



Department of Health Care Policy and Financing

PUBLIC NOTICE

June 21, 2011

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

Effective July 1, 2011, 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 (2011).

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 CICIP 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 an increase of annual aggregate expenditures of approximately \$68,000,000 in FY 2011-12. 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 Nursing Facility Providers

Effective July 1, 2011, the Department proposes to submit a State Plan Amendment to modify supplemental Medicaid nursing facility payments as authorized under Section 25.5-6-202, Colorado Revised Statutes (2011). This adjustment will result in an increase of annual aggregate expenditures of approximately \$31,460,000 in FY 2011-12. These payments will be funded through Certification of Public Expenditures and provider fees and matching Medicaid funds. No state general funds will be used. Aggregate payments to nursing facilities will not exceed federal upper payment limits for nursing facility services.

Pediatric Major Teaching Hospital Payment

Effective July 1, 2011, the Department intends to submit a State Plan Amendment to modify the Pediatric Major Teaching Hospital Payment. This adjustment will result in a decrease of annual aggregate expenditures of approximately (\$7,900,000) in FY 2011-12. Aggregate payments to hospitals will not exceed federal upper payment limits for inpatient services.

Urban Safety Net Provider Payment

Effective July 1, 2011, the Department intends to submit a State Plan Amendment to modify the Urban Safety Net Provider Payment for inpatient hospital services to Medicaid clients to reflect payments to be made in FY 2011-12. This adjustment will result in a decrease of annual aggregate expenditures of approximately (\$1,225,000) in FY 2011-12. Aggregate payments to hospitals will not exceed federal upper payment limits for inpatient services.

Family Medicine Program and State University Teaching Hospital Payments

Effective July 1, 2011, the Department intends to submit a State Plan Amendment to modify the payment for the Commission on Family Residency Training Program payments and State University Teaching Hospital Payments to reflect payments to be made in FY 2011-12. This adjustment will result in a decrease of annual aggregate expenditures of approximately (\$390,000) in FY 2011-12. Aggregate payments to hospitals will not exceed federal upper payment limits for inpatient services.

Reimbursement to Specified Government-Operated Providers for Costs of Professional Services

Effective July 1, 2011, the Department, for the purpose of additional reimbursement, proposes to submit a State Plan Amendment to add Memorial Health System of Colorado Springs to a list of government-operated hospital providers eligible to receive reimbursement for uncompensated Medicaid costs of physician and specified non-physician practitioner professional services.

Only the otherwise uncompensated costs of the professional services not claimed by the hospital as Medicaid inpatient hospital services, outpatient hospital services or government operated clinic services are proposed to be eligible for reimbursement.

This payment will be funded through Certification of Public Expenditures and matching 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 24, 2011. 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.