94% of the benchmark were sufficient to allow for access to care and provider retention. Additional information is needed to determine if access issues exist, if they are unique to Medicaid, and if issues are attributable to rates.

**2017 Speech Therapy Recommendations**

The Department will examine individual services that were identified to be below 80% and above 100% of the benchmark to identify services that would benefit from an immediate rate change, as well as services for which a rate change is appropriate due to changes in medical technology.



### Speech Therapy Recommendation Status and other Speech Therapy Updates

Speech Therapy services received a 1% ATB increase in July 2017, July 2018, and July 2019.

## Physical and Occupational Therapy (PT/OT) 2018 Summary

PT/OT Therapy Services Statistics – CY 2016	
Total Adjusted Expenditures	\$31,137,894
Total Members Utilizing Services	30,597
Year-over-Year change in Members Utilizing Services	27.51%
Total Rendering Providers	1,536
Year over Year Change in Providers Rendering Services	20.85%

PT/OT Rate Benchmark Comparison – CY 2016		
Colorado Medicaid Repriced	Benchmark Repriced	Rate Benchmark Comparison
\$31,068,422	\$37,620,595	82.58%

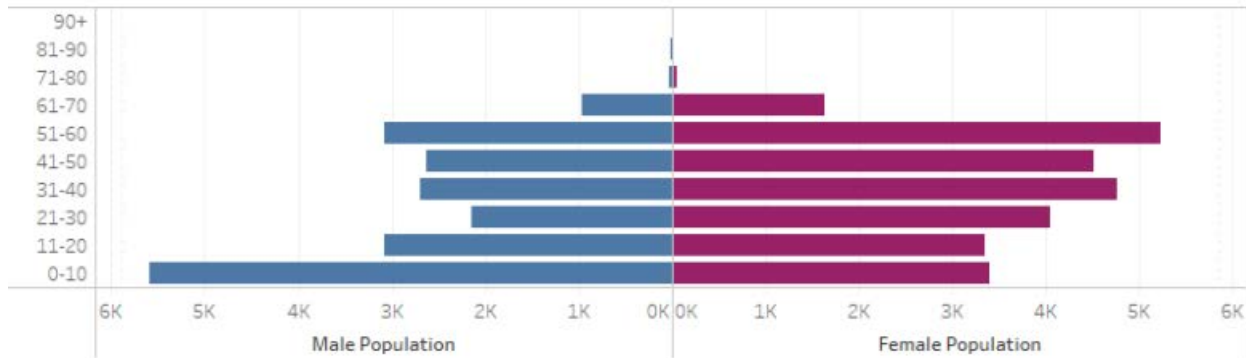


Figure 7 – PT/OT members by age-gender population pyramid in CY 2016.



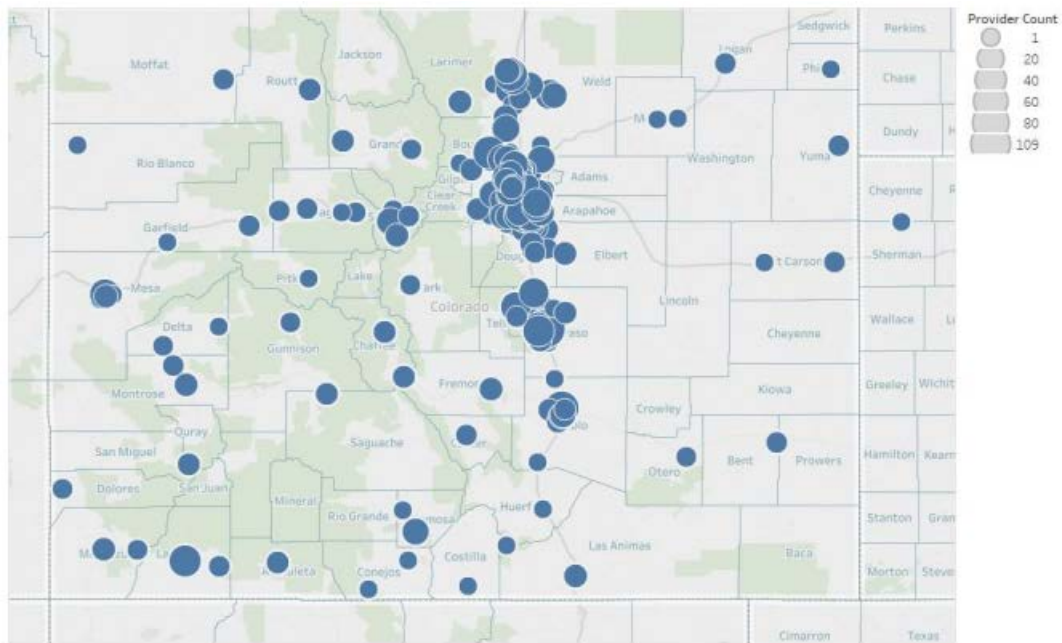


Figure 8 – PT/OT Provider Location Map with Billing Counts by Zip Code in CY 2016.

### 2018 PT/OT Analysis Conclusion

Analyses suggest that physical and occupational therapy service payments at 82.58% of the benchmark were sufficient to allow for client access and provider retention.

### 2018 PT/OT Recommendations

The Department will evaluate individual services that were identified to be below 80% and above 100% of the benchmark to identify services that would benefit from an immediate rate change.

### PT/OT Recommendation Status and other PT/OT Updates

The legislature approved a budget neutral rebalancing of rates that are below 80% and above 100% of the benchmark Medicare rates. The Department is implementing this rebalancing.

PT/OT services received a 1% ATB increase in July 2017, July 2018, and July 2019.

### For more information contact

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