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State/Territory Name: Colorado

State Plan Amendment (SPA) #: 21-0047

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

May 24, 2022

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

Re: Colorado 21-0047

Dear Ms. Johnson,

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 21-0047. Effective for services on or after October 1, 2021, this amendment adds clarifying language specific to Disproportionate Share Hospital (DSH) payments as well as updates the hospital quality incentive payments available for qualifying providers.

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 21-0047 is approved effective October 1, 2021. The CMS-179 and the amended plan pages are attached.

If you have any questions, please contact Christine Storey at Christine.storey@cms.hhs.gov.

Sincerely,



Rory Howe
Director

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 1 — 0 0 4 7

2. STATE

CO

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT

XIX XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

October 1, 2021

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR 447.272; 42 CFR 447.297; 42 CFR 447.325

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2022 \$ 104,089,834
b. FFY 2023 \$ 5,000,000

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19A -- Pages 29d, 57c, 57d, 57e

8. PAGENUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (if Applicable)
Attachment 4.19A -- Pages 29d, 57c, 57d (TN 20-0024)

9. SUBJECT OF AMENDMENT

Revise the disproportionate share hospital supplemental payment and the hospital inpatient supplemental payment.

10. GOVERNOR'S REVIEW (Check One)

- GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

Governor's letter's dated 14 July, 2021

11. SIGNATURE OF STATE AGENCY OFFICIAL

Digitally signed by Bettina Schneider, CFO
Date: 2022.03.22 09:16:04 -06'00'

12. TYPED NAME
Bettina Schneider

13. TITLE
Finance Office Director

14. DATE SUBMITTED
~~Original: 12/8/2021~~ **Update #1: March 22, 2022**

15. RETURN TO

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

Attn: Amy Winterfeld

FOR CMS USE ONLY

16. DATE RECEIVED
12/8/2021

17. DATE APPROVED
May 24, 2022

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
10/1/2021

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL
Rory Howe

21. TITLE OF APPROVING OFFICIAL
Director, Financial Management Group

22. REMARKS

TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

ATTACHMENT 4.19A

State of Colorado

Page 29d

Effective October 1, 2019, total funds for the DSH payment shall equal an amount such that federal DSH funds shall not exceed the allowable FFY 2019-20 Colorado DSH allotment.

Qualified hospitals with CICIP write-off costs greater than or equal to 1,000% of the statewide average and qualified Critical Access Hospitals shall receive a payment equal to at least 90% of their estimated hospital-specific DSH limit but not exceeding 100% of their estimated hospital-specific DSH limit.

Remaining qualified hospitals shall receive a payment equal to their percent of uninsured costs to total uninsured costs for all remaining qualified hospitals, multiplied by the remaining DSH funds. No remaining qualified hospital shall receive a payment exceeding 96% of their hospital-specific DSH limit as specified in federal regulation. If a remaining qualified hospital's DSH Supplemental payment exceeds 96.00% of their hospital-specific DSH limit, the payment shall be reduced to 96.00% of their hospital-specific DSH limit. The reduction shall then be redistributed to other remaining qualified hospitals not exceeding 96.00% of their hospital-specific DSH limit based on the percentage of uninsured costs to total uninsured costs for all remaining qualified hospitals not 96.00% of exceeding their hospital-specific DSH limit.

Notwithstanding the above, a qualified hospital with a MIUR less than or equal to 15% shall have their hospital-specific DSH limit equal to 10%. A qualified new CICIP-participating hospital shall have their hospital-specific DSH limit equal to 10%.

Effective October 1, 2020, total funds for the DSH payment shall equal an amount such that federal DSH funds shall not exceed the allowable federal fiscal year Colorado DSH allotment.

Certain hospital groups shall receive a DSH payment equal to a percentage of their estimated hospital-specific DSH limit, not exceeding 100% of their estimated hospital-specific DSH limit. The hospital groups, requirements for a hospital to be included in each hospital group, and the percentage of hospital-specific DSH limit reimbursed through the DSH payment for each group shall be published to the Colorado Medicaid Provider Bulletin found on the Department's website at: www.colorado.gov/hcpf/bulletins.

Remaining qualified hospitals shall receive a payment equal to their percent of uninsured costs to total uninsured costs for all remaining qualified hospitals, multiplied by the remaining DSH funds. No remaining qualified hospital shall receive a payment exceeding 96% of their hospital-specific DSH limit as specified in federal regulation. If a remaining qualified hospital's DSH Supplemental payment exceeds 96.00% of their hospital-specific DSH limit, the payment shall be reduced to 96.00% of their hospital-specific DSH limit. The reduction shall then be redistributed to other remaining qualified hospitals not exceeding 96.00% of their hospital-specific DSH limit based on the percentage of uninsured costs to total uninsured costs for all remaining qualified hospitals not 96.00% of exceeding their hospital-specific DSH limit.

