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**State/Territory Name: Colorado**

**State Plan Amendment (SPA) #: CO-13-056**

This file contains the following documents in the order listed:

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

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
1600 Broadway, Suite 700  
Denver, CO 80202-4967



## **Region VIII**

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March 19, 2014

Susan E. Birch, MBA, BSN, RN, Executive Director  
Department of Health Care Policy & Financing  
303 East 17<sup>th</sup> Avenue, 7<sup>th</sup> floor  
Denver, CO 80203

RE: Colorado #13-056

Dear Ms. Birch:

We have reviewed the proposed State Plan Amendment (SPA) submitted under transmittal number (TN) 13-056. This amendment applies methods and standards for establishing payment rates for hospice services, reflecting the rate increase effective October 1, 2013.

Please be informed that this State Plan Amendment was approved today with an effective date of October 1, 2013. We are enclosing the CMS-179 and the amended plan page(s).

If you have any questions concerning this amendment, please contact Curtis Volesky at (303) 844-7033.

Sincerely,

/s/

Richard C. Allen  
Associate Regional Administrator  
Division for Medicaid & Children's Health Operations

cc: Suzanne Brennan  
Pat Connally  
Barb Prehmus  
John Bartholomew  
Max Salazar

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> <b>FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>		1. TRANSMITTAL NUMBER:  13-056	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  October 1, 2013	
5. TYPE OF PLAN MATERIAL ( <i>Check One</i> ):  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 ( <i>Separate transmittal for each amendment</i> )			
6. FEDERAL STATUTE/REGULATION CITATION 42 USCS § 1396d(a)(18)		7. FEDERAL BUDGET IMPACT a. FFY 2013-14 \$ 397,665 b. FFY 2014-15 \$ 530,221	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  • Attachment 4.19-B, Methods and Standards for Establishing Payment Rates, Item 18: Hospice Svs.		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT ( <i>If Applicable</i> )  • Attachment 4.19-B, Methods and Standards for Establishing Payment Rates, Item 18: Hospice Services (12-001)	
10. SUBJECT OF AMENDMENT Methods and standards for establishing payment rates for hospice services, reflecting the rate increases effective October 1, 2013.			
11. GOVERNOR'S REVIEW ( <i>Check One</i> )  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 01 September 2011			
12. SIGNATURE OF STATE AGENCY OFFICIAL  [Redacted]		16. RETURN TO  Colorado Department of Health Care Policy and Financing 1570 Grant Street Denver, CO 80203-1818  Attn: Barbara Prehmus	
13. TYPED NAME  Suzanne Brennan			
14. TITLE  Director, Medical & CHP+ Program Administration Office			
15. DATE SUBMITTED 12/19/2013			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED  12/19/13		18. DATE APPROVED  3/19/14	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL  10/01/13		20. SIGNATURE OF REGIONAL OFFICIAL  /s/	
21. TYPED NAME  Richard C. Allen		22. TITLE  ARA, DMCHO	
23. REMARKS			

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

STATE OF COLORADO

Attachment 4.19-B

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES –  
OTHER TYPES OF CARE

18. HOSPICE SERVICES

1. Hospice services are reimbursed in accordance with CMS guidelines based on the hospice wage index found at <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-payment/Hospice/index.html>, the CMS State Medicaid Manual Section 4306.3 and annual guidance published by the Centers for Medicare & Medicaid services. Medicaid hospice rates for Colorado are regionally adjusted for Routine Care and Continuous Home Care and are subject to an 8.26% rate increase.
2. Services that are included in the hospice reimbursement are:
  - a. Hospice Routine Home Care
  - b. Continuous Home Care
  - c. Hospice Inpatient Respite Care
  - d. Hospice General Inpatient Care
3. Hospice nursing facility room and board per diem rates are reimbursed to the hospice provider at a rate equal to 95% of the skilled nursing facility rate, less any Post Eligibility Treatment of Income (PETI) amount, for Medicaid clients who are receiving hospice services. The hospice provider is responsible for passing the room and board payment through to the nursing facility.
4. Physician services are not included in Hospice reimbursement but are reimbursed directly to the provider of the service.

Except as otherwise noted in the State Plan, state-developed rates are the same for both governmental and private providers. Medicaid hospice payment reimbursement rates were set as of October 1<sup>st</sup>, 2014 and are effective for services provided on or after that date. Medicaid Hospice payments rates are published to the Provider Bulletin by the Department annually.