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State/Territory Name: Colorado

State Plan Amendment (SPA) #: 21-0016

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

January 27, 2022

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

Re: Colorado 21-0016

Dear Ms. Johnson,

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 21-0016. Effective for services on or after May 14, 2021, this amendment establishes authority to negotiate a higher inpatient hospital payment rate for circumstances where the inpatient methodology is insufficient for the high acuity, all other placement options have been exhausted, and the service has received prior authorization from the Department's medical consultant.

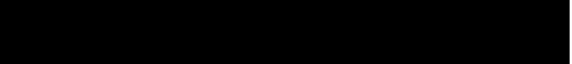
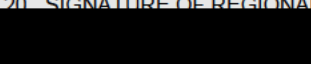
We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a) and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. We are pleased to inform you that Medicaid State plan amendment TN 21-0016 is approved effective May 14, 2021. The CMS-179 and the amended plan page are attached.

If you have any questions, please contact Christine Storey at Christine.storey@cms.hhs.gov or (303) 844-7044.

Sincerely,



Rory Howe
Director

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER: 21-0016	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: May 14, 2021	
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 1905(a)(1) / 42 CFR 440.10		7. FEDERAL BUDGET IMPACT: a. FFY 2021: \$281,432 b. FFY 2022: \$468,772	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19A – Methods and Standards for Establishing Payment Rates – Inpatient Hospital Services Page 9		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.19A – Methods and Standards for Establishing Payment Rates – Inpatient Hospital Services Page 9 (TN 04-007)	
10. SUBJECT OF AMENDMENT: Establishes authority to negotiate a higher inpatient hospital payment rate for circumstances where the inpatient payment methodology is insufficient for the high acuity, all other placement options have been exhausted, and the service has been reviewed and authorized by the Department's medical consultant.			
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: June 3, 2021			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED June 3, 2021		18. DATE APPROVED January 27, 2022	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL May 14, 2021		20. SIGNATURE OF REGIONAL OFFICIAL 	
21. TYPED NAME Rory Howe		Director, Financial Management Group	
23. REMARKS			

TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

ATTACHMENT 4.19A

State of Colorado

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F. Adjustments For In-State and Out-of-State Providers

1. Out-of-State Providers

- a. Non-emergent inpatient medical care rendered at an out-of-state hospital to a Colorado Medicaid patient must be prior authorized by the Department, based upon review and recommendation by the Peer Review Organization (PRO).
- b. Payment for out-of-state and non-participating Colorado Hospital inpatient services shall be at a rate equal to 90% of the average Colorado Urban or Rural DRG payment rate. Out-of State urban hospitals are those hospitals located within the Metropolitan Statistical Areas (MSA) as designated by the U.S. Department of Health and Human Services.
- c. Effective January 1, 1992: When needed inpatient transplant services are not available at a Colorado Hospital, payment can be made at a higher rate (than 90% of the average Colorado Urban or Rural DRG payment rate) for non-emergent services if the provider chooses this payment method. When not reimbursed at a DRG payment rate the out-of-state hospital will be paid based upon the following criteria.
 - i. Payment shall be 100% of audited Medicaid costs.
 - ii. In no case shall payment exceed \$1,000,000 per admission.
- d. All hospitals participating in the Medicaid program will submit Medicaid and total hospital utilization, statistical, and financial data to the Colorado Hospital Association Date Bank Program. If a hospital does not report to the Colorado Hospital Association Data Bank, the State agency will send the required format for reporting this data.

2. In-State Providers

- a. The Department will negotiate a higher reimbursement rate—no greater than 100% of the costs anticipated by the hospital—for in-state inpatient hospital services regardless of ownership (public or private) where, as determined by the Department, all of the following conditions are fulfilled:
 - i. The in-state inpatient payment methodology insufficiently accounts for the level of acuity. Hospitals must provide evidence demonstrating the inpatient methodology is insufficient, including but not limited to an anticipated cost report for Department review. The Department will negotiate a higher reimbursement up to, but no more than, 100% of the hospital's anticipated costs.
 - ii. All other placement options have been exhausted.
 - iii. The service has been reviewed and prior authorized by the medical consultant for the Department.

TN No. 21-0016
Supersedes TN
No. 04-007

Approval Date. 1/27/2022

Effective Date 5/14/2021