



Department of Health Care Policy and Financing

PUBLIC NOTICE

June 26, 2012

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

Effective July 1, 2012, 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.
- Increase Medicaid payments to hospitals for outpatient services up to 100 percent of costs.
- Increase payments to hospitals that participate in the CICIP up to 100 percent of costs.
- 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 \$39,000,000 in FY 2012-13. 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.

Pediatric Major Teaching Hospital Payment

Effective July 1, 2012, 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 \$18,800,000 in FY 2012-13. Aggregate payments to hospitals will not exceed federal upper payment limits for inpatient services.

Urban Safety Net Provider Payment

Effective July 1, 2012, the Department intends to submit a State Plan Amendment to modify the Urban Safety Net Provider Payment for inpatient

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hospital services to Medicaid clients to reflect payments to be made in FY 2012-13. This adjustment will result in a decrease of annual aggregate expenditures of approximately \$4,700,000 in FY 2012-13. Aggregate payments to hospitals will not exceed federal upper payment limits for inpatient services.

Nursing Facility Provider Payments

Effective July 1, 2012 nursing facility per diem reimbursement rates will be reduced by 1.5%. The Department anticipates that both hospice rates for room and board and Program of All Inclusive Care for the Elderly (PACE) rates would be affected by reducing nursing facility rates as these rates are tied to the nursing facility rates. These changes are expected to result in an aggregate decrease in provider reimbursements in FY 2012-13 of approximately \$9,000,000.

General Information

A link to this notice will be posted on the Department's Web site (www.colorado.gov/hcpf) starting on June 26, 2012. 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.