

---

## Table of Contents

**State/Territory Name:** Colorado

**State Plan Amendment (SPA) #:** CO-17-0014

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  
Denver Regional Office  
1961 Stout Street, Room 08-148  
Denver, CO 80294



**REGION VIII - DENVER**

---

September 28, 2017

Susan E. Birch, MBA, BSN, RN, Executive Director  
Department of Health Care Policy & Financing  
303 East 17<sup>th</sup> Avenue, 7<sup>th</sup> Floor  
Denver, CO 80203

RE: Colorado #17-0014

Dear Ms. Birch:

We have reviewed the proposed State Plan Amendment (SPA) submitted under transmittal number (TN) 17-0014. This Amendment would establish payment rates for hospice services, reflecting rate Increases effective October 1, 2017.

Please be informed that this State Plan Amendment was approved today with an effective date of October 1, 2017. 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, expenditures should be reported on the Form CMS-64.9 VIII; for those not enrolled in the new adult group, claims thereon should be reported on the Form CMS-64.9 Base.

This amendment would affect expenditures reported on Line 26 - Hospice Benefits.



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

Sincerely,

A solid black rectangular box used to redact the signature of Richard C. Allen.

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

cc: Gretchen Hammer     John Bartholomew  
David DeNovellis     Russell Ziegler

|  |  |   |                           |
|--|--|---|---------------------------|
| <b>TRANSMITTAL AND NOTICE OF APPROVAL<br/>OF<br/>STATE PLAN MATERIAL</b><br><br><b>FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>   |  | 1. TRANSMITTAL NUMBER:<br><br>17 - 0014   | 2. STATE:<br><br>COLORADO |
|  |  | 3. PROGRAM IDENTIFICATION:<br><b>TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)</b>  |                           |
| TO: REGIONAL ADMINISTRATOR<br>CENTERS FOR MEDICARE & MEDICAID SERVICES<br>DEPARTMENT OF HEALTH AND HUMAN SERVICES  |  | 4. PROPOSED EFFECTIVE DATE:<br><br>October 1, 2017  |                           |
| 5. TYPE OF PLAN MATERIAL (Check One):<br><br>NEW STATE PLAN                      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:<br><br>Section 1905(a)(18) of the Social Security Act  |  | 7. FEDERAL BUDGET IMPACT:<br><br>a. FFY 2017-18: \$1,153,599<br>b. FFY 2018-19: \$1,166,790   |                           |
| 8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:<br><br>Attachment 4.19-B: Methods and Standards for Establishing Payment Rates – Other Types of Care – 18. Hospice Services, Pages 1-2 of 2  |  | 9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):<br><br>Attachment 4.19-B: Methods and Standards for Establishing Payment Rates – Other Types of Care – 18. Hospice Services, Pages 1-2 of 2 (TN 16-0011) |                           |
| 10. SUBJECT OF AMENDMENT:<br><br>Methods and standards for establishing payment rates for hospice services, reflecting rate increases effective October 1, 2017.   |  |   |                           |
| 11. GOVERNOR'S REVIEW (Check One):<br><br>GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED<br>COMMENTS OF GOVERNOR'S OFFICE ENCLOSED                      Governor's letter dated 15 January, 2015<br>NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL |  |   |                           |
| 12. SIGNATURE OF STATE AGENCY OFFICIAL:<br><br>   |  | 16. RETURN TO:<br><br>Colorado Department of Health Care Policy and Financing<br>1570 Grant Street<br>Denver, CO 80203-1818<br><br>Attn: David DeNovellis   |                           |
| 13. TYPED NAME:<br><br>Gretchen Hammer   |  |   |                           |
| 14. TITLE:<br><br>Medicaid Director  |  |   |                           |
| 15. DATE SUBMITTED:<br><u>Initial:</u> September 12, 2017<br><br><u>Update #1:</u> September 25, 2017  |  |   |                           |
| FOR REGIONAL OFFICE USE ONLY   |  |   |                           |
| 17. DATE RECEIVED<br><br>September 12, 2017  |  | 18. DATE APPROVED<br><br>September 28, 2017   |                           |
| PLAN APPROVED – ONE COPY ATTACHED  |  |   |                           |
| 19. EFFECTIVE DATE OF APPROVED MATERIAL<br><br>October 1, 2017   |  | 20. SIGNATURE OF REGIONAL OFFICIAL<br><br>  |                           |
| 21. TYPED NAME<br><br>Richard C. Allen   |  | 22. TITLE<br><br>ARA, DMCHO   |                           |
| 23. REMARKS  |  |   |                           |

