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**State/Territory Name: Colorado**

**State Plan Amendment (SPA) #: 24-0007**

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 & HUMAN SERVICES**

Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S3-14-28  
Baltimore, Maryland 21244-1850



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**Financial Management Group**

July 18, 2024

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

RE: TN 24-0007

Dear Adela Flores-Brennan:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Colorado state plan amendment (SPA) to Attachment 4.19- D CO 24-0007, which was submitted to CMS on April 24, 2024. This plan amendment updates the plan by revising the Pay-For-Performance Supplemental Medicaid payment methodology to Class 1 nursing facilities from a per-diem add-on dollar amount to a flat per-diem multiplier methodology.

We reviewed your SPA submission for compliance with statutory requirements, including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2) of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of July 1, 2024. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Christine Storey at [Christine.storey@cms.hhs.gov](mailto:Christine.storey@cms.hhs.gov).

Sincerely,



Rory Howe  
Director  
Financial Management Group

Enclosures

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

1. TRANSMITTAL NUMBER 2 4 — 0 0 0 7 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 1, 2024**

5. FEDERAL STATUTE/REGULATION CITATION  
**Social Security Act, Section 1905(a)(4)(A) / 42 CFR 440.155**

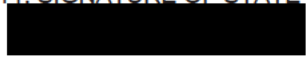
6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)  
a. FFY 2024 \$ 0  
b. FFY 2025 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  
**Attachment 4.19-D -- Nursing Facility Benefits -- Pages 38, and 38a (NEW)**

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  
**Attachment 4.19-D -- Nursing Facility Benefits -- Pages 38 (TN CO-23-0015)**

9. SUBJECT OF AMENDMENT  
**Changes the Pay-For-Performance Supplemental Medicaid Payment (P4P) to Class 1 nursing facilities from a per diem add-on dollar amount multiplier, to a flat per diem multiplier. Implements a cap on the total P4P supplemental payment based on percentage of the total annual Provider Fee. Nursing facilities with substandard deficiencies will receive one-half per diem.**

10. GOVERNOR'S REVIEW (Check One)  
 GOVERNOR'S OFFICE REPORTED NO COMMENT  OTHER, AS SPECIFIED:  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

11. SIGNATURE OF STATE AGENCY OFFICIAL  
  
12. TYPED NAME  
**Bettina Schneider**  
13. TITLE  
**Chief Financial Officer**  
14. DATE SUBMITTED

15. RETURN TO  
Colorado Department of Health Care Policy and Financing  
303 E. 17th Avenue, Suite 1100  
Denver, CO 80203  
Attn: Alex Lyons


**FOR CMS USE ONLY**

16. DATE RECEIVED: April 24, 2024

17. DATE APPROVED  
July 18, 2024

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIA: July 1, 2024

19. SIGNATURE OF APPROVING OFFICIAL  


20. TYPED NAME OF APPROVING OFFICIAL: Rory Howe

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

22. REMARKS

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

ATTACHMENT 4.19-D  
Page 38

Pay-For-Performance Supplemental Medicaid Payment

The Department shall make a supplemental Medicaid payment to Class 1 nursing facilities that provide services resulting in better care and higher quality of life for their residents.

1. Annually, the Department shall calculate the payment by multiplying a Pay-for-Performance (P4P) per diem rate by Medicaid patient days.
2. The P4P per diem rate for a Class 1 nursing facility is determined using their P4P points. The per diem rates are tiered such that Class 1 nursing facilities with greater points receive a greater per diem rate. There are five tiers delineating the per diem rates with each tier assigned a certain points range. For each tier, the per diem rate increases by a multiplier.

The five tiers, P4P points range, and per diem rates shall be published on the Department's website annually here: <https://hcpf.colorado.gov/nursing-facilities#NFPFP>.

