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## **Table of Contents**

**State/Territory Name:** Colorado

**State Plan Amendment (SPA) #:** CO-15-0011

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 & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
1961 Stout Street, Room 08-148  
Denver, CO 80294



## **Region VIII**

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July 28, 2015

Susan E. Birch, MBA, BSN, RN, Executive Director  
Department of Health Care Policy & Financing  
1570 Grant Street  
Denver, CO 80203-1818

RE: Colorado #15-0011

Dear Ms. Birch:

We have reviewed the proposed State Plan Amendment (SPA) submitted under transmittal number (TN) 15-0011. This amendment increases reimbursement rates for outpatient hospital services, reflecting the rate increases effective July 1, 2015.

Please be informed that this State Plan Amendment was approved today with an effective date of July 1, 2015. We are enclosing the CMS-179 and the amended plan page(s).

In order to track expenditures associated with this amendment, Colorado should follow the CMS-64 reporting instructions outlined in Section 2500 of the State Medicaid Manual (SMM).

For those individuals whose expenditures qualify for the newly eligible federal medical assistance percentage report on the Form CMS-64.9 VIII and those not enrolled in the new adult group, claims should be reported on the Form CMS-64.9 Base.

This amendment would affect expenditures reported on Line 6A-Outpatient Hospital Services.

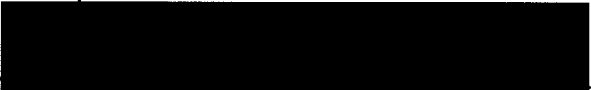
If you have any questions concerning this amendment, please contact Curtis Volesky at (303) 844-7033.

Sincerely,

/s/

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

cc: Gretchen Hammer      John Bartholomew  
Tess Ellis                  Barb Prehmus  
Pat Connally                Amanda Forsythe

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> <b>FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>		1. TRANSMITTAL NUMBER: <b>15-0011</b>	2. STATE: <b>COLORADO</b>
		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 <b>July 1, 2015</b>	
5. TYPE OF PLAN MATERIAL (Check One):			
NEW STATE PLAN		AMENDMENT TO BE CONSIDERED AS A NEW PLAN	
		<b>X AMENDMENT</b>	
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION <b>42 CFR 440.20</b>		7. FEDERAL BUDGET IMPACT a. FFY 2014-15: \$441,249 b. FFY 2015-16: \$1,875,313	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT <b>Attachment 4.19-B: Pages 1 and 2: Methods and Standards for Establishing Payment Rates – Other Types of Care – 2a. Outpatient Hospital Services</b>		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) <b>Attachment 4.19-B: Pages 1 and 2: Methods and Standards for Establishing Payment Rates – Other Types of Care – 2a. Outpatient Hospital Services (TN 14-039)</b>	
10. SUBJECT OF AMENDMENT <b>Methods and standards for establishing payment rates for Outpatient Hospital Services, reflecting the rate increases effective July 1, 2015.</b>			
11. GOVERNOR'S REVIEW (Check One)			
GOVERNOR'S OFFICE REPORTED NO COMMENT		<b>X OTHER, AS SPECIFIED</b>	
COMMENTS OF GOVERNOR'S OFFICE ENCLOSED NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		<b>Governor's letter dated 15 January 2015</b>	
12. SIGNATURE OF STATE AGENCY OFFICIAL 		16. RETURN TO	
13. TYPED NAME <b>Gretchen Hammer</b>		Colorado Department of Health Care Policy and Financing 1570 Grant Street Denver, CO 80203-1818	
14. TITLE <b>Medicaid Director</b>		Attn: Barbara Prehmus	
15. DATE SUBMITTED <b>July 8, 2015</b>			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED <b>7/8/15</b>		18. DATE APPROVED <b>7/28/15</b>	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL <b>7/1/15</b>		20. SIGNATURE OF REGIONAL OFFICIAL <b>/s/</b>	
21. TYPED NAME <b>Richard C. Allen</b>		22. TITLE <b>ARA, DMCHO</b>	
23. REMARKS			

TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAM

STATE OF COLORADO

ATTACHMENT 4.19B

Page 1 of 6

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

2a. OUTPATIENT HOSPITAL SERVICES

1. Medicaid Outpatient Hospital Reimbursements for Colorado Providers.

Effective July 1, 2015, outpatient hospital services are reimbursed on an interim basis at actual billed charges times the Medicare cost-to-charge ratio less 28 percent (28%). A cost audit is done and any necessary retrospective adjustment is made to bring reimbursement to the lower of actual audited cost less 28 percent (28%) or billed charges less 28 percent (28%).

For interim payments, the Medicare cost-to-charge ratio is provided by the hospital from the Medicare fiscal intermediary. When the Department determines that the Medicare cost-to-charge ratio is not representative of a hospital's outpatient costs, the cost-to-charge ratio may be calculated using historical data.

The cost audit corresponding to the hospital's fiscal year is initiated when the audited CMS-2252-10 Cost Report and the applicable billed charges and payment information from the MMIS are available. Actual audited costs are determined by using the computation of the ratio of costs to charges from the CMS-2552-10 Cost Report, Special Title XIX Worksheet C Part 1, column 9 which flows to Title XIX - O/P Worksheet D, Part V, Column 1. Actual Medicaid billed charges from the MMIS are input into Worksheet D, Part V, Column 5. Medicaid actual costs are computed in Worksheet D, Part V, Column 9.

2. Effective July 1, 2013, border-state Hospitals and out-of-network Hospitals, including out-of-state Hospitals, shall be paid 30% of billed charges for Outpatient Hospital Services, excluding items that are reimbursed according to the Department's fee schedule. Consideration of additional reimbursement shall be made on a case-by-case basis in accordance with supporting documentation submitted by the Hospital.
3. Outpatient laboratory services 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.
4. Outpatient physical therapy and occupational therapy services shall be reimbursed at the lower of the following:
  - a. Submitted charges or
  - b. Fee schedule as determined by the Department of Health Care Policy and Financing.

TN No. 15-0011

Approval Date 7/28/15

Supersedes TN No. 14-039

Effective Date 7/1/2015

TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAM

STATE OF COLORADO

ATTACHMENT 4.19B

Page 2 of 6

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

2a. OUTPATIENT HOSPITAL SERVICES (continued)

5. Non-brokered emergent medical transportation provided by hospitals shall be reimbursed at the lower of the following:
  - a. Submitted charges or
  - b. Fee schedule as determined by the Department of Health Care Policy and Financing.
6. Except as otherwise noted in the State Plan, state-developed fee schedule rates are the same for both governmental and private providers. Reimbursement rates by date of service 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](http://www.colorado.gov/hcpf).

TN No. 15-0011

Approval Date 7/28/15

Supersedes TN No. 14-039

Effective Date 7/1/2015