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAM

STATE OF COLORADO

Attachment 4.19-B  
Page 1 of 2

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES –

OTHER TYPES OF CARE

18. HOSPICE SERVICES

1. The Department begins with the annual change in Medicaid hospice payment rates, applies the current hospice CMS wage index, and increases the final rate by a specified percentage.
2. Services that are included in the hospice reimbursement are:
  - a. Routine Home Care where most hospice care is provided-Days 1-60
  - b. Routine Home Care where most hospice care is provided-Days 61 and over.
  - c. Continuous Home Care
  - d. Hospice Inpatient Respite Care
  - e. Hospice General Inpatient Care
  - f. Service Intensity Add-On (SIA), effective for hospice services with dates of service on or after October 1, 2016, will be made for a visit by a social worker or a registered nurse (RN), when provided during routine home care provided in the last 7 days of a Medicaid member's life. The SIA payment is in addition to the routine home care rate. The SIA Medicaid reimbursement will be equal to the Continuous Home Care hourly payment rate (as calculated annually by CMS), multiplied by the amount of direct patient care hours provided by an RN or social worker for up to four (4) hours total that occurred on the day of service, and adjusted by the appropriate hospice wage index published by CMS.
3. Hospice nursing facility room-and-board per diem rates are reimbursed to the hospice provider at a rate equal to 95% of the skilled nursing facility rate, less any Post Eligibility Treatment of Income (PETI) amount, for Medicaid clients who are receiving hospice services. The hospice provider is responsible for passing the room-and-board payment through to the nursing facility.
4. Physician services are not included in Hospice reimbursement but are reimbursed directly to the provider of the service.

Except as otherwise noted in the State Plan, state-developed rates are the same for both governmental and private providers. As of October 1, 2017, the applied percentage increase will be 12.53% and the resulting rates are effective for services provided on or after that date.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAM

STATE OF COLORADO

Attachment 4.19-B  
Page 2 of 2

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES –  
OTHER TYPES OF CARE

The provider rate is available on the Department of Health Care Policy and Financing's website at: <https://www.colorado.gov/hcpf/provider-rates-fee-schedule>. The rate table reflects one rate for full payment for providers that comply with quality data reporting requirements, as well as the rate for the two-percentage-point payment reduction specific for any Medicaid hospice provider that failed to comply with Section 3004 of the Affordable Care Act [Section 1814(i)(5)(A)(i)] and the Hospice Quality Reporting Program (HQRP).

Upon notice from CMS that a provider has failed to comply with HQRP the previous fiscal year, the State directs the provider to submit all hospice claims to the Colorado Department of Health Care Policy and Financing for the ensuing federal fiscal year using rates posted online for providers that failed to comply with quality reporting requirements. The two-percentage- point payment reduction is reflected in categories of hospice care, including routine home care, continuous home care, inpatient respite, and general inpatient care. The provider rate reflecting the two-percentage-point payment reduction specific for any Medicaid hospice provider that failed to comply with Section 3004 of the Affordable Care Act [Section 1814(i)(5)(A)(i)] and the Hospice Quality Reporting Program (HQRP) is available on the Department of Health Care Policy and Financing's website at: <https://www.colorado.gov/hcpf/provider-rates-fee-schedule>.

Aggregate payment to the Hospice provider is subject to an annual indexed aggregate cost cap. The method for determining and reporting the cost cap shall be identical to the Medicare Hospice Benefit requirements as contained in 42 C.F.R. Sections 418.308 and 418.309 (2005). Total Medicaid payments made to the Hospice for services provided by physicians who are Hospice employees, along with total payments made at the various Hospice daily rates, will be counted in determining whether the cap amount has been exceeded. Payments made for the services of physicians who are not Hospice employees and for payments made for room and board will not be included in the cap calculation. A hospice will not be reimbursed for inpatient days (general and respite) beyond 20 percent of the total days of care it provides to Medicaid beneficiaries during the "cap year."