Notwithstanding the above, a qualified hospital with a MIUR less than or equal to 15% shall have their hospital-specific DSH limit equal to a designated percentage. A qualified new CICIP-participating hospital shall have their hospital-specific DSH limit equal to a designated percentage. The designated percentages for both hospital groups shall be published to the Colorado Medicaid Provider Bulletin found on the Department's website at: www.colorado.gov/hcpf/bulletins.

The state shall not exceed the total of all the hospital-specific DSH limits even if the total reimbursement is below the state's annual DSH allotment.

TN No. 21-0047

Supersedes

TN No. 20-0024

Approval Date May 24, 2022 Effective Date 10/1/2021

TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

ATTACHMENT 4.19A

State of Colorado

Page 57c

Patient Experience Measure Group

1. Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS)
2. Advance Care Plan

Regional Accountable Entity (RAE) Engagement Measure Group

3. RAE engagement on Physical and Behavioral Health

Substance Abuse Measure Group

4. Substance Use Disorder Composite
5. Alternatives to Opioids

Addressing Cost of Care Measure Group

6. Hospital Index

Effective October 1, 2020, HQIP includes eleven (11) measures separated into three (3) measure groups. A hospital is required to complete all measure groups but is not required to complete a measure if they are not eligible. If a hospital is not eligible for a measure(s) their total points awarded from all eligible measures shall be normalized.

Due to the COVID-19 pandemic, not all measures were implemented resulting in only 65 available awarded points. Every qualified hospital's points awarded shall be normalized to a 100 point scale.

The HQIP measure groups and measures are:

Maternal Health and Perinatal Care Measure Group

1. Exclusive Breast Feeding
2. Cesarean Section
3. Perinatal Depression and Anxiety
4. Maternal Emergencies
5. Reproductive Life/Family Planning
6. Incidence of Episiotomy

Patient Safety Measure Group

7. Clostridium Difficile
8. Adverse Event
9. Culture of Safety Survey

Patient Experience Measure Group

10. Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS)
11. Advance Care Plan

Effective October 1, 2021, HQIP includes fifteen (15) measures separated into three (3) measure groups for a total of 100 points. A hospital is required to complete all measure groups but is not required to complete a measure if they are not eligible. If a hospital is not eligible for a measure(s) their total points awarded from all eligible measures shall be normalized.

TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM
State of Colorado

The HQIP measure groups and measures are:

Maternal Health and Perinatal Care Measure Group

1. Exclusive Breast Feeding
2. Cesarean Section
3. Perinatal Depression and Anxiety
4. Maternal Emergencies & Preparedness
5. Reduction of Peripartum Racial and Ethnic Disparities
6. Reproductive Life/Family Planning

Patient Safety Measure Group

7. Zero Suicide
8. Clostridium Difficile
9. Sepsis
10. Antibiotics Stewardship
11. Adverse Event
12. Culture of Safety Survey
13. Handoffs and Sign-outs

Patient Experience Measure Group

14. Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS)
15. Advance Care Plan

Dollars Per-Adjusted Discharge Point

The dollars per-adjusted discharge point are determined using a qualified hospital's normalized points awarded. Dollars per-adjusted discharge point are tiered so that qualified hospitals with more normalized points awarded receive more dollars per-adjusted discharge point with each tier assigned a certain normalized points awarded range. For each tier, the dollars per-adjusted discharge point increase by a multiplier.

The multiplier and normalized points awarded for each tier are shown in the table below:

Tier	Normalized Points Awarded	Dollars Per-Adjusted Discharge Point
1	0-19	0(x)
2	20-39	1(x)
3	40-59	2(x)
4	60-79	3(x)
5	80-100	4(x)

The dollars per-adjusted discharge point shall equal an amount such that the total payment made to all hospitals shall equal seven percent (7.00%) of the total reimbursement made to hospitals in the previous state fiscal year.

TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM
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Total Funds for this payment equal:

FFY 2012-13	\$32,000,000	FFY 2018-19	\$90,496,734
FFY 2013-14	\$34,388,388	FFY 2019-20	\$90,778,024
FFY 2014-15	\$61,488,873	FFY 2020-21	\$89,149,838
FFY 2015-16	\$84,810,386	FFY 2022	\$104,089,834
FFY 2016-17	\$89,775,895		
FFY 2017-18	\$97,553,767		

In the event that HQIP payment calculation errors are realized after HQIP payments have been made, reconciliations and adjustments to impacted hospitals will be made retroactively.