**TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL**

**FOR:** CENTERS FOR MEDICARE & MEDICAID SERVICES

**TO:** REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

**1. TRANSMITTAL NUMBER:** 10-025

**2. STATE:** COLORADO

**3. PROGRAM IDENTIFICATION:** TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

**4. PROPOSED EFFECTIVE DATE:** 7/1/10

**NEW STATE PLAN MATERIAL (Check One):**

- AMENDMENT TO BE CONSIDERED AS A NEW PLAN
- X AMENDMENT

**COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)**

**6. FEDERAL STATUTE/REGULATION CITATION:** 42 CFR 440.90

**7. FEDERAL BUDGET IMPACT:**
- a. FFY 2010 ($18,145)
- c. FFY 2011 ($66,947)

**8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT**

Attachment 4.19-B: Methods and Standards for Establishing Payment Rates – Other Types of Care –
8. Clinic Services (continued)

**9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (if Applicable)**

Attachment 4.19-B: Methods and Standards for Establishing Payment Rates – Other Types of Care –
9. Clinic Services (continued)
(TN 09-029)

**10. SUBJECT OF AMENDMENT**
Methods and standards for establishing payment rates for clinic services including ambulatory surgery centers, dialysis centers, public health agencies, and treatment services for pregnant women with substance use disorders. July 2010 Rate Changes.

**11. GOVERNOR’S REVIEW (Check One)**
- GOVERNOR’S OFFICE REPORTED NO COMMENT
- X OTHER, AS SPECIFIED

**GOVERNOR’S LETTER DATED 29 JULY 2009**

**12. SIGNATURE OF STATE AGENCY OFFICIAL**

**13. TYPED NAME**
Robert C. Douglas

**14. TITLE**
Legal Division Director

**15. DATE SUBMITTED**
9/30/10

**16. RETURN TO**
Colorado Department of Health Care Policy and Financing
1570 Grant Street
Denver, CO 80203-1818

**Attn:** David Smith

**17. DATE RECEIVED**
9/30/10

**18. DATE APPROVED**
10/14/10

**19. EFFECTIVE DATE OF APPROVED MATERIAL**
7/1/10

**20. SIGNATURE OF REGIONAL OFFICIAL**

**21. TYPED NAME**
Richard C. Allen

**22. REMARKS**

**23. REMARKS**
STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM
STATE OF COLORADO

Attachment 4.19-B

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES –
OTHER TYPES OF CARE

9. CLINIC SERVICES – Continued

Ambulatory Surgical Centers
Ambulatory Surgical Center (ASC) reimbursement for select surgical procedures shall be the lower of the following:

1. Submitted charges or
2. ASC fee schedule as determined by the Department of Health Care Policy and Financing under the ASC grouper payment system for nine ASC groupers.

Services and items at minimum that are included in the ASC reimbursement are:
1. Use of the facility where the surgical procedure is performed
2. Nursing, technician, and related services
3. Drugs, biologicals, surgical dressings, supplies, splints, casts, appliances, and equipment directly related to the provision of the surgical procedure
4. Diagnostic and therapeutic items and services directly related to the provision of the surgical procedure
5. Administrative, record-keeping, and housekeeping items and services
6. All blood products (whole blood, plasma, platelets, etc.)
7. Materials for anesthesia
8. Intra-ocular lenses
9. Supervision of the services of an anesthetist by the operating surgeon

Services and items that are not included in the ASC reimbursement rate and may be billed separately by the actual provider of the service include:
1. Physician services
2. Anesthetist services
3. Laboratory, radiology, or diagnostic procedures other than those directly related to performance of the surgical procedure
4. Surgically implanted prosthetics (except intra-ocular lenses)
5. Ambulance services
6. Artificial limbs
7. Durable medical equipment for use in the client’s home

Except as otherwise noted in the State Plan, state-developed fee schedule rates are the same for both governmental and private providers. Reimbursement rates for dates of service on or after July 1, 2010 for these services can be found on the official Web site of the Department of Health Care Policy and Financing at www.colorado.gov.hcpf.
9. CLINIC SERVICES – Continued

**Dialysis Centers**

Routine dialysis center services shall be reimbursed at the lower of the following:

1. Submitted charges;
2. Composite Medicare rate ceiling; or
3. The individual dialysis center’s Medicare facility rate.

Effective July 1, 2010, dialysis center reimbursement rates were reduced by 1 percent.

Routine dialysis center services are all items and services necessary for delivering dialysis including routinely provided drugs, laboratory tests, and supplies for dialysis-related services.

**Public Health Agencies**

Services provided by public health agencies shall be reimbursed at the lower of the following:

1. Submitted charges or
2. Fee schedule as determined by the Department of Health Care Policy and Financing.

Public health agencies are reimbursed for physician services, laboratory services, family planning services, services provided by non-physician practitioners, special programs, etc., using the same published methodologies for these services as described elsewhere in the State Plan.

**Treatment Services for Pregnant Women with Substance Use Disorders**

Treatment services for pregnant women with substance use disorders (Special Connections Program) shall be reimbursed at the lower of the following for dates of service on or after July 1, 2008:

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE**

9. CLINIC SERVICES – Continued

1. Submitted charges or
2. Market-based fee schedule as determined by the Department of Health Care Policy and Financing and the Department of Human Services’ Division of Behavioral Health
based on an analysis of private sector behavioral health care management corporation reimbursement rates and substance abuse treatment reimbursement rates of other states' public medical assistance programs.

Reimbursable treatment services for pregnant women with substance use disorders shall include the following:

1. Risk assessment where one unit of service equals one session
2. Individual counseling/therapy where one unit of service equals fifteen minutes
3. Group counseling/therapy where one unit of service equals fifteen minutes
4. Case management services where one unit of service equals fifteen minutes
5. Group health education/maintenance where one unit of service equals one hour
6. Residential services (excluding room and board) where one unit of service equals one day

Except as otherwise noted in the State Plan, state-developed fee schedule rates are the same for both governmental and private providers. Reimbursement rates for dates of service on or after July 1, 2008, for Special Connections Program services can be found on the official Web site of the Department of Health Care Policy and Financing at www.colorado.gov/hcpf.