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State/Territory Name: Colorado

State Plan Amendment (SPA) #: 21-0025

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

September 21, 2021

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

Re: Colorado 21-0025

Dear Ms. Johnson,

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 21-0025. Effective for services on or after July 1, 2021, this amendment provides for a 2.5% inflationary increase for per diem hospitals. Specifically, the 2.5% increase applies to the base rate per-diem calculated for specialty-acute care and rehabilitation hospitals.

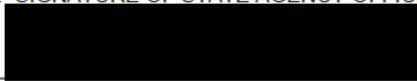

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a) and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. We are pleased to inform you that Medicaid State plan amendment TN 21-0025 is approved effective July 1, 2021. The CMS-179 and the amended plan page are attached.

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

Sincerely,

A black rectangular box redacting the signature of Rory Howe.

Rory Howe
Acting Director

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER: 21 – 0025	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: July 1, 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: 42 CFR 447.253		7. FEDERAL BUDGET IMPACT: a. FFY 2021: \$262,772 b. FFY 2022: \$1,071,357			
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A: Methods and Standards for Establishing Payment Rates – Section 1. Inpatient Hospital Services; Page 10a		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.19-A: Methods and Standards for Establishing Payment Rates – Section 1. Inpatient Hospital Services; Page 10a (TN 20-0036)			
10. SUBJECT OF AMENDMENT: 2.5% rate increase for per diem hospitals.					
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: Tracy Johnson					
14. TITLE: Medicaid Director					
15. DATE SUBMITTED: July 13, 2021					
FOR REGIONAL OFFICE USE ONLY					
17. DATE RECEIVED July 13, 2021		18. DATE APPROVED September 21, 2021			
PLAN APPROVED – ONE COPY ATTACHED					
19. EFFECTIVE DATE OF APPROVED MATERIAL July 1, 2021		 For			
21. TYPED NAME Rory Howe		22. TITLE Acting Director, Financial Management Group			
23. REMARKS					

TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

State of Colorado

ATTACHMENT 4.19A
Page 10a

- iv. percent lower than the second per diem rate.
 - v. The fourth and final per diem rate begins on day fourteen through the remainder of the stay. This rate is five percent lower than the third per diem rate.
1. Spine/Brain Injury Treatment Specialty Hospital (as Defined in Attachment 4.19-A, Section B):
- a. Care provided in Spine/Brain Injury Treatment Specialty Hospital to Medicaid clients is reimbursed using four per diem rates:
 - i. The initial per diem rate is paid during the first twenty-eight days of a client's stay.
 - ii. The second per diem rate begins on day twenty-nine to day forty-nine. This rate is five percent lower than the initial per diem rate.
 - iii. The third per diem rate begins on day fifty to day seventy-seven. This rate is five percent lower than the second per diem rate.
 - iv. The fourth and final per diem rate begins on day seventy-eight through the remainder of the stay. This rate is five percent lower than the third per diem rate.
2. To pay designated Inpatient Hospitals under a Classification per diem as defined above in Attachment 4.19-A, Section G, paragraphs 2-4, pages 10-10a, the Department of Health Care Policy and Financing:
- a. Assign each hospital, Specialty-Acute Hospitals and Rehabilitation Hospitals (Excludes Hospital Distinct Attached Part Units and Hospital Satellite Locations) to one of the following peer groups based on definitions from Attachment 4.19-A, Section B, paragraph 4(b-d), page 2.
 - i. Specialty-Acute Hospital
 - ii. Rehabilitation Hospital
 - iii. Spine/Brain Injury Treatment Specialty Hospital
 - b. Process Medicaid Inpatient hospital claims from state fiscal year 2017, known as the Base Year, though the methodology described in Attachment 4.19-A, Section G, paragraphs 2-4, pages 10-10a. Base per diems Budget Neutral to fiscal year 2017.
 - c. Base per diem additionally adjusted for state fiscal year increase for state fiscal year 2018 (1.4%), state fiscal year 2019 (1%) and state fiscal year 2020 (1%). Furthermore, the Medicaid Per Diem base rate, as determined in Attachment 4.19-A, Section G, paragraph S(a)(i-iii), page 10a, shall be adjusted by an equal percentage.
 - d. The following equation was utilized to calculate the base per diem from Fiscal Year (FY) 2017 (7/1/2016-06/30/2017) data. FY 2017 Total Medicaid FPS Reimbursed Dollars and Per Diem Days (as defined in Attachment 4.19A, Section G paragraphs 2-4) are customized for each of the three categories: Specialty-Acute, Rehabilitation and Spine/Brain Injury Treatment Specialty. Data is pulled from Colorado MMIS.
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- FY 2017 Total Medicaid FFS Reimbursed Dollars
- Initial Per Diem Days+ (0.95^{*} Second Per Diem Days)+(0.95² *Third Per Diem Days)+(0.95³ * Fourth Per Diem Days)
- e. Effective July 1, 2020, all rates as calculated in sections a-d of this subsection will be decreased by 1%.
 - f. Effective July 1, 2021, all rates as calculated in sections a-d of this subsection will be increased by 2.5%.