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**State/Territory Name: Colorado**

**State Plan Amendment (SPA) #: 22-0034**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, MD 21244-1850



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**Financial Management Group**

November 21, 2022

Cristen Bates  
Interim Medicaid Director  
Colorado Department of Health Care  
Policy and Financing  
1570 Grant Street  
Denver, CO 80203-1818

Re: Colorado 22-0034

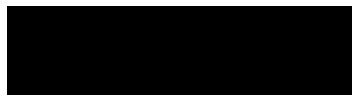
Dear Ms. Bates,

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 22-0034. Effective for services on or after July 1, 2022, this amendment updates the supplemental payment pool amounts for the Rural Family Medicine Residency Development Payment, Family Medicine Residency Program Payment, State University Teaching Hospital Payment, Pediatric Major Teaching Payment and the Urban Safety Net Provider Payment.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a) and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. We are pleased to inform you that Medicaid State plan amendment TN 22-0034 is approved effective July 1, 2022. The CMS-179 and the amended plan pages are attached.

If you have any questions, please contact Christine Storey at [Christine.storey@cms.hhs.gov](mailto:Christine.storey@cms.hhs.gov) or 303-844-7044.

Sincerely,



Rory Howe  
Director

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER  
2 2 — 0 0 3 4

2. STATE  
CO

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT  
 XIX  XXI

TO: CENTER DIRECTOR  
CENTERS FOR MEDICAID & CHIP SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
**July 1, 2022**

5. FEDERAL STATUTE/REGULATION CITATION  
**Social Security Act, Section 1902(a)(30)(A)**

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)  
a. FFY 2022 \$ 42,399  
b. FFY 2023 \$ 2,374,830

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  
**Attachment 4.19A—Methods and Standards Establishing Prospective Payment Rates-Inpatient Hospital Services, Pages 11a-c, 41-43**

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (if Applicable)  
**Attachment 4.19A—Methods and Standards Establishing Prospective Payment Rates-Inpatient Hospital Services, Pages 11a-c, 41-43 (TN 21-0019)**

9. SUBJECT OF AMENDMENT

**The Amendment revises the existing payment amounts for the Rural Family Medicine Residency Development Payment, the Family Medicine Residency Program Payment, the State University Teaching Hospital payments, Pediatric Major Teaching Payment, and the Urban Safety Net Provider Payment.**

10. GOVERNOR'S REVIEW (Check One)

- GOVERNOR'S OFFICE REPORTED NO COMMENT  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

**Governor's letter dated 14 July 2021**

11. SIGNATURE OF STATE AGENCY OFFICIAL  
Digitally signed by Bettina Schneider,  
2022.08.24 09:58:46 -06'00'

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

12. TYPED NAME  
**Bettina Schneider**

13. TITLE  
**Chief Financial Officer**

Attn: Amy Winterfeld

14. DATE SUBMITTED  
**08/24/2022**

**FOR CMS USE ONLY**

16. DATE RECEIVED  
**August 24, 2022**

17. DATE APPROVED  
**November 21, 2022**

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL  
**July 1, 2022**

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL  
**Rory Howe**

21. TITLE OF APPROVING OFFICIAL  
**Director, Financial Management Group**

22. REMARKS

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I. Family Medicine Program

Teaching Hospital Allocation: Effective October 1, 1994 hospitals shall qualify for additional payment when they meet the criteria for being a Teaching Hospital.

A hospital qualifies as a Teaching Hospital when it has a Family Medicine Program meeting the Medicaid inpatient utilization rate formula. These Family Medicine programs must be recognized by the Family Medicine Commission and are defined as those programs having at least 10 residents and interns. The Family Medicine program must be affiliated with a Medicaid participating hospital that has a Medicaid utilization rate of at least one percent. Family Medicine programs meeting these criteria shall be eligible for an additional payment adjustment as follows:

