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**State/Territory Name:** Colorado

**State Plan Amendment (SPA) #:** CO-17-0034

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**

NOV 20 2017

John Bartholomew  
Finance Office Director  
Colorado Department of Health Care  
Policy and Financing  
1570 Grant Street  
Denver, Co 80203-1818

Re: Colorado: 17-0034

Dear Mr. Bartholomew:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 17-0034. Effective for services on or after August 1, 2017, this amendment updates the supplemental payment pool amounts for teaching hospital payments for residencies, state teaching and pediatric specialty hospitals.



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 17-0034 is approved effective August 1, 2017. The CMS-179 and the amended plan pages are attached.

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

Sincerely,



Kristin Fan  
Director

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>		1. TRANSMITTAL NUMBER: <b>17-0034</b>	2. STATE: <b>COLORADO</b>
		3. PROGRAM IDENTIFICATION: <b>TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)</b>	
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		4. PROPOSED EFFECTIVE DATE: <b>August 1, 2017</b>	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES			
5. TYPE OF PLAN MATERIAL (Check One):  <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> 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:  <b>42 CFR § 447.272 INPATIENT SERVICES: APPLICATION OF UPPER PAYMENT LIMITS</b>		7. FEDERAL BUDGET IMPACT:  a. FFY 2016-17: \$ 3,915,064 b. FFY 2017-18: \$ 11,740,496	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  <b>Attachment 4.19-A, Pages 11a, 11b, 11c 42</b>		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  <b>Attachment 4.19A, Pages 11a, 11b, 11c, 42 (TN 16-0010)</b>	
10. SUBJECT OF AMENDMENT:  <b>Supplemental Payments for Physician and Professional Services at CU School of Medicine Professional Services Practices</b>			
11. GOVERNOR'S REVIEW (Check One):  <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <b>Governor's letter dated 15 January, 2015</b> <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO:  <b>Colorado Department of Health Care Policy and Financing 1570 Grant Street Denver, CO 80203-1818</b>  <b>Attn: David DeNovellis</b>	
13. TYPED NAME: <b>Gretchen Hammer</b>			
14. TITLE: <b>Medicaid Director</b>			
15. DATE SUBMITTED: <b>9/11/2017</b>			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED		18. DATE APPROVED <b>NOV 20 2017</b>	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL <b>AUG 01 2017</b>		20.  FICIAL	
21. TYPED NAME <b>Kristin FAN</b>		22. TITLE <b>Director, FMC</b>	
23. REMARKS			

TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAM

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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. 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

TN No. 17-0034  
Supersedes  
TN No. 16-0010

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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 yearly payments to those are as follows:

<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

<u>SFY 2015-16</u>	<u>SFY 2016-17</u>
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

TN No. 17-0034

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

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
SFY 2015-16	SFY 2016-17
\$3,030,766	\$3,030,766
SFY 2017-18	
\$3,030,766	

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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.

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

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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