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State/Territory Name: Colorado

State Plan Amendment (SPA) #: CO-09-018

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) 179
- 3) Approved SPA Pages

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

Mr. John Bartholomew, Director
Budget and Finance Office
Department of Health Care Policy
& Financing
1570 Grant Street
Denver, CO 80203-1818

OCT 29 2009

Re: Colorado 09-018


Dear Mr. Bartholomew:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 09-018. Effective for services on or after September 1, 2009, this amendment suspends the Supplemental Medicaid Rural Hospital Payment to rural hospitals located outside a federally designated Metropolitan Statistical Area (MSA) with 60 or fewer beds 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 09-018 is approved effective September 1, 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

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER: 09 - 018	2. STATE: COLORADO
		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 September 1, 2009	
5. TYPE OF PLAN MATERIAL (Check One):			
<input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> 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 CFR 42 Section 447.272		7. FEDERAL BUDGET IMPACT a. FFY 09 \$ (354,450) b. FFY 10 \$ (1,063,351)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19A page 40c		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19A page 40c	
10. SUBJECT OF AMENDMENT Suspension of the Supplemental Medicaid Rural Hospital Payment			
11. GOVERNOR'S REVIEW (Check One)			
<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Governor's letter dated 26 January 2009 <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL _____ 13. TYPED NAME John Bartholomew		16. RETURN TO Colorado Department of Health Care Policy and Financing 1570 Grant Street Denver, CO 80203-1818 Attn: Rachel Gibbons	
14. TITLE Director, Budget and Finance Office			
15. DATE SUBMITTED September 30, 2009			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED		18. DATE APPROVED 10-24-09	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL SEP - 1 2009		20. SIGNATURE OF REGIONAL OFFICIAL _____ 1-11-09	
21. TYPED NAME William Lasowski		22. TITLE Deputy Director, CMSO	
23. REMARKS			

TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

State of Colorado

ATTACHMENT 4.19A

Page 40c

H. Rural Hospital Payment

Effective July 1, 2007, non-state owned governmental hospitals and privately owned hospitals, when they meet the criteria for being a Rural 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 "Rural Hospital payment" and will be calculated on an annual State Fiscal Year (July 1 through June 30) basis and dispensed in equal quarterly installments.

The Rural 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) and the Pediatric Major Teaching payment.

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

1. Participates in the Colorado Indigent Care Program; and
2. Is not located within a federally designated Metropolitan Statistical Area (MSA); and
3. Has 60 or fewer beds.

The Rural Hospital payment is distributed based on a qualifying hospital's prior year Weighted Medically Indigent Costs relative to the sum of the 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 Rural 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
State Fiscal Year 2009-10	\$0

Effective September 1, 2009, this payment is suspended.

TN No. 09-018

Supersedes

TN No. 09-011

OCT 29 2009

Approval Date 29 2009 Effective Date 9/1/09