The Family Medicine Residency Program Payment is calculated on a state fiscal year (July 1 through June 30) basis and is distributed to all qualified providers in monthly installments. Payments will be made consistent with the level of funds established and amended by the General Assembly, which is published in the Long Bill and subsequent amendments each year. Any changes to the rate setting methodology will be approved by the Medical Services Board and the Centers for Medicare and Medicaid Services prior to implementation. Once funds and rate setting methodology have been established, rate letters will be distributed to providers qualified to receive the payment each fiscal year and 30 days prior to any adjustment in the payment. Rate letters will document any change in the total funds available, the payment specific to each provider, and other relevant figures specific to each provider so that providers may understand and independently calculate their payment. Rate letters allow providers to dispute the payment on the basis that the payment was not calculated correctly given the established funds and rate setting methodology. The maximum total funds available by state fiscal year (SFY) for this payment are as follows:

SFY 2003-04: \$1,524,626	SFY 2004-05: \$1,444,944	SFY 2005-06: \$1,576,502
SFY 2006-07: \$1,703,558	SFY 2007-08: \$1,868,307	SFY 2008-09: \$1,798,015
SFY 2009-10: \$1,738,846	SFY 2010-11: \$1,738,846	SFY 2011-12: \$1,391,077
SFY 2012-13: \$1,741,077	SFY 2013-14: \$2,371,077	SFY 2014-15: \$2,371,077
SFY 2015-16: \$5,114,422	SFY 2016-17: \$5,114,422	SFY 2017-18: \$4,565,753
SFY 2018-19: \$5,030,890	SFY 2019-20: \$5,030,890	SFY 2020-21: \$4,280,565
SFY 2021-22: \$4,875,447	SFY 2022-23: \$5,166,153	

TN No. 22-0034  
Supersedes  
TN No. 21-0019

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Effective May 23, 2008, the Family Medicine Residency Program Payment for providers that qualify to receive the State University Teaching Hospital Payment is suspended.

Effective May 23, 2008, when state owned government hospitals, non-state-owned government hospitals, and privately owned hospitals meet the criteria for being a State University Teaching Hospital, they will qualify to receive additional Medicaid reimbursement for services provided to Medicaid recipients. The additional Medicaid reimbursement will be commonly referred to as the "State University Teaching Hospital Payment" which will be established on an annual state fiscal year (July 1 through June 30) basis and dispensed in equal quarterly installments.

The State University Teaching Hospital Payment is made only if there is available federal financial participation under the Upper Payment Limit for inpatient hospital services after the Medicaid reimbursement (as defined in this attachment as a Diagnosis Related Group and/or per diem reimbursement paid under the Medicaid program).

A State University Teaching Hospital is defined as a Colorado hospital which meets the following criteria:

1. Provides supervised teaching experiences to graduate medical school interns and residents enrolled in a state institution of higher education.
2. More than fifty percent (50%) of its credentialed physicians are members of the faculty at a state institution of higher education.

Qualified providers and the total maximum yearly payments to those are as follows:

SFY 2009-10	SFY 2010-11
Denver Health Medical Center: \$1,831,714	Denver Health Medical Center: \$1,831,714
University of Colorado Hospital: \$700,935	University of Colorado Hospital: \$676,785

SFY 2011-12	SFY 2012-13
Denver Health Medical Center: \$1,831,714	Denver Health Medical Center: \$1,831,714
University of Colorado Hospital: \$633,314	University of Colorado Hospital: \$633,314

SFY 2013-14	SFY2014-15
Denver Health Medical Center: \$1,831,714	Denver Health Medical Center: \$2,804,714
University of Colorado Hospital: \$633,314	University of Colorado Hospital: \$633,314

SFY 2015-	SFY 2016-17
Denver Health Medical Center: \$2,804,714	Denver Health Medical Center: \$2,804,714
University of Colorado Hospital: \$633,314	University of Colorado Hospital: \$633,314

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SFY 2017-18	SFY 2018-19
Denver Health Medical Center: \$2,804,714	Denver Health Medical Center: \$2,804,714
University of Colorado Hospital: \$1,331,983	University of Colorado Hospital: \$1,647,612

SFY 2019-20	SFY 2020-21
Denver Health Medical Center: \$2,804,714	Denver Health Medical Center: \$0
University of Colorado Hospital: \$1,797,612	University of Colorado Hospital: \$1,204,207

SFY 2021-22	SFY 2022-23
Denver Health Medical Center: \$0	Denver Health Medical Center: \$0
University of Colorado Hospital: \$1,312,949	University of Colorado Hospital: \$1,324,017

