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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
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,

[Redacted]
Rory Howe
Director
## TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

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

### 1. TRANSMITTAL NUMBER
21-0047

### 2. STATE
CO

### 3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT
XIX

### 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)

<table>
<thead>
<tr>
<th>Year</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>FFY 2022</td>
<td>$104,089,834</td>
</tr>
<tr>
<td>FFY 2023</td>
<td>$5,000,000</td>
</tr>
</tbody>
</table>

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

### 8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
Attachment 4.19A -- Pages 29d, 57c, 57d

### 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

### 16. DATE RECEIVED
12/8/2021

### 17. DATE APPROVED
May 24, 2022

### 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

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**Instructions on Back**
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 CICP 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 exceeding 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 CICP-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](http://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 exceeding 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 CICP-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](http://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.
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
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.
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**
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:

<table>
<thead>
<tr>
<th>Tier</th>
<th>Normalized Points Awarded</th>
<th>Dollars Per-Adjusted Discharge Point</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0-19</td>
<td>0(x)</td>
</tr>
<tr>
<td>2</td>
<td>20-39</td>
<td>1(x)</td>
</tr>
<tr>
<td>3</td>
<td>40-59</td>
<td>2(x)</td>
</tr>
<tr>
<td>4</td>
<td>60-79</td>
<td>3(x)</td>
</tr>
<tr>
<td>5</td>
<td>80-100</td>
<td>4(x)</td>
</tr>
</tbody>
</table>

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
State of Colorado

Attachment 4.19A
Page 57e

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.

May 24, 2022