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State/Territory Name: Colorado

State Plan Amendment (SPA) #: 23-0034

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



Financial Management Group

November 2, 2023

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

Re: Colorado 23-0034

Dear Adela Flores-Brennan:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 23-0034. Effective for dates of services on or after July 26, 2023, this amendment adds a supplemental payment for Class I Nursing Facility providers that admit residents directly from the Colorado Department of Corrections who are released on parole or due to compassionate care or medical release.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30) and 1903(a) 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 23-0034 is approved effective July 26, 2023. 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,



Rory Howe
Director

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 3 — 0 0 3 4

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

July 26, 2023

5. FEDERAL STATUTE/REGULATION CITATION

Social Security Act, Section 1905(a)(4)(A) / 42 CFR 440.155

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2023 \$ 43,018
b. FFY 2024 \$ 237,250

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-D -- Nursing Facility Benefits -- Pages 39a-b, 39c (NEW)

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

Attachment 4.19-D -- Nursing Facility Benefits -- Pages 39a-b (TN 22-0017)

9. SUBJECT OF AMENDMENT

Adds supplemental payment for class I nursing facility providers that admit residents directly from the Colorado Department of Corrections who are released on parole or due to compassionate care or medical release.

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:

11. SIGNATURE OF STATE AGENCY OFFICIAL

[Redacted Signature]

12. TYPED NAME

Colin Laughlin

13. TITLE

Deputy Office Director, Office of Community Living

14. DATE SUBMITTED

15. RETURN TO

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

Attn: Alex Lyons

FOR CMS USE ONLY

16. DATE RECEIVED: August 16, 2023

17. DATE APPROVED

November 2, 2023

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL: July 26, 2023

19. SIGNATURE OF APPROVING OFFICIAL

[Redacted Signature]

20. TYPED NAME OF APPROVING OFFICIAL: Rory Howe

21. TITLE OF APPROVING OFFICIAL: Director, Financial Management Group

22. REMARKS

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY
ACT MEDICAL ASSISTANCE PROGRAM
STATE OF COLORADO**

ATTACHMENT 4.19-D
Page 39a

Wage Enhancement Supplemental Medicaid Payment

The Department shall make a supplemental Medicaid payment to Class 1 nursing facility providers that pay their employees a base hourly wage of at least \$15.00 per hour.

1. Annually, the Department shall calculate the payment by multiplying the percent of total Medicaid hours for all eligible nursing homes by \$8,719,921.
 - a. Medicaid hours are calculated as Medicaid patient days multiplied by total hours-per-day.
 - i. Medicaid patient days shall be from the MMIS for the calendar year ending prior to the state fiscal year.
 - ii. Total hours-per-day are calculated as total hours divided by total days.
 1. Total hours and total days are from the most recently filed unaudited MED-13 cost report.
2. Payments made to rural eligible Class 1 nursing facility providers shall be increased by an additional twenty percent (20%). Payments made to all other eligible Class 1 nursing facility providers shall be reduced by a corresponding amount. A rural eligible Class 1 nursing facility provider is located outside of a metropolitan statistical area as defined by the U.S. Office of Management and Budget.
3. For state fiscal year 2022-23, a Class 1 nursing facility provider is eligible if every employee is paid a base hourly wage of at least fifteen dollars per hour as of April 30, 2023. For state fiscal year 2023-24, a Class 1 nursing facility provider is eligible if every employee is paid a base hourly wage of at least fifteen dollars per hour for the period May 1, 2023 through December 31, 2023. For all subsequent state fiscal years, a Class 1 nursing facility provider is eligible if every employee is paid a base hourly wage of at least fifteen dollars per hour for the previous calendar year.
4. Federal financial participation is available under the applicable aggregate Upper Payment Limit for nursing facilities after all other Fee-for-Service payments and Medicaid supplemental payments are considered.
5. The supplemental payment shall be reimbursed a one-time payment each year on or before June 30 to a Class 1 nursing facility provider via ACH transaction or check .

Nursing Facility Parolees Supplemental Medicaid Payment

The Department shall make a supplemental Medicaid payment to Class 1 nursing facility providers that admit residents directly from the Colorado Department of Corrections who are released on parole, or due to compassionate care or medical release.

