



## **MINUTES OF THE MEDICAID PROVIDER RATE REVIEW ADVISORY COMMITTEE (MPRRAC)**

The Colorado Department of Health Care  
Policy and Financing  
303 East 17th Avenue, 7th Floor Conference Room

Friday, May 19, 2017  
9:00 AM – 12:00 PM

### **1. MPRRAC Members Present (in person or via phone)**

Rebecca Craig, Gigi Darricades, Rob DeHerrera, Tim Dienst, Jennifer Dunn, Lisa Foster, Dixie Melton, Gretchen McGinnis, Wilson Pace, Jeff Perkins, Tom Rose, Tia Sauceda, Arthur Schut, David Smart, Murray Willis, Jody Wright.

### **2. Agenda Review**

MPRRAC members approved meeting minutes from March 17, 2017. Tom Rose and Lisa Foster, MPRAAC Chair and Vice Chair, reviewed the agenda.

### **3. MPRRAC Workgroup Purpose and Objectives**

MPRRAC members noted that there was some confusion regarding the purpose of the workgroups throughout the year. For example, workgroups may have started working on recommendations a bit too early, instead of focusing on the data. Committee members requested more structure and clarification for workgroups in year three of the rate review process.

Gretchen Hammer, Medicaid Director, suggested that the Department could propose a calendar to the MPRRAC and get feedback, with regards to the purpose of each meeting and the types of workgroup meetings that may happen.

Tom Rose outlined four objectives for the workgroups to achieve over the summer:

- Review the data presented in the 2017 Medicaid Provider Rate Review Analysis Report;
- Determine priority discussion items for MPRRAC recommendation development;
- Identify questions or discrepancies that require further discussion; and
- Prepare for a workgroup member to present observations to the larger MPRRAC during the July 21<sup>st</sup> MPRRAC meeting.

## 4. 2017 Analysis Report Discussion

Tom Rose began by stating that the purpose of this discussion was for the MPRRAC to review the report and ask the Department questions. He mentioned the discussion would be opened for stakeholder comment if time permits.

Gretchen Hammer, Medicaid Director, gave a summary of changes that impact Medicaid from the FY 2016-17 legislative session, including changes to: Home and Community Based Services (HCBS) waivers, primary care payments in the Accountable Care Collaborative, and conflict free case management. Gretchen also mentioned some of the targeted rate increases approved by the Joint Budget Committee. A summary of targeted rate increases can be found in the [July 2017 Provider Bulletin](#).

### Home and Community-Based Services (HCBS) Waivers

Areas of detailed discussion included:

Adult Day and Alternative Care Facilities – Tom Rose noted that the rate comparisons for this service showed that Colorado generally paid less. Gretchen Hammer added that in some of her travels throughout the state, she has heard from stakeholders that the rate for this service is too low to allow for innovation and high-quality care. Wilson Pace, an MPRRAC member, also noted there is a need to understand how minimum wage changes might impact rates such as this one, which may be more impacted by the minimum wage increases. Gretchen agreed and also stated that the state legislature has asked the Department to monitor this topic. Tom Rose and Tia Saucedo, an MPRRAC member, also discussed differences in adult day payments based on waiver. Tia said she has heard from stakeholders the same thing that stakeholders said at the last MPRRAC meeting – that there are not enough providers for the number of clients that would like to have access to adult day and alternative care facility services.

Comparator states – Tom Rose asked if, in the future, when selecting comparator states, the Department could dig deeper into differences in certification and regulation.

Non-medical transportation – Gretchen Hammer stated that there would be a targeted rate increase for these services (of 7.01%) effective July 1, 2017. Tia Saucedo highlighted the importance of NMT services for access to other HCBS Waiver services. Committee members stated that the recommendation report should note that the targeted rate increase for NMT services, which is not accounted for in the 2017 Analysis Report.

Homemaker and Personal Care – committee members stated that the data in the report is surprising, given the high number of stakeholder comments regarding potential access concerns. Lila Cummings, from the Department, reiterated that the HCBS Waiver report notes that the access analysis and rate comparison information tells us something, but it doesn't tell us everything. Committee members discussed that there is a need to do further investigation to understand why there are differences between what claims data and rate comparison data states

and stakeholder's experiences. Tom mentioned that the HCBS Waiver workgroup can work to identify a smaller list of outlier services for discussion during the next meeting.

### **Physician Services**

Jeff Perkins, an MPRRAC member, noted that generally, for all physician services and surgeries, recommendations could focus first on getting rates more internally consistent, then finding an appropriate and average benchmark to move towards. Committee members also stated that exceptions could be made for codes that have had targeted rate increases in the recent years.

Jody Wright, an MPRRAC member, also noted it is important to understand the costs associated with these services. Committee members commented that Medicare rates may be the best proxy for costs. Lila Cummings also noted that the Department's rate setting process attempts to understand costs.

Gretchen Hammer summarized that it appeared committee members were asking for a more formulaic justification for rates, and she mentioned that it was also important to consider the client perspective and client need moving forward.

Jenn Dunn, an MPRRAC member, noted that the access analysis provided some information, but not the entire picture. Lila Cummings agreed and commented that the Department hopes to get some more survey and quality data to incorporate into the access analysis for year three.

Committee members noted that, for cognitive capabilities assessments, most codes were compared to other state Medicaid rates, not Medicare, which was different than other physician services, where the majority of the codes were compared to Medicare rates. For gastroenterology services, committee members discussed that longer travel distances (for a client to a provider) might make sense because these services are more specialized and providers tend to be located in urban areas.

Jeff Perkins highlighted that, with regards to specialty services, it is very important to understand access to primary care (and, by proxy, evaluation and management services) as a gateway to accessing specialty services.

### **Surgery and Anesthesia**

Murray Willis, an MPRRAC member, commented that there appeared to be access to care issues for anesthesia services and that additional information, not found in the 2017 Analysis Report, would be helpful. He also noted that anesthesiologists are not able to limit the number of Medicaid clients they serve. Murray also reiterated that he does not believe Medicare is an appropriate comparison for rate benchmarking.

Jeff Perkins commented that it appeared anesthesia services received targeted rate increases in recent years, where other surgeries had not received a targeted rate increase, and wondered if

there was justification for anesthesia to receive another targeted rate increase ahead of surgeries. Murray Willis stated that other MPRRAC members in the Surgery and Anesthesia workgroup generally agreed that surgery and anesthesia rates should be increased. Lila Cummings noted that Murrays concerns were documented in the 2017 Analysis Report and that the Department chose to compare anesthesia service rates to Medicare rates.

Committee members also noted that, for some surgeries, particularly urgent issues, clients get the services they need and there may not be access concerns. They stated that some of their clients have experienced delays in receiving non-urgent services, particularly since Medicaid expansion.

Murray Willis said that it would be helpful to understand historical context for rate changes, such as payments to hospitals for childbirth services and targeted rate increases for certain Ambulatory Surgical Center services. Gretchen Hammer said she was unsure about the context for the first example, but that the Department's experience with the second example was that, after the targeted rate increase, ASC service utilization did increase, but hospital utilization did not decrease (it stayed the same).

Committee members discussed that the access analysis only provides information on regions relative to each other. Lila Cummings agreed and shared that, for many of these services, there are no common standards, so the relative comparisons are still valuable.

## 5. Meeting Adjourned