Payment Delays

September 18, 2017

Sue Birch, MBA, BSN, RN
Executive Director
Colorado Department of Health Care Policy and Financing
1570 Grant Street
Denver, CO 80203-1818

Dear Director Birch:

Thank you for your September 6 response to Dr. Lozano's September 1 letter regarding issues related to the payment system conversion by HCPF and penalties and interest payments to physicians for denial of clean claims. I was installed over the weekend as the new CMS president and wanted to follow up with you on a few questions and to reinforce our commitment to partnering with HCPF in pursuit of our strategic goal to transform Medicaid into a high-performance delivery system.

The payment system conversion has caused practice disruption for many of our members and the patients they serve. We continue to hear from more member physicians regarding burdensome and costly steps that they are having to take in order to cope with payment problems associated with the conversion. Importantly, we are also hearing from more physicians that have exhausted their efforts and opted to just quit being Medicaid providers. Our concern here centers on system issues and previously unenforced billing requirements. Physicians are in need of additional information and we want our physician members to understand what the current situation is and the process to resolve these issues.

In the spirit of collaboration, we wish to recognize the following major points from your letter:

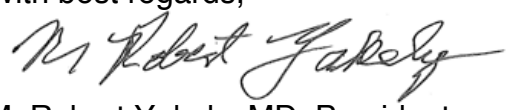
- We greatly appreciate your apology to physicians;
- We appreciate that you acknowledge the complexity and the impact that this system conversion is having on many physicians;
- We acknowledge that HCPF recognizes the agency's responsibility to provide timely reimbursement for properly submitted claims; and,
- We recognize that HCPF does not deny that interest is due to physicians.

Your letter also leaves a number of questions unanswered, including:

- The second paragraph notes that old billing rules are being enforced for the first time. Has the department compiled a list of these rules? It has become apparent that physicians cannot differentiate between system issues and previously unenforced billing requirements resulting in increased frustration and dissatisfaction with the program. Are there plans to alert providers about the rules that are being enforced for the first time?
- The third paragraph notes the department's responsibility to pay properly submitted claims. The current timely filing extension expires November 1, 2017. Will this be extended further? If yes, then what will the new date be?
- The fourth paragraph notes the escalation process for issues. While we recognize the importance of working through the vendor first to get issues resolved, how do physicians access the escalation process? Assuming that they have to work through the vendor first, when and how is a determination made to transition from the vendor to HCPF's white glove process? Are there situations when physicians would bypass the vendor and go straight to the department? Has the department clearly communicated this process and its requisite steps to providers?
- The fourth paragraph mentions interim payments. While some physicians may appreciate the interim payment, we have heard from others that they are reticent to avail themselves of these payments given the administrative complexities of reconciling them with future payments. Are interim payments being tracked? The availability of interim payments is not a proxy for timely payment.
- The fifth paragraph mentions the need to have authorization to spend taxpayer funds. Does the Joint Budget Committee have the authority to authorize interest payments that are aligned with state law? Are there other resources already allocated by the legislature, like the continuing funding authority, that could be used to respond to interest claims?
- The fifth paragraph notes the federal certification process. Is there a time certain date for a certification review by the Centers for Medicare and Medicaid services? If yes, what is that date? How does this certification process review relate to these ongoing system problems and their timeframe for resolution?
- The fifth paragraph argues that the process of identifying clean claims that were inappropriately denied and therefore may be eligible for interest payments would be time and resource intensive. Why would this be so burdensome? Wouldn't it be an automated process once the appropriate denial codes were identified? Aren't these codes already being flagged given efforts to date to resolve payment issues? I want to respectfully point out that while you may think that it is burdensome and inappropriate to pay interest penalties, our physician members are paying penalties in the form of loans to cover unpaid clean claims and extra staff time to work through systemic denials.

Thank you once again for the time and attention to these important matters. I look forward to learning more information and receiving answers to these questions.

With best regards,



M. Robert Yakely, MD, President
Colorado Medical Society

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cc: Honorable Donna Lynne, Lt. Governor, State of Colorado
Jeff Hinson, Regional Administrator, Centers for Medicare and Medicaid Services, Region VIII