Effective July 1, 2013, a privately-owned hospital that receives the Family Medicine Residency Payment or the Pediatric Major Teaching Payment authorized in this Attachment 4.19A, and is selected by the Commission on Family Medicine Residency Training Programs for the development and maintenance of family medicine residency training programs in rural areas, will qualify to receive additional Medicaid reimbursement. This reimbursement will be commonly referred to as the “Rural Family Medicine Residency Development Payment”. The Rural Family Medicine Residency Development Payment is made only if there is available federal financial participation under the Upper Payment Limit for inpatient hospital services after the Medicaid reimbursement (as defined in this attachment as a diagnosis-related group and/or per diem reimbursement paid under the Medicaid program).

The Rural Family Medicine Residency Development Payment is disbursed on a state fiscal year basis (July 1 – June 30). The Rural Family Medicine Residency Development Payment will be paid quarterly. The maximum total funds available for this payment per state fiscal year are as follows:

SFY 2013-14	SFY 2014-15
\$1,000,000	\$3,030,766
SFY 2015-16	SFY 2016-17
\$3,030,766	\$3,030,766
SFY 2017-18	SFY 2018-19
\$3,030,766	\$3,000,000
SFY 2019-20	SFY 2020-21
\$3,000,000	\$2,849,855
SFY 2021-22	SFY 2022-23
\$3,212,329	\$3,212,329

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- D. Effective July 1, 2003 state-owned government hospitals, non-state-owned government hospitals and privately owned hospitals, when they meet the criteria for being a Pediatric Major Teaching Hospital will qualify to receive additional Medicaid reimbursement, such that the total of all payments will not exceed the inpatient Medicare Upper Payment Limit (as defined by the Centers for Medicare and Medicaid Services). The additional Medicaid reimbursement will be commonly referred to as the "Pediatric Major Teaching Hospital payment", which will be calculated on an annual State Fiscal Year (July 1 through June 30) basis and dispensed in equal quarterly installments.

As required by federal regulations, there will be three allotments of the Pediatric Major Teaching Hospital payment: state-owned government hospitals, non-state-owned government hospitals and privately owned hospitals. In no case will the Pediatric Major Teaching payment plus the Medicaid reimbursement (as defined in this attachments a Diagnosis Related Group and/or per diem reimbursement paid under the Medicaid program) exceed any of these allotments. The Pediatric Major Teaching payment is only made if there is available federal financial participation under these allotments after the Medicaid reimbursement (as defined in this attachment as a Diagnosis Related Group and/or per diem reimbursement paid under the Medicaid program.)

On an annual State Fiscal Year (July 1 through June 30) basis, those hospitals that qualify for a Major Pediatric Teaching Hospital payment will be determined. The determination will be made prior to the beginning of each State Fiscal Year. A Major Pediatric Teaching Hospital is defined as a hospital that meets the following criteria:

1. Participates in the Colorado Indigent Care Program; and
2. The hospital Medicaid days combined with indigent care days (days of care provided under Colorado's Indigent Care Program) equal or exceed 30 percent of their total patient days for the prior state fiscal year, or the most recent year for which data are available; and
3. Has a percentage of Medicaid days relative to total days that exceed the mean for the prior slate fiscal year, or the most recent year for which data are available; and

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4. Maintains a minimum of 110 total Intern and Resident F.T.E.s; and
5. Maintains a minimum ratio of .30 Intern and Resident F.T.E.s per licensed bed; and
6. Qualifies as a Pediatric Specialty Hospital under the Medicaid Program, such that the hospital provides care exclusively to pediatric populations.

The Pediatric Major Teaching Payment is distributed equally to all qualified providers. The funds available for the Pediatric Major Teaching Payment under the Medicare Upper Payment Limit are limited by the regulations set by and the federal funds allocated by the Centers for Medicare and Medicaid Services. Payments will be made consistent with the level of funds established and amended by the General Assembly, which are published in the Long Bill and subsequent amendments each year. Rate letters will be distributed to providers qualified to receive the payment each fiscal year and 30 days prior to any adjustment in the payment. Rate letters will document any change in the total funds available, the payment specific to each provider, and other relevant figures specific to the provider so that providers may understand and independently calculate their payment.

