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**State/Territory Name: Colorado**

**State Plan Amendment (SPA) #: 18-0036**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) 179
- 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**

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September 13, 2018

Kim Bimestefer, Executive Director  
Department of Health Care Policy & Financing  
1570 Grant Street  
Denver, CO 80203

Dear Ms. Bimestefer:

We have reviewed the proposed State Plan Amendment (SPA) submitted under transmittal number (TN) 18-0036. This amendment revises the Methods and standards for establishing payment rates for hospice services, reflecting rate increases effective October 1, 2018.

Please be informed that this State Plan Amendment was approved today with an effective date of October 1, 2018. 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 the sender.

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

cc: Gretchen Hammer  
John Bartholomew  
David DeNovellis  
Russell Ziegler  
Whitney McOwen

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>	1. TRANSMITTAL NUMBER: <b>18-0036</b>	2. STATE: <b>COLORADO</b>
	3. PROGRAM IDENTIFICATION: <b>TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)</b>	
FOR: <b>CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>	4. PROPOSED EFFECTIVE DATE: <b>October 1, 2018</b>	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	5. TYPE OF PLAN MATERIAL (Check One):  NEW STATE PLAN                      AMENDMENT TO BE CONSIDERED AS A NEW PLAN <input checked="" type="checkbox"/> <b>AMENDMENT</b>	
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)		
6. FEDERAL STATUTE/REGULATION CITATION: <b>Section 1905(a)(18) of the Social Security Act</b>	7. FEDERAL BUDGET IMPACT: <b>a. FFY 2018-19: \$1,378,745</b> <b>b. FFY 2019-20: \$1,435,432</b>	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: <b>Attachment 4.19-B: Methods and Standards for Establishing Payment Rates – Other Types of Care – 18. Hospice Services, Page 1 of 2</b>	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): <b>Attachment 4.19-B: Methods and Standards for Establishing Payment Rates – Other Types of Care – 18. Hospice Services, Page 1 of 2 (TN 17-0014)</b>	
10. SUBJECT OF AMENDMENT: <b>Methods and standards for establishing payment rates for hospice services, reflecting rate increases effective October 1, 2018.</b>		
11. GOVERNOR'S REVIEW (Check One):  GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> <b>OTHER, AS SPECIFIED</b> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <b>Governor's letter dated 29 March 2018</b> 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</b> <b>1570 Grant Street</b> <b>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: <i>Initial: August 27, 2018</i> <i>Update #1: September 11, 2018</i>		
<b>FOR REGIONAL OFFICE USE ONLY</b>		
17. DATE RECEIVED <b>August 27, 2018</b>	18. DATE APPROVED <b>September 13, 2018</b>	
<b>PLAN APPROVED – ONE COPY ATTACHED</b>		
19. EFFECTIVE DATE OF APPROVED MATERIAL <b>October 1, 2018</b>	20. SIGNATURE OF REGIONAL OFFICIAL 	
21. TYPED NAME <b>Richard C. Allen</b>	22. TITLE <b>ARA, DMCHO</b>	
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, 2018, the applied percentage increase will be 13.66% and the resulting rates are effective for services provided on or after that date.