TN No. 23-0034
Supersedes TN No. 22-0017

Approval Date November 2, 2023
Effective Date 7/26/2023

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY
ACT MEDICAL ASSISTANCE PROGRAM
STATE OF COLORADO**

ATTACHMENT 4.19-D
Page 39b

1. Eligible population includes individuals discharged from the Colorado Department of Corrections whose medical, behavioral, or social needs are beyond the scope of what is provided in a typical nursing facility setting, which limits their access to care options under the standard nursing home reimbursement rate. The payment for each individual shall be prior authorized for tiered reimbursement, based on their needs.
 - a. Tiered reimbursement add-ons include:
 - i. Tier I add-on for individuals who require one or more of the following:
 1. Enhanced staff training,
 2. Psychosocial supports,
 3. Community readjustment and reintegration supports,
 4. A secure unit or neighborhood,
 5. Specialty intervention,
 6. Medically complex needs,
 7. Guardianship needs, and
 8. Sex offender treatment (if needed).
 - ii. Tier II add-on for individuals who meet Tier I criteria and additionally meet one or more of the following criteria:
 1. 1:1 behavioral health support,
 2. High behavioral health needs that require a private room,
 3. Higher acuity needs, and
 4. High-cost medication or specialty equipment needs.
2. Quarterly, the Department shall complete a count of Medicaid-covered patient days for the eligible population. Medicaid-covered patient days shall be pulled from the MMIS. The supplemental payment shall be calculated by multiplying the actual dates of care provided to the eligible population by the applicable per-diem rate. Per-diem rates for Tier I and Tier II individuals shall be published in the Colorado Medicaid Provider Bulletin found on the Department's website at: www.Colorado.gov/hcpf/bulletins. The payment may be adjusted, subject to the following limitations:
 - a. The per diem rate shall not exceed fifty percent (50%) of the statewide average MMIS per diem reimbursement rate,
 - b. Payments shall be withheld or reduced subject to available UPL reimbursement, and
 - c. Payments may be adjusted to account for data corrections in previous payments.

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY
ACT MEDICAL ASSISTANCE PROGRAM
STATE OF COLORADO**

ATTACHMENT 4.19-D
Page 39c

3. The payment shall only be made if there is available federal financial participation under the aggregate Upper Payment Limit (UPL) for privately-owned nursing facilities after all other supplemental payments authorized in Attachment 4.19-D are paid, except for the following payments:
 - a. The nursing facility supplemental payment for physically, behaviorally, and/or complex patients at Attachment 4.19-D, pages 65-66, and
 - b. The public nursing home certified public expenditures supplemental payment at Attachment 4.19-D, pages 50-58.

4. The supplemental payment shall be reimbursed quarterly to a Class 1 nursing facility provider via ACH transaction or check.

Nursing Facility Rate Reduction

Effective for the State Fiscal Year beginning July 1, 2010, the aggregate state-wide nursing facility per diem rate will be reduced by two and three-tenths percent (2.3%). Effective for the State Fiscal Year beginning July 1, 2011, the aggregate state-wide nursing facility per diem rate will be reduced by one and four-tenths percent (1.4%).

Effective for the State Fiscal Year beginning July 1, 2012, the aggregate state-wide nursing facility per diem rate will be reduced by one and fort-five-hundredths percent (1.45%).

Effective for the State Fiscal Year beginning July 1, 2013, and for each State Fiscal Year thereafter, each nursing facility's calculated MMIS per diem reimbursement rate will be reduced 1.5%

RATE EFFECTIVE DATE

For cost reports filed by all facilities except the State-administered class IV facilities, the rate shall be effective on the first day of the eleventh (11th) month following the end of the nursing facility's cost reporting period.

For the 12-month cost reports filed by the State-administered class IV facilities, the rate shall be effective on the first day covered by the cost report.

The permanent rate shall be established, issued and shall pay Medicaid claims billed on and after the later of the following dates:

1. The beginning of the provider's new rate period, as set forth under Rate Effective Date.

TN No. 23-0034
Supersedes TN No. NEW

Approval Date November 2, 2023
Effective Date 7/26/2023