

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION	1. TRANSMITTAL NUMBER: 09 - 017	2. STATE: CO
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE September 1, 2009	
5. TYPE OF PLAN MATERIAL (Check one): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS A NEW PLAN <input checked="" type="checkbox"/> AMENDMENT		
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (separate Transmittal for each amendment)		
6. FEDERAL STATUTE/REGULATION CITATION: 42 C.F.R. 447.371	7. FEDERAL BUDGET IMPACT: a. FFY_2009 Q4 \$ (195,775) b. FFY_2010 \$ (2,349,295) c. FFY_2011 \$ (2,787,030)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Pages I-A. Attachment 4.19-B	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (if applicable): Pages I-A. Attachment 4.19-B	
10. SUBJECT OF AMENDMENT: FQHC Reimbursement Methodology		
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER AS SPECIFIED Governor's letter dated 26 January 2009 <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		
12. SIGNATURE OF STATE AGENCY OFFICIAL:	16. RETURN TO: Colorado Department of Health Care Policy and Financing 1570 Grant Denver, Colorado 80203 Attn: Rachel Gibbons	
13. TYPED NAME: Sandeep Wadhwa, MD		
14. TITLE: Medicaid Director; Medical & Child Health Plan Plus Program Administration Office		
15. DATE SUBMITTED: 9/30/09		

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 9/30/09	18. DATE APPROVED: 11/30/09
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: 9/1/09	20. SIGNATURE OF REGIONAL OFFICIAL:
21. TYPED NAME: Richard C. Allen	22. TITLE: Associate Regional Administrator
23. REMARKS:	

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
1600 Broadway, Suite 700
Denver, CO 80202-4967



Region VIII

November 30, 2009

Joan Henneberry, Executive Director
Medical Assistance Office
Department of Health Care Policy and Financing
1570 Grant Street
Denver, CO 80203

RE: Colorado #09-017

Dear Ms. Henneberry:

This is your official notification that Colorado State Plan amendment 09-017 has been approved effective September 1, 2009. This State Plan amends Federally Qualified Health Centers Reimbursement Methodology.

If you have any questions concerning this amendment, please contact Diane Dunstan-Murphy at (303) 844-7040.

Sincerely,

/s/

Richard C. Allen
Associate Regional Administrator
Division for Medicaid & Children's Health Operations

cc: Sandeep Wadhwa, M.D.
Jennifer Evans

TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

ATTACHMENT 4.19-B

State of Colorado

Page I-A

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – FEDERALLY QUALIFIED HEALTH CENTER (FQHC) SERVICES

Effective September 1, 1990, the Colorado Medical Assistance Program shall reimburse Federally Qualified Health Centers (FQHCs) 100 percent of costs which are reasonable and related to the cost of providing FQHC and other ambulatory care services.

All FQHCs including hospital-affiliated and non-hospital-affiliated health centers are required to file annual cost reports. Audited cost data from these reports will be compiled for all participating FQHCs and will be used to set yearly FQHC reimbursement rates. The State will determine and assure that the payments are based upon, and cover, the reasonable costs of providing services to Medicaid beneficiaries.

Effective January 1, 2001, the payment methodologies for FQHCs will conform to section 702 of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act (BIPA) included in the Consolidated Appropriations Act of 2000, Public Law 106 - 554. The State will continue paying a per visit rate to each FQHC based on 100% of reasonable cost as the allowed alternative payment methodology, but reserves the right to conform to the BIPA 2000 requirements Prospective Payment System (PPS). The alternative payment methodology will be agreed to by the State and the FQHC, and will result in payment to the FQHC of an amount that is at least equal to the Prospective Payment System payment rate. The State will annually recalculate the clinic or center reasonable cost per visit for fiscal years 1999 and 2000 plus the Medicare Economic Index for primary care services to insure that the alternative rate is at least equal to or greater than the PPS rate.

Effective September 1, 2009, the encounter rate shall be the average of the Prospective Payment System rate and the alternative rate. If the PPS rate is higher than the alternative rate, the FQHC encounter rate shall be the PPS rate.

In the case of any FQHC that contracts with a managed care organization, supplemental payments will be made pursuant to a payment schedule agreed to by the State and the FQHC, but in no case less frequently than every 4 months, for the difference between the payment amounts paid by the managed care organization and the amount to which the center is entitled under the Prospective Payment System rate.

New free-standing FQHCs shall file a preliminary FQHC Cost Report with the Department. Data from the preliminary report shall be used to set a reimbursement rate for the first year. A base rate shall be calculated using the audited cost report showing actual data from the first fiscal year of operations as a FQHC. This shall be the FQHCs base rate until the next rebasing period.

TN No. 09-017
Supersedes
TN No. 01-003

Approval Date 11/30/09

Effective Date 09/01/09