

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, Maryland 21244-1850



**Center for Medicaid and State Operations, CMSO**

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Ms. Joan Henneberry  
Executive Director  
Department of Health Care Policy  
& Financing  
1570 Grant Street  
Denver, CO 80203-1818

AUG 27 2009

Re: Colorado 09-012

Dear Ms. Henneberry:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 09-012. Effective for services on or after June 15, 2009, this amendment modifies the funds available in State Fiscal Year 2008-2009 for the Public Hospital Supplemental Medicaid Payment to State-owned and non-State owned governmental hospitals that provide inpatient hospital services to Medicaid and low-income populations.

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 09-012 is approved effective June 15, 2009. The HCFA-179 and the amended plan page are attached.

If you have any questions, please call Christine Storey at (303) 844-7044.

Sincerely,

Cindy Mann  
Director  
Center for Medicaid and State Operations

cc: Chris Underwood, CO HCPF

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

FORM APPROVED  
OMB NO. 0938-0193

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>		1. TRANSMITTAL NUMBER: <b>09-012</b>	2. STATE: <b>COLORADO</b>
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE: June 15, 2009	
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 <b>CFR 42 Section 447.325</b>		7. FEDERAL BUDGET IMPACT a. FFY 2008-09 (\$171,362) b. FFY 2009-10 \$0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT <b>Attachment 4.19A Page 40d</b>		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) <b>Attachment 4.19A Page 40d</b>	
10. SUBJECT OF AMENDMENT <b>Modification to the total State funds available in State Fiscal Year 2008-09 for the Supplemental Medicaid Hospital Payment</b>			
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 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		Governor's letter dated <b>August 10, 2007</b> <b>January 26, 2009</b>	
12. SIGNATURE OF STATE AGENCY OFFICIAL		16. RETURN TO	
13. TYPED NAME <b>Joan Henneberry</b>		Colorado Department of Health Care Policy and Financing 1570 Grant Street Denver, CO 80203-1818	
14. TITLE <b>Executive Director</b>		Attn: Brian Zolynas	
15. DATE SUBMITTED <b>June 22, 2009</b>			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED		18. DATE APPROVED <b>8-27-09</b>	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL <b>JUN 15 2009</b>		20. SIGNATURE OF REGIONAL OFFICIAL	
21. TYPED NAME <b>William Lasowski</b>		22. TITLE <b>Deputy Director, CMSO</b>	
23. REMARKS			

TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAM

ATTACHMENT 4.19A  
Page 40d

State of Colorado

I. Public Hospital Payment

Effective July 1, 2007, State owned and non-state owned government hospitals, when they meet the criteria for being a Public Hospital Provider, will qualify to receive an additional supplemental Medicaid reimbursement for inpatient hospital services provided to Medicaid clients, such that the total of all payments will not exceed the Inpatient Upper Payment Limit for inpatient hospital services (as defined by the Centers for Medicare and Medicaid Services). The purpose of this payment is to provide reimbursement for uncompensated care related to inpatient hospital services for Medicaid clients to those providers who participate in the Colorado Indigent Care Program. This additional supplemental Medicaid reimbursement will be commonly referred to as the "Public Hospital payment" which will be calculated on an annual State Fiscal Year (July 1 through June 30) basis and dispensed in equal quarterly installments.

The Public Hospital payment is made only if there is available federal financial participation under the Upper Payment Limit for inpatient hospital services after the Medicaid reimbursement (as defined in this attachment as a Diagnosis Related Group and/or per diem reimbursement paid under the Medicaid program), the Rural Hospital payment, and the Pediatric Major Teaching payment.

The qualifying criteria for the Public Hospital payment will not directly correlate to the distribution methodology of the payment. A Public Hospital Provider is defined as a hospital that meets the following criteria:

1. Participates in the Colorado Indigent Care Program; and
2. Is a State-owned or non-state owned government hospital.

The Public Hospital payment is distributed based on a qualifying hospital's prior year Weighted Medically Indigent Costs relative to the sum of total Weighted Medically Indigent Costs for all qualifying hospitals, multiplied by the appropriation for the related State Fiscal Year, as defined for the High-Volume payment. Weighted Medically Indigent Costs will be inflated forward to the payment year using the most recently available Consumer Price Index - Urban Wage Earners, Medical Care Index - U.S. City Average. The funds available for the Public Hospital payment under the Upper Payment Limit for inpatient hospital services are limited by the regulations set by and the federal funds allocated by the Centers for Medicare and Medicaid Services.

Total funds available for this payment equal:

State Fiscal Year 2007-08	\$1,455,954
State Fiscal Year 2008-09	\$2,500,000

TN No. 09-012

Approval Date AUG 27 2009

Effective Date 6/15/09

Supersedes

TN No. 08-017