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State/Territory Name: Colorado

State Plan Amendment (SPA) #: CO-14-0040

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



Financial Management Group

OCT 30 2014

Barbara Prehmus
Colorado Department of Health Care
Policy and Financing
1570 Grant Street
Denver, Co 80203-1818

Re: Colorado 14-040

Dear Ms. Prehmus:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 14-040. Effective for services on or after July 1, 2014, this amendment updates the payment pool for teaching hospital payments for residencies, state teaching hospital payment and pediatric specialty payments.



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 (the Act) and the regulations at 42 CFR 447 Subpart C. We are pleased to inform you that Medicaid State plan amendment TN 14-040 is approved effective July 1, 2014. The CMS-179 and the amended plan pages are attached.

If you have any questions, please contact Christine Storey at (303) 844-7044.

Sincerely,



Timothy Hill
Director

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER: 14-040	2. STATE: COLORADO
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE July 1, 2014	
5. TYPE OF PLAN MATERIAL (<i>Check One</i>)			
NEW STATE PLAN		AMENDMENT TO BE CONSIDERED AS A NEW PLAN	
X AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (<i>Separate transmittal for each amendment</i>)			
6. FEDERAL STATUTE/REGULATION CITATION		7. FEDERAL BUDGET IMPACT FFY 2013-14: \$ 3,172,984 FFY 2014-15: \$ 11,257,230	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19A, Pages 11a, 11b, 11c, 42		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>) Attachment 4.19A, Pages 11, 11a, 42	
10. SUBJECT OF AMENDMENT Teaching Hospital Payments for Residencies, State Teaching, and Pediatric Specialty			
11. GOVERNOR'S REVIEW (<i>Check One</i>)			
GOVERNOR'S OFFICE REPORTED NO COMMENT COMMENTS OF GOVERNOR'S OFFICE ENCLOSED		X Other as Specified Governor's Letter Dated 01 September 2011	
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 Street Denver, CO 80203-1818 Attn: Barbara Prehmus	
13. TYPED NAME John Bartholomew			
14. TITLE Director, Finance Office			
15. DATE SUBMITTED 8/29/2014			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED		18. DATE APPROVED OCT 30 2014	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL JUL 01 2014		20. SIGNATURE OF REGIONAL OFFICIAL 	
21. TYPED NAME Krustin FAN		22. TITLE Deputy Director, FMC	
23. REMARKS			

TITLE XIX OF THE SOCIAL SECURITY ACT
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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. If a Family Medicine program is affiliated with a facility that participates in the Major Teaching Hospital program, it is not eligible for this program. Family Medicine programs meeting these criteria shall be eligible for an additional primary care payment adjustment as follows:

For each program which qualifies under this section, these amounts will be calculated based upon historical data and paid in 12 equal monthly installments. In each State fiscal year, the annual payment for each Family Medicine Residency Program will be \$213,195. Effective July 1, 1999, the annual payment for each Family Medicine Residency Program will be \$228,379. The annual payment shall change based on requests for annual inflation increases by the Commission on Family Medicine, subject to approval by the General Assembly.

The Family Medicine Residency Program payment is calculated on a State Fiscal Year (July 1 through June 30) basis and is distributed equally to all qualified providers in 12 equal 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 for the specific 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. 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

TN No. 14-040
Supersedes
TN No. 13-042

Approval Date OCT 30 2014

Effective Date 7/1/2014

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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, and
2. In which 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 yearly payments to those are as follows:

<u>SFY 2007-08</u>	<u>SFY 2008-09</u>
Denver Health Medical Center: \$410,000	Denver Health Medical Center: \$1,829,008
University of Colorado Hospital: \$95,251	University of Colorado Hospital: \$697,838

<u>SFY 2009-10</u>	<u>SFY 2010-11</u>
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

<u>SFY 2011-12</u>	<u>SFY 2012-13</u>
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

<u>SFY 2013-14</u>	<u>SFY 2014-15</u>
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

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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. 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

TN No. 14-040
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TN No. 13-042

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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 for the specific provider so that providers may understand and independently calculate their payment.

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

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.

TN No. 14-040
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TN No. 13-033

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