
Table of Contents

State/Territory Name: Colorado

State Plan Amendment (SPA) #: 17-0049

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) 179
- 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

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

MAR 23 2018

Re: Colorado: 17-0049

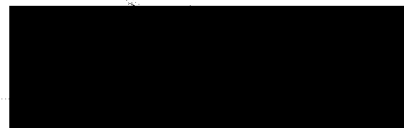
Dear Mr. Bartholomew:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 17-0049. Effective for services on or after October 1, 2017, this amendment updates the reimbursement methodology for supplemental Medicaid inpatient hospital payments and Disproportionate Share Hospital 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 17-0049 is approved effective October 1, 2017. The CMS-179 and the plan pages are attached.

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

Sincerely,



Kristin Fan
Director

| | | | |
|---|--|--|-----------------------|
| TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES | | 1. TRANSMITTAL NUMBER: 17-0049 | 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 October 1, 2017 | |
| 5. TYPE OF PLAN MATERIAL (Check One): 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 42 CFR 447.272 | | 7. FEDERAL BUDGET IMPACT a. FFY 2018-19 \$ 0.00 b. FFY - \$ | |
| 8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19A – Pages 29c, 49a, 51b, 57c | | 9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19A – Pages 29c, 49a, 51b, 57c | |
| 10. SUBJECT OF AMENDMENT Supplemental Medicaid inpatient hospital payments and Disproportionate Share Hospital payments | | | |
| 11. GOVERNOR'S REVIEW (Check One) GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Governor's letter dated 15 January, 2015 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL | | | |
| 12. SIGNATURE OF STATE AGENCY OFFICIAL  | | 16. RETURN TO | |
| 13. TYPED NAME John Bartholomew | | Colorado Department of Health Care Policy and Financing 1570 Grant Street Denver, CO 80203-1818 | |
| 14. TITLE Director, Finance Office | | Attn: David DeNovallis | |
| 15. DATE SUBMITTED December 27, 2017 | | | |
| FOR REGIONAL OFFICE USE ONLY | | | |
| 17. DATE RECEIVED | | 18. DATE APPROVED MAR 23 2018 | |
| PLAN APPROVED – ONE COPY ATTACHED | | | |
| 19. EFFECTIVE DATE OF APPROVED MATERIAL OCT 01 2017 | | 20. SIGNATURE OF REGIONAL OFFICIAL  | |
| 21. TYPED NAME Kristin Fan | | 22. TITLE Director, FMC | |
| 23. REMARKS | | | |

TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

ATTACHMENT 4.19A
Page 29c

State of Colorado

Effective October 1, 2017, total funds for the Disproportionate Share Hospital payment shall be \$172,633,510.

CICP-participating hospitals with CICP write-off costs, as published in the most recent CICP Annual Report, greater than or equal to 950% of the statewide average shall receive a payment equal to 85.5% to their estimated hospital-specific Disproportionate Share Hospital limit. A Respiratory Hospital shall receive a payment equal to 45% of their estimated hospital-specific Disproportionate Share Hospital limit.

A Respiratory Hospital is defined as a hospital primarily specializing in respiratory related diseases.

All remaining qualified hospitals shall receive a payment calculated as their percentage of uninsured costs to total uninsured costs for all remaining qualified hospitals, multiplied by the remaining Disproportionate Share Hospital funds. A hospital's uninsured costs shall be for their Cost Report Year End 2015 period.

No hospital shall receive a payment exceeding their hospital-specific Disproportionate Share Hospital limit as specified in federal regulation. If upon review, the Disproportionate Share Hospital Supplemental payment exceeds the hospital-specific Disproportionate Share Hospital limit for any qualified hospital, that hospital's payment shall be reduced to the hospital-specific Disproportionate Share Hospital limit. The reduction shall then be redistributed to the other qualified hospitals not exceeding their hospital-specific Disproportionate Share Hospital limit based on the percentage of uninsured costs to total uninsured costs for all qualified hospitals not exceeding their hospital-specific Disproportionate Share Hospital Limit.

The state will not exceed the total of all the hospital-specific Disproportionate Share Hospital Limits even if the total is below the state's annual Disproportionate Share Hospital allotment.

TN No. 17-0049

Supersedes

TN No. 16-0014

Approval Date

MAR 23 2018

Effective Date 10/1/2017

TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

ATTACHMENT 4.19A

State of Colorado

Page 49a

Effective October 1, 2014 for each qualified hospital, the percentage adjustment factor shall vary for state-owned, non-state government owned, and private hospitals, for urban and rural hospitals, for State University Teaching Hospitals, for Major Pediatric Teaching Hospitals, for Urban Safety Net Specialty Hospitals, or for other hospital classifications such that total payments to hospitals do not exceed the available Inpatient Upper Payment Limit.

