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State/Territory Name: Colorado

State Plan Amendment (SPA) #: 22-0041

This file contains the following documents in the order listed:

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 23, 2023

Adela Flores-Brennan
Medicaid Director
Colorado Department of Health Care
Policy and Financing
1570 Grant Street
Denver, CO 80203-1818

Re: Colorado 22-0041

Dear Ms. Flores-Brennan,

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 22-0041. Effective for services on or after October 1, 2022, this amendment adds clarifying language specific to Disproportionate Share Hospital (DSH) payments as well as updates the hospital quality incentive payments available for qualifying providers.

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 and the implementing Federal regulations at 42 CFR 447 Subpart C. We are pleased to inform you that Medicaid State plan amendment TN 22-0041 is approved effective October 1, 2022. The CMS-179 and the amended plan pages are attached.

If you have any questions, please contact Christine Storey at Christine.storey@cms.hhs.gov.

Sincerely,

[redacted]

Rory Howe
Director

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 22-0041

2. STATE: CO

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT: (●) XIX ( ) XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
October 1, 2022

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR 447.272; 42 CFR 447.297; 42 CFR 447.325

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2023 $ 7,000,000
b. FFY 2024 $ 2,500,000

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19A -- Pages 29d, 51c, 57d-e

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
Attachment 4.19A -- Pages 29d, 51c, 57d-e (TNs 19-0031-A, 21-0047)

9. SUBJECT OF AMENDMENT
Revise the disproportionate share hospital supplemental payment and the hospital inpatient supplemental payment.

10. GOVERNOR'S REVIEW *(Check One)*
( ) GOVERNOR'S OFFICE REPORTED NO COMMENT
( ) COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
( ) NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
(●) OTHER, AS SPECIFIED
Governor's letter's 24 September 2022

11. SIGNATURE OF STATE AGENCY OFFICIAL
[redacted]

12. TYPED NAME
Bettina Schneider

13. TITLE
Finance Office Director

14. DATE SUBMITTED
December 27, 2022

15. RETURN TO
Colorado Department of Health Care Policy and Financing
1570 Grant Street
Denver, CO 80203-1818

Attn: Amy Winterfeld

FOR CMS USE ONLY

16. DATE RECEIVED
December 27, 2022

17. DATE APPROVED
March 23, 2023

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
October 1, 2022

19. SIGNATURE OF APPROVING OFFICIAL
[redacted]

20. TYPED NAME OF APPROVING OFFICIAL
Rory Howe

21. TITLE OF APPROVING OFFICIAL
Director, Financial Management Group

22. REMARKS
Pen and ink change authorized by state to revise block 6. Specifically, 6a has been reivsed to reflect FFY 2023 and 6b has been revised to reflect FFY 2024.

Instructions on Back

Effective October 1, 2019, total funds for the DSH payment shall equal an amount such that federal DSH funds shall not exceed the allowable FFY 2019-20 Colorado DSH allotment.

Qualified hospitals with CICP write-off costs greater than or equal to 1,000% of the statewide average and qualified Critical Access Hospitals shall receive a payment equal to at least 90%of their estimated hospital-specific DSH limit but not exceeding 100% of their estimated hospital-specific DSH limit.

Remaining qualified hospitals shall receive a payment equal to their percent of uninsured costs to total uninsured costs for all remaining qualified hospitals, multiplied by the remaining DSH funds. No remaining qualified hospital shall receive a payment exceeding 96% of their hospital-specific DSH limit as specified in federal regulation. If a remaining qualified hospital's DSH Supplemental payment exceeds 96.00% of their hospital-specific DSH limit, the payment shall be reduced to 96.00% of their hospital-specific DSH limit. The reduction shall then be redistributed to other remaining qualified hospitals not exceeding 96.00% of their hospital-specific DSH limit based on the percentage of uninsured costs to total uninsured costs for all remaining qualified hospitals not 96.00% of exceeding their hospital-specific DSH limit.

Notwithstanding the above, a qualified hospital with a MIUR less than or equal to 15% shall have their hospital-specific DSH limit equal to 10%. A qualified new CICP-participating hospital shall have their hospital-specific DSH limit equal to 10%.

Effective October 1, 2020, total funds for the DSH payment shall equal an amount such that federal DSH funds shall not exceed the allowable federal fiscal year Colorado DSH allotment.

Certain hospital groups shall receive a DSH payment equal to a percentage of their estimated hospital-specific DSH limit, not exceeding 100% of their estimated hospital-specific DSH limit. The hospital groups, requirements for a hospital to be included in each hospital group, and the percentage of hospital-specific DSH limit reimbursed through the DSH payment for each group shall be published to the Colorado Medicaid Provider Bulletin found on the Department's website at: www.colorado.gov/hcpf/bulletins.

