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State/Territory Name: Colorado

State Plan Amendment (SPA) #: 18-0045

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

March 12, 2019

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

Re: Colorado: 18-0045

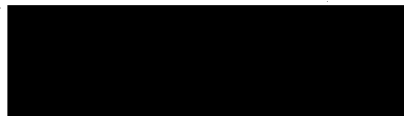
Dear Mr. Bartholomew:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 18-0045. Effective for services on or after October 11, 2018, this amendment updates the methods and standards for supplemental Medicaid payments for inpatient hospital services and Disproportionate Share Hospital (DSH) 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 18-0045 is approved effective October 11, 2018. 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

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 18-0045	2. STATE: COLORADO
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		4. PROPOSED EFFECTIVE DATE: October 11, 2018	
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"/> 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: \$ 5.85 million b. FFY 2019-20: \$ 5.85 million	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19A – Pages 29c, 49a, 51c, 57c, and 57d		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19A – Page 29c (TN 18-0035) Attachment 4.19A – Pages 49a and 57c (TN 17-0049)	
10. SUBJECT OF AMENDMENT: Increase supplemental Medicaid payments for inpatient hospital services 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 29 March, 2018 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Colorado Department of Health Care Policy and Financing 1570 Grant Street Denver, CO 80203-1818 Attn: David DeNovellis	
13. TYPED NAME: John Bartholomew			
14. TITLE: Director, Finance Office			
15. DATE SUBMITTED: Initial: December 21, 2018 Update # 1: March 5, 2019			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED		18. DATE APPROVED MAR 12 2019	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL OCT 11 2018		20. 	
21. TYPED NAME Kristin Fan		22. TITLE Director, FMG	
23. REMARKS			

TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

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Effective October 1, 2017, total funds for the Disproportionate Share Hospital (DSH) 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 DSH limit. A Respiratory Hospital shall receive a payment equal to 45% of their estimated hospital-specific DSH 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 DSH funds. A hospital's uninsured costs shall be for their Cost Report Year End 2015 period.

Effective July 1, 2018, an additional DSH payment shall be made such that Colorado will fully expend its final DSH allotment for federal fiscal year 2017-18.

The additional DSH payment shall be made only to qualified hospitals below 96% of their estimated hospital-specific DSH limit allocated such that hospitals with CICP write-off costs greater than 900% of the statewide average shall receive 92% of their estimated hospital-specific DSH limit, hospitals with CICP write-off costs greater than 400% of the statewide average and a Medicaid Inpatient Utilization Rate (MIUR) greater than 35% shall receive 92% of their estimated hospital-specific DSH limit, Pediatric Specialty Hospitals and hospitals with CICP write-off costs between 105% and 400% of the statewide average shall receive 30% of their estimated hospital-specific DSH limit, Critical Access Hospitals shall receive 96% of their estimated hospital-specific DSH limit, and Respiratory Hospitals shall receive 49.5% of their estimated hospital-specific DSH limit. Any remaining available DSH funds shall be allocated to qualified hospitals proportionate to their uninsured costs to total uninsured costs for all remaining qualified hospitals.

Effective October 11, 2018, total funds for the DSH payment shall be \$212,928,574.

A Respiratory Hospital shall receive a payment equal to 75% of their estimated hospital-specific DSH limit. A Pediatric Specialty Hospital shall receive a payment equal to 45% of their estimated hospital-specific DSH limit. A hospital with a MIUR less than or equal to 15% shall receive a payment equal to 10% of their estimated hospital-specific DSH limit. New CICP-participating hospitals shall receive a payment equal to 10% of their estimated hospital-specific DSH limit.

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 DSH funds. A hospital's uninsured costs shall be for their Cost Report Year End 2016 period.

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

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

MAR 12 2019

TN No. 18-0045
Supersedes
TN No. 18-0035

Approval Date ~~MAR 12 2019~~ Effective Date 10/11/2018

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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 11, 2018 shall be published to the Colorado Medicaid Provider Bulletin found on the Department's website at www.colorado.gov/hcpf/bulletins.

TN No. 18-0045
Supersedes
TN No. 17-0049

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Effective October 11, 2018, 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 \$92,980,176.

TN No. 18-0045
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TN No. New

Approval Date MAR 12 2019 Effective Date 10/11/2018

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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

Effective October 11, 2018, HQIP includes nine (9) measures. Hospitals can report data on up to five (5) 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.

The measures for HQIP are:

1. Active participation in the Regional Accountable Entity and Behavioral Health Organization (BHO) activities,
2. Culture of safety/patient safety,
3. Discharge Planning (Advance Care Planning (ACP)/Transition Activities),
4. Rate of Cesarean section,
5. Breastfeeding Practices,
6. Tobacco and substance use screening and follow-up,
7. Emergency Department Process,

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- 8. Percentage of patients who gave the hospital an overall rating of "9" or "10" on the HCAHPS Survey, and
- 9. 30-day all-cause readmissions.

The dollar amount per discharge point for five (5) tiers of quality points between 0 and 80 are shown in the table below:

Tier	Hospital Quality Points Earned	Dollars per Discharge Point
1	0-19	\$0.00
2	20-35	\$3.13
3	36-50	\$6.26
4	51-65	\$9.39
5	66-80	\$12.52

Total Funds for this payment equal:

FFY 2012-13	\$32,000,000	FFY 2015-16	\$84,810,386	FFY 2018-19	\$90,496,734
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. 18-0045
Supersedes
TN No. New

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