The maximum total funds available for this payment are as follows:

FY 2003-04 \$6,119,760	FY 2004-05 \$6,119,760
FY 2005-06 \$11,571,894	FY 2006-07 \$13,851,832
FY 2007-08 \$34,739,562	FY 2008-09 \$39,851,166
FY 2009-10 as follows:	
July 1, 2009-February 28, 2010	\$14,098,075
March 1, 2010-June 30, 2010	\$33,689,236
FY 2009-10 total payment:	\$47,787,311
FY 2010-11	\$48,810,278
FY 2011-12	\$38,977,698
FY 2012-13	\$18,919,698
FY 2013-14	\$17,919,698
FY 2014-15	\$19,574,772
FY 2015-16	\$19,574,772
FY 2016-17	\$19,574,772
FY 2017-18	\$19,574,772
FY 2018-19	\$19,545,908
FY 2019-20	\$19,494,398
FY 2020-21	\$16,803,396
FY 2021-22	\$56,857,406
FY 2022-23	\$59,531,107

Effective October 1, 2013, an additional \$1,000,000 Pediatric Major Teaching Payment will be made to qualifying providers on a Federal Fiscal Year (FFY) basis.

Effective October 1, 2014, the additional \$1,000,000 Pediatric Major Teaching Payment is suspended.



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E. Urban Safety Net Provider Payment

Effective April 1, 2007, non-state-owned government hospitals, when they meet the criteria for being an Urban Safety Net Provider, will qualify to receive an additional supplemental Medicaid reimbursement for inpatient hospital services provided to Medicaid clients, such that the total of all payments will not exceed the inpatient Upper Payment Limit for inpatient hospital services (as defined by the Centers for Medicare and Medicaid Services). The purpose of this payment is to provide a partial reimbursement for uncompensated care related to inpatient hospital services for Medicaid clients to those providers who participate in the Colorado Indigent Care Program. The additional supplemental Medicaid reimbursement will be commonly referred to as the "Urban Safety Net Provider payment", which will be calculated on an annual State Fiscal Year (July 1 through June 30) basis and dispensed in equal quarterly installments.

The Urban Safety Net Provider payment is only made if there is available federal financial participation under the Upper Payment Limit for inpatient hospital services after the Medicaid reimbursement (as defined in this attachment as a Diagnosis Related Group and/or per diem reimbursement paid under the Medicaid program) and the Pediatric Major Teaching payment.

The qualifying criteria for the Urban Safety Net Provider payment will not directly correlate to the distribution methodology of the payment. On an annual State Fiscal Year (July 1 through June 30) basis, those hospitals that qualify for an Urban Safety Net Provider payment will be determined. The determination will be made prior to the beginning of each State Fiscal Year. An Urban Safety Net Provider is defined as a hospital that meets the following criteria:

1. Participates in the Colorado Indigent Care Program; and
2. The hospital's Medicaid days plus Colorado Indigent Care Program (CICP) days relative to total days, rounded to the nearest percent, shall be equal to or exceed sixty-seven percent; and
3. Medicaid days and total days shall be Medicaid eligible inpatient days and total inpatient days from the most recent survey requested by the Department prior to March 1 of each year for July 1 rates.

The Urban Safety Net Provider payment is distributed equally among all qualified providers. The funds available for the Urban Safety Net Provider payment under the Upper Payment Limit for inpatient hospital services are limited by the regulations set by and the federal funds allocated by the Centers for Medicare and Medicaid Services

The maximum total funds available for this payment equal:

FY 2006-07 \$2,693,233	FY 2007-08 \$5,400,000
FY 2008-09 \$5,400,000	March 1, 2010-June 30, 2010 \$5,410,049
FY 2010-2011 \$6,217,131	FY 2011-12 \$4,702,000
FY 2012-13 \$0	FY 2013-14 \$0
FY 2021-22: \$9,685,579	FY 2022-23: \$11,390,145

Effective October 01, 2014 through June 30, 2020 this payment was no longer funded and the information contained in this section was for historical record.

Effective July 01, 2021, the General Assembly restored funding allowing the Urban Safety Net Provider Payment to resume.

TN No. 22-0034

Supersedes

TN No. 21-0019

Approval November 21, 2022 Effective Date 7/1/2022