The percentage adjustment factor for each qualified hospital effective October 1, 2017 shall be published to the Colorado Medicaid Provider Bulletin found on the Department's website at www.colorado.gov/hcpf/bulletins.

TN No. 17-0049

Supersedes

TN No. 16-0014

Approval Date MAR 23 2018

Effective Date 10/1/2017

TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

ATTACHMENT 4.19A
Page 51b

State of Colorado

Effective October 1, 2014, the Supplemental Medicaid Payment commonly referred to as "Acute Care Psychiatric Supplemental Medicaid payment" is suspended.

- J. Effective October 26, 2015, qualified hospitals with uninsured costs shall receive an additional supplemental Medicaid reimbursement commonly referred to as "Uncompensated Care Supplemental Hospital Medicaid payment" which shall be calculated on an annual Federal Fiscal Year (October 1 through September 30) basis and dispensed in monthly installments.

The Uncompensated Care Supplemental Medicaid payment is a prospective payment calculated using historical data, with no reconciliation to actual data for the payment period.

To qualify for the Uncompensated Care Supplemental Medicaid payment a hospital shall meet the following criteria:

1. Is not licensed or certified as Psychiatric or Rehabilitation Hospital, nor is licensed as a General Hospital with a Medicare Certification Long Term by the Colorado Department of Public Health and Environment.

Qualified hospitals with twenty-five or fewer beds shall receive a payment calculated as the percentage of beds to total beds for qualified hospitals with twenty-five or fewer beds multiplied by \$23,500,000. Qualified hospitals with greater than twenty-five beds shall receive a payment calculated as the percentage of uninsured costs to total uninsured costs for qualified hospitals with greater than twenty-five beds multiplied by \$91,980,176.

Effective October 26, 2016, qualified Essential Access hospitals shall receive a payment calculated as the percentage of beds to total beds for qualified Essential Access hospitals with twenty-five or fewer beds multiplied by \$15,000,000. Qualified non-Essential Access hospitals shall receive a payment calculated as the percentage of uninsured costs to total uninsured costs for qualified non-Essential Access hospitals multiplied by \$100,480,176.

An Essential Access hospital is defined as a Colorado hospital which meets the following criteria:

1. Is a Rural Hospital or CICP Hospital, and
2. Has less than or equal to 25 beds.

Effective October 1, 2017, qualified Essential Access hospitals shall receive a payment calculated as the percentage of beds to total beds for qualified Essential Access hospitals with twenty-five or fewer beds multiplied by \$15,000,000. Qualified non-Essential Access hospitals shall receive a payment calculated as the percentage of uninsured costs to total uninsured costs for qualified non-Essential Access hospitals multiplied by \$95,480,180.

TN No. 17-0049
Supersedes
TN No. 16-0014

Approval Date MAR 23 2018 Effective Date 10/1/2017

TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

State of Colorado

Effective October 1, 2017, HQIP includes seven (7) measures. Hospitals can report data on up to four (4) measures. Hospitals that choose to participate in HQIP are required to report for the first and second measures. A hospital must report data for the remaining measures in sequence. If a hospital is not eligible for a measure, then the next measure is reported.

A hospital's score is normalized to a 50-point scale by dividing the hospital's earned points by 40 and multiplying by 50.

Effective October 1, 2017, the measures for HQIP are:

1. Culture of safety,
2. Active participation in the Regional Care Collaborative Organization (RCCO),
3. Rate of Cesarean section deliveries for nulliparous women with a term, singleton baby in a vertex position,
4. Percentage of patients who gave the hospital an overall rating of "9" or "10" on the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) Survey,
5. Emergency department process,
6. Advance care planning, and
7. Screening and intervention for tobacco use.

Effective October 1, 2017, the dollar amount per discharge point for five (5) tiers of quality points between 1 and 50 are shown in the table below:

| Tier | Hospital Quality Points Earned | Dollars per Discharge Point |
|------|--------------------------------|-----------------------------|
| 1 | 1-10 | \$5.69 |
| 2 | 11-20 | \$8.54 |
| 3 | 21-30 | \$11.38 |
| 4 | 31-40 | \$14.23 |
| 5 | 41-50 | \$17.07 |

Total Funds for this payment equal:

| | | | |
|-------------|--------------|-------------|--------------|
| FFY 2012-13 | \$32,000,000 | FFY 2015-16 | \$84,810,386 |
| FFY 2013-14 | \$34,388,388 | FFY 2016-17 | \$89,775,895 |
| FFY 2014-15 | \$61,488,873 | FFY 2017-18 | \$97,553,767 |

In the event that HQIP payment calculation errors are realized after HQIP payments have been made, reconciliations and adjustments to impacted hospitals will be made retroactively.

TN No. 17-0049
Supersedes
TN No. 16-0014

Approval Date MAR 23 2018 Effective Date 10/1/2017