



Department of Health Care Policy and Financing

PUBLIC NOTICE

June 25, 2013

Supplemental Medicaid Payments and Disproportionate Share Hospital (DSH) Payments for Hospital Providers

Effective July 1, 2013, the Department proposes to submit a State Plan Amendment to modify supplemental Medicaid inpatient and outpatient payments and Disproportionate Share Hospital payments implemented as authorized under Section 25.5-4-402.3, Colorado Revised Statutes (2013).

The Colorado Health Care Affordability Act authorizes the Department to increase Medicaid payments to hospitals for inpatient services up to the available federal upper payment limit, to increase Medicaid payments to hospitals for outpatient services up to 100 percent of costs, to increase payments to hospitals that participate in the CICP up to 100 percent of costs, and to pay quality incentive payments to hospitals. Supplemental Medicaid payments and DSH payments may be modified and payment amounts may be increased to meet these provisions.

This adjustment will result in a change to the annual aggregate expenditures. These payments will be funded through providers' fees and matching Medicaid funds. No state general funds will be used. Aggregate payments to hospitals will not exceed federal upper payment limits for inpatient and outpatient services and aggregate DSH payments will not exceed the annual federal allotment.

Supplemental Medicaid Payments for Family Medicine Residency Program

Effective July 1, 2013, the Department proposes to submit a State Plan Amendment to increase supplemental Medicaid payments made to participating Family Medicine Residency Training Programs as authorized under 25-1-903, Colorado Revised Statutes (2013).

In FY 2013-14, the appropriation for Family Medicine Residency programs has been increased by \$630,000, composed of equal parts general fund and federal Medicaid matching funds, to \$2,371,077. Additionally, through the passage of Senate Bill 13-264, \$500,000 additional general fund dollars will be spent to support the development of rural family medicine residency programs. Combined with federal matching funds, \$1,000,000 of additional funds are available to Family Medicine Residency programs through FY 2015-16.

Improving health care access and outcomes for the people we serve while demonstrating sound stewardship of financial resources.

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Supplemental Medicaid Payments for Federally Qualified Health Centers Owned and Operated by a Public Hospital

Effective July 1, 2013, the Department proposes to submit a State Plan Amendment creating a supplemental payment to reimburse uncompensated costs incurred treating Medicaid clients at Federally Qualified Health Centers (FQHCs) owned and operated by public hospitals. At this time, Denver Health and Hospital Authority is the sole public hospital owner/operator of FQHCs in Colorado.

Only the otherwise uncompensated costs incurred in treating Medicaid clients at FQHCs owned and operated by public hospitals are eligible for reimbursement. At this time, the Department estimates the FY 2013-14 payment will be \$4,000,000.

This payment will be funded by Certification of Public Expenditures and matching federal Medicaid funds. No state general funds will be used.

Supplemental Medicaid Payment for Private Nursing Facilities

Effective July 1, 2013, the Department proposes to submit a State Plan Amendment creating a supplemental payment to reimburse private nursing facilities for the nursing care of chronically acute, long-stay patients currently treated in an inpatient hospital setting.

Due to available room under the federal upper payment limit for private nursing facilities, the Department is able to increase supplemental payments to private nursing facilities. The Department estimates the FY 2013-14 payment will be \$70,000,000, payable to private nursing facilities. Aggregate payments to private nursing facilities will remain under the federal upper payment limit for private nursing facilities in Colorado.

This payment will be funded by an intergovernmental transfer from Denver Health and Hospital Authority to the Department and matching federal Medicaid funds. No state general funds will be used.

General Information

A link to this notice will be posted on the Department's web site (www.colorado.gov/hcpf) starting on June 25, 2013. Written comments may be addressed to: Director, Medical and CHP+ Program Administration Office, Department of Health Care Policy and Financing, 1570 Grant Street, Denver, CO 80203.