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State/Territory Name: Colorado

State Plan Amendment (SPA) #: 20-0034

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

April 9, 2021

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

Re: Colorado 20-0034

Dear Ms. Johnson,

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 20-0034. Effective for services on or after October 1, 2020, this amendment creates the Minimum Wage Supplemental Payment for qualifying nursing facility providers.

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 20-0034 is approved effective October 1, 2020. The CMS-179 and the amended plan pages are attached.

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

Sincerely,



For
Rory Howe
Acting Director

<p align="center">TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</p> <p>FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES</p>		1. TRANSMITTAL NUMBER: 20 - 0034	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, 2020	
5. TYPE OF PLAN MATERIAL (<i>Check One</i>): NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS A NEW PLAN X AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (<i>Separate transmittal for each amendment</i>)			
6. FEDERAL STATUTE/REGULATION CITATION: Social Security Act, Section 1905(a)(4)(A) / 42 CFR 440.155		7. FEDERAL BUDGET IMPACT: b. FFY 2021: \$604,512 c. FFY 2022: \$1,970,334	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-D – Nursing Facility Benefits – Page 39a-c of 66		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.19-D – Nursing Facility Benefits – Page 39a of 66 (TN 19-0003)	
10. SUBJECT OF AMENDMENT: Local governments in Colorado are now allowed to increase their minimum wage above the statewide minimum wage. This amendment creates a minimum wage supplemental payment to reimburse Colorado Medicaid nursing homes for the increase in wages due to the enactment of an increased local government minimum wage, limited by Medicaid utilization			
11. GOVERNOR'S REVIEW (<i>Check One</i>): GOVERNOR'S OFFICE REPORTED NO COMMENT X OTHER, AS SPECIFIED COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Governor's letter dated 11 October, 2019 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Colorado Department of Health Care Policy and Financing 1570 Grant Street Denver, CO 80203-1818 Attn: Amy Winterfeld	
13. TYPED NAME: John Bartholomew			
14. TITLE: Chief Financial Officer			
15. DATE SUBMITTED: <u>Initial</u> : October 1, 2020 <u>Update #1</u> : October 28, 2020 <u>Update #2</u> : See time stamp in box 12 electronic signature			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED 10/1/2020		18. DATE APPROVED 4/9/21	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL 10/1/2020		 For Director, Financial Management Group	
21. TYPED NAME Rory Howe			
23. REMARKS			

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY
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Minimum Wage Supplemental Payment

The Department shall pay a supplemental payment to eligible Class I nursing facility providers for the increase in hourly wages due to a local government increasing their minimum hourly wage above the statewide minimum hourly wage.

1. At the beginning of every calendar year, the Department shall calculate the supplemental payment for an eligible Class 1 nursing facility provider by multiplying each eligible employee's minimum hourly wage gap by the eligible employee's paid hours. The sum of this calculation for all eligible employees is multiplied by the eligible Class 1 nursing facility provider's Medicaid utilization percentage.
 - a. An eligible Class 1 nursing facility provider resides within a local government that increases its minimum hourly wage above the statewide minimum hourly wage or resides within fifteen (15) driving miles of a Class 1 nursing facility provider required to increase its minimum hourly wage above the statewide minimum hourly wage.
 - b. A local government means any city, home rule city, town, territorial charter city, city and county, county, or home rule county.
 - c. An eligible employee is an employee whose hourly wage increases to or above the local government minimum hourly wage when the local government minimum wage is enacted.
2. The minimum hourly wage gap is calculated as the difference between the enacted local government minimum hourly wage and the hourly wage for an eligible employee immediately before the local government minimum hourly wage is enacted.
 - a. Hourly wages for an eligible employee include the base hourly wage and the overtime hourly wage.
 - b. The overtime local government minimum hourly wage is limited to one and one-half times (1.5x) the local government minimum hourly wage.
 - c. Hourly wages exclude any shift differential adjustments.
3. The paid hours include base, overtime, paid time off, and shift differential hours.
4. The Medicaid utilization percentage is a Class 1 nursing facility provider's Medicaid patient days divided by total patient days.

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- a. Medicaid patient days are determined using Medicaid paid claims for the most recent calendar year with at least four months of claims runout. The Department shall annualize or estimate Medicaid patient days for Class 1 nursing facility providers with less than a full year of paid claims.
 - b. Total patient days are reported by a Class 1 nursing facility provider to the Department for the most recent calendar year with at least four months of claim runout. The Department shall annualize or estimate total patient days for Class 1 nursing facility providers reporting less than a full year.
5. A Class I nursing facility provider that resides within a local government that increases its minimum hourly wage above the statewide minimum hourly wage shall provide the Department with data necessary to calculate the supplemental payment. Class 1 nursing facility providers that do not provide the Department with data necessary to calculate the supplemental payment may not receive the supplemental payment.
 6. A Class I nursing facility provider that resides within 15 driving miles of a Class I nursing facility provider required to increase its minimum hourly wage above the statewide minimum hourly wage shall apply to the Department for the supplemental payment to prove that hourly wages have been increased in line with the adjacent local government minimum hourly wage for all employees. Class 1 nursing facility providers that do not provide the Department with data necessary to calculate the supplemental payment may not receive the supplemental payment.
 7. The calculation and payment shall be performed once a year on a calendar year basis. At the beginning of every calendar year, the Department shall request the necessary data from each qualified Class 1 nursing facility provider for the period representing the previous calendar year. The Department shall calculate the payment using the requested data and make the payment once the calculations are complete and finalized.
 8. The Minimum Wage Supplemental Payment shall only be made if there is available federal financial participation under the Upper Payment Limit after all other Medicaid Fee-for-Service payments and Medicaid supplemental payments are considered.

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%).

TN No. 20-0034
Supersedes TN No. New

Approval Date 4/9/21
Effective Date 10/1/2020

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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.

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