

## **Table of Contents**

**State/Territory Name: Colorado**

**State Plan Amendment (SPA) #: 24-0020**

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 & HUMAN SERVICES**

Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S3-14-28  
Baltimore, Maryland 21244-1850



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**Financial Management Group**

September 5, 2024

Adela Flores-Brennan  
State Medicaid Director  
Colorado Department of Health Care  
Policy and Financing  
1570 Grant Street  
Denver, CO 80203-1818

RE: TN 24-0020

Dear Adela Flores-Brennan:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Colorado state plan amendment (SPA) to Attachment 4.19-A, CO 24-0020, which was submitted to CMS on June 25, 2024. This plan amendment provides for a two percent inflationary increase to the per diem rates for both Specialty-Acute and Rehabilitation hospitals.

We reviewed your SPA submission for compliance with statutory requirements, including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903 and 1923 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2) of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of July 1, 2024. We are enclosing the approved CMS-179 and a copy of the new state plan page.

If you have any additional questions or need further assistance, please contact Christine Storey at [Christine.storey@cms.hhs.gov](mailto:Christine.storey@cms.hhs.gov).

Sincerely,



Rory Howe  
Director  
Financial Management Group

Enclosures

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

1. TRANSMITTAL NUMBER <u>2 4 — 0 0 2 0</u>	2. STATE <u>CO</u>
3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	

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

4. PROPOSED EFFECTIVE DATE  
**July 1, 2024**

5. FEDERAL STATUTE/REGULATION CITATION  
**42 CFR 447.253**

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)  
a. FFY 2024 \$ 358,593  
b. FFY 2025 \$ 1,434,372

7. 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**

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  
**Attachment 4.19-A: Methods and Standards for Establishing Payment Rates – Section 1. Inpatient Hospital Services; Page 10a (TN 23-0032)**

9. SUBJECT OF AMENDMENT  
**2.0% rate increase for per diem hospitals in accordance with the state budget bill.**

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 dated 5 April 2023**

11. AGENCY OFFICIAL  
[Redacted]

12. TYPED NAME  
**Bettina Schneider**

13. TITLE  
**Chief Financial Officer**

14. DATE SUBMITTED  
**June 25, 2024**

15. RETURN TO  
Colorado Department of Health Care Policy and Financing  
303 E. 17th Avenue, Suite 1100  
Denver, CO 80203

Attn: Alex Lyons

**FOR CMS USE ONLY**

16. DATE RECEIVED: **June 25, 2024**

17. DATE APPROVED  
**September 5, 2024**

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL: **July 1, 2024**

19. SIGNATURE OF APPROVING OFFICIAL  
[Redacted]

20. TYPED NAME OF APPROVING OFFICIAL: **Rory Howe**

21. TITLE OF APPROVING OFFICIAL: **Director, Financial Management Group (FMG)**

22. 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.

FY 2017 Total Medicaid FPS Reimbursed Dollars

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Initial Per Diem Days+ (0.95<sup>\*</sup> Second Per Diem Days)+(0.95<sup>2</sup> \*Third Per Diem Days)+(0.95<sup>3</sup> \* 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-e of this subsection will be increased by 2.5%.
- g. Effective July 1, 2022, all rates as calculated in sections a-f of this subsection will be increased by 2.0%.
- h. Effective July 1, 2023, all rates as calculated in sections a-g of this subsection will be increased by 3.0%.
- i. Effective July 1, 2024, all rates as calculated in sections a-h of this subsection will be increased by 2.0%.