Remaining qualified hospitals shall receive a payment equal to their percent of uninsured costs to total uninsured costs for all remaining qualified hospitals, multiplied by the remaining DSH funds. No remaining qualified hospital shall receive a payment exceeding 96% of their hospital-specific DSH limit as specified in federal regulation. If a remaining qualified hospital's DSH Supplemental payment exceeds 96.00% of their hospital-specific DSH limit, the payment shall be reduced to 96.00% of their hospital-specific DSH limit. The reduction shall then be redistributed to other remaining qualified hospitals not exceeding 96.00% of their hospital-specific DSH limit based on the percentage of uninsured costs to total uninsured costs for all remaining qualified hospitals not 96.00% of exceeding their hospital-specific DSH limit.

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

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.

Effective October 1, 2019 the Supplemental Medicaid Payment commonly referred to as "Uncompensated Care Supplemental Hospital Medicaid Payment" is suspended.

Essential Access Supplemental Medicaid Payment

Effective October 1, 2019, qualified hospitals shall receive an additional supplemental Medicaid payment commonly referred to as "Essential Access Supplemental Medicaid Payment" which shall be calculated on an annual Federal Fiscal Year (October 1 through September 30) basis and dispensed in monthly installments.

The Essential Access Supplemental Medicaid Payment is made only if there is available federal financial participation under the Inpatient Upper Payment Limit after all other Medicaid Fee-for-Service payments and Medicaid supplemental payments are considered. The Essential Access 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 Essential Access Supplemental Medicaid Payment a hospital shall meet the following criteria:

1. Is a Rural Hospital or Critical Access Hospital; and

2. Has less than or equal to 25 licensed beds.

For a qualified hospital, the payment shall equal their percent of licensed beds to total licensed beds for all qualified hospitals, multiplied by the available Essential Access funds.

Effective October 1, 2022, the payment for a qualified hospital shall equal the Essential Access funds divided by the total number of qualified hospitals.

The Essential Access funds shall be published to the Colorado Medicaid Provider Bulletin found on the Department's website at: www.colorado.gov/hcpf/bulletins.

If Essential Access Supplemental Medicaid Payment calculation errors are realized after the payment has been made, adjustments shall be made to a hospital's payment retroactively

The HQIP measure groups and measures are:

Maternal Health and Perinatal Care Measure Group

1. Exclusive Breast Feeding
2. Cesarean Section
3. Perinatal Depression and Anxiety
4. Maternal Emergencies & Preparedness
5. Reduction of Peripartum Racial and Ethnic Disparities
6. Reproductive Life/Family Planning

Patient Safety Measure Group

7. Zero Suicide
8. Clostridium Difficile
9. Sepsis
10. Antibiotics Stewardship
11. Adverse Event
12. Culture of Safety Survey
13. Handoffs and Sign-outs

Patient Experience Measure Group

14. Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS)
15. Advance Care Plan

Effective October 1, 2022, HQIP includes measures separated into measure groups for a total of 100 points. A hospital is required to complete all measure groups but is not required to complete a measure if they are not eligible. If a hospital is not eligible for a measure(s) their total points awarded from all eligible measures shall be normalized.

The HQIP measure groups and measures shall be published to the Colorado Medicaid Provider Bulletin found on the Department's website at: www.colorado.gov/hcpf/bulletins.

Dollars Per-Adjusted Discharge Point

The dollars per-adjusted discharge point are determined using a qualified hospital's normalized points awarded. Dollars per-adjusted discharge point are tiered so that qualified hospitals with more normalized points awarded receive more dollars per-adjusted discharge point with each tier assigned a certain normalized points awarded range. For each tier, the dollars per-adjusted discharge point increase by a multiplier.

The multiplier and normalized points awarded for each tier are shown in the table below:

Tier	Normalized Points Awarded	Dollars Per-Adjusted Discharge Point
1	0-19	0(x)
2	20-39	1(x)
3	40-59	2(x)
4	60-79	3(x)
5	80-100	4(x)

The dollars per-adjusted discharge point shall equal an amount such that the total payment made to all hospitals shall equal seven percent (7.00%) of the total reimbursement made to hospitals in the previous state fiscal year. The calculation of the total payment made to all hospitals shall be published to the Colroado Medicaid Provider Bulletin found on the Department's website at: www.colorado.gov/hcfp/bulletins.

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.