For state fiscal year (SFY) 2024-25 and SFY 2025-26, the P4P per diem rates shall equal an amount such that total P4P payments made to all Class 1 nursing facilities shall be no less than twelve percent (12%) of the total for the following supplemental Medicaid payments for the year:

- a. Medicaid Utilization Supplemental Medicaid Payment,
- b. Acuity Adjusted Core Component Supplemental Medicaid Payment,
- c. Pay-for-Performance Supplemental Medicaid Payment,
- d. Cognitive Performance Scale Supplemental Medicaid Payment,
- e. Preadmission Screening & Resident Review II Resident Supplemental Payment,
- f. Preadmission Screening & Resident Review II Facility Supplemental Payment, and
- g. Core Component Supplemental Medicaid Payment.

For SFY 2026-27, and all subsequent years, the P4P per diem rates shall equal an amount such that total P4P supplemental payments made to all Class 1 nursing facilities shall be no less than fifteen percent (15%) of total for the following supplemental Medicaid payments for the year:

- a. Medicaid Utilization Supplemental Medicaid Payment,
- b. Acuity Adjusted Core Component Supplemental Medicaid Payment,
- c. Pay-for-Performance Supplemental Medicaid Payment,
- d. Cognitive Performance Scale Supplemental Medicaid Payment,
- e. Preadmission Screening & Resident Review II Resident Supplemental Payment,
- f. Preadmission Screening & Resident Review II Facility Supplemental Payment, and
- g. Core Component Supplemental Medicaid Payment.

TN No. 24-0007  
Supersedes TN No. 23-0015

Approval Date July 18, 2024  
Effective Date 7/1/2024

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

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3. The P4P points shall be based on a completed and verified/audited application including performance measures in each of the domains: quality of life, quality of care and nursing facility management. The application includes the following:
  - a. The number of points associated with each performance measure;
  - b. The criteria the nursing facility must meet or exceed to qualify for the points associated with each performance measure.
4. The prerequisites for participating in the program are as follows:
  - a. A nursing facility with substandard deficiencies on a regular annual, complaint, or any other Colorado Department of Public Health and Environment survey that qualifies for the P4P supplemental payment will receive a one-half the calculated payment. Substandard quality of care means one or more deficiencies related to participation requirements under Freedom from Abuse, Neglect, and Exploitation at 42 C.F.R. § 483.12 (2024), Quality of Life at 42 C.F.R. § 483.24 (2024), or Quality of Care at 42 C.F.R. § 483.25 (2024), that constitute either immediate jeopardy to resident health or safety; a pattern of or widespread actual harm that is not immediate jeopardy; or a widespread potential for more than minimal harm, but less than immediate jeopardy, with no actual harm.
  - b. The facility must perform a resident/family satisfaction survey in the manner determined by the Department and published annually on the Pay for Performance application published to the Department's website here: <https://hcpf.colorado.gov/nursing-facilities#NFPPF>.
5. To apply for a P4P supplemental payment, the nursing facility must have the requirements for each Domain/sub-category in place at the time of submitting an application for additional payment. The nursing facility must maintain documentation supporting its representations for each performance measure for which the nursing facility represents it meets or exceeds the specified criteria. Additionally, the nursing facility must submit with its application, the required documentation for each performance measure as identified on the application. The performance measures are published on the Department's website annually here: <https://hcpf.colorado.gov/nursing-facilities#NFPPF>.
6. Applications and supporting documentation are due December 1 through February 28 of each year and shall be considered complete as received. No post receipt or additional information shall be accepted after submission of the application. Facilities shall be selected for onsite verification of performance measures representations based on risk.
7. A nursing facility may accumulate a maximum of 100 points by meeting all performance measures indicated on the application.
8. Medicaid patient days shall be determined based on claims data from the MMIS and/or information provided by the nursing facility for the most recently completed calendar year ending prior to the state fiscal year calculation of the supplemental payment.
9. The supplemental Medicaid payment shall be divided by twelve and reimbursed monthly to Class 1 nursing facility providers. For state administered Class 1 nursing facilities the amount shall be divided by four and reimbursed quarterly.