Title of Rule:	Revision to the Medical Assistance Rule Concerning Elimination of the Colorado Indigent Care Program Rural and Public Hospital Payments
Rule Number:	MSB 09-08-17-F
Division / Contact / Phone:	State Programs and Federal Financing / Cindy Arcuri / X3996

STATEMENT OF BASIS AND PURPOSE

1. Summary of the basis and purpose for the rule or rule change. (State what the rule says or does and explain why the rule or rule change is necessary).

   This rule is repealed, effective September 1, 2009 to reduce expenditures to Colorado Indigent Care Program (CICP) rural hospitals with 60 or fewer staffed acute care beds and public-owned CICP hospitals in order to help offset the projected state budget shortfall.

2. An emergency rule-making is imperatively necessary

   ☐ to comply with state or federal law or federal regulation and/or

   ☒ for the preservation of public health, safety and welfare.

   Explain:

   The Department may not be able to provide the services necessary to preserve the public health, safety and welfare, if the CICP program expenditures to rural CICP hospitals with 60 or fewer staffed acute care beds are not reduced.

3. Federal authority for the Rule, if any:

   Social Security Act, Section 1902(a)(30)(A).

4. State Authority for the Rule:

   25.5-1-301 through 25.5-1-303, C.R.S. (2008);
   24-4-103(6), C.R.S. (2008)

Initial Review		Final Adoption	
Proposed Effective Date	**9/1/2009**	Emergency Adoption	**8/31/2009**

DOCUMENT # 3

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REGULATORY ANALYSIS

1. Describe the classes of persons who will be affected by the proposed rule, including classes that will bear the costs of the proposed rule and classes that will benefit from the proposed rule.

   The Rural and Public Hospital Payments partially reimburse public-owned hospital providers and rural hospital providers for inpatient hospital services rendered to low-income uninsured populations. To be eligible for these payments, providers must participate in the Colorado Indigent Care Program (CICP).

2. To the extent practicable, describe the probable quantitative and qualitative impact of the proposed rule, economic or otherwise, upon affected classes of persons.

   The elimination of this funding will mean a decrease of $2.5 million that had been appropriated to public-owned CICP hospital providers in FY 2009-10 and a decrease of $2.5 million that had been appropriated for rural CICP hospital providers in FY 2009-10. Other CICP funding for rural and public-owned CICP hospital providers has not been impacted by this rule.

3. Discuss the probable costs to the Department and to any other agency of the implementation and enforcement of the proposed rule and any anticipated effect on state revenues.

   There are no costs to the Department or any other agency to implement or enforce this proposed rule.

4. Compare the probable costs and benefits of the proposed rule to the probable costs and benefits of inaction.

   The benefit of the proposed rule revision is a reduction in expenditures for CICP rural hospitals with less than 60 beds and public-owned CICP hospitals, which will help offset the projected state budget shortfall. The cost is that these hospitals will no longer receive these supplemental payments to offset costs for CICP clients.

5. Determine whether there are less costly methods or less intrusive methods for achieving the purpose of the proposed rule.

   Since all funding has been eliminated for this payment, there are no other options than to repeal the rule guiding these payments.

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6. Describe any alternative methods for achieving the purpose for the proposed rule that were seriously considered by the Department and the reasons why they were rejected in favor of the proposed rule.

   None.

8.903 PROVISIONS APPLICABLE TO QUALIFIED HEALTH CARE PROVIDERS

C. Distribution of Available Funds to Providers

15. Rural Hospital Payment. This payment is repealed effective September 1, 2009.~~an allocation of the Supplemental Tobacco Litigation Settlement Moneys Account and is available to qualified Rural Hospital providers.~~

~~a. A Rural Hospital provider shall meet the following requirements to qualify for the payment: (1) participate in the Colorado Indigent Care Program; (2) reside outside the boundaries of a federally designated metropolitan statistical area; and (3) have 60 or fewer staffed acute care beds.~~

~~b. Fifty percent of the moneys appropriated to the Supplemental Tobacco Litigation Settlement Moneys Account each fiscal year plus any corresponding available federal financial participation shall be allocated to qualified Rural Hospital providers on a quarterly basis.~~

~~c. The Rural Hospital payment to a qualified provider shall be calculated as the individual provider's Weighted Medically Indigent Costs relative to the sum of total Weighted Medically Indigent Costs for all qualified hospital providers multiplied by the allocation available to Rural Hospital providers. Weighted Medically Indigent Costs shall be as defined in Section 8.903.C.10 and the allocation available to Rural Hospital providers shall be as specified in Section 8.903.C.15.b.~~

16. Public Hospital Payment. This payment is repealed effective September 1, 2009.~~an allocation of the Supplemental Tobacco Litigation Settlement Moneys Account and is available to qualified Public Hospital providers. [Eff. 10/30/07]~~

~~a. A Public Hospital provider shall meet the following requirements to qualify for the payment: (1) participate in the Colorado Indigent Care Program; and (2) be either a State-owned or Local-owned hospital provider. [Eff. 10/30/07]~~

~~b. Fifty percent of the moneys appropriated to the Supplemental Tobacco Litigation Settlement Moneys Account each fiscal year, plus all interest and income earned on the deposit and investment of moneys in the Account, plus any corresponding available federal financial participation shall be allocated to qualified Public Hospital providers on a quarterly basis. [Eff. 10/30/07]~~

~~c. The Public Hospital payment to a qualified provider shall be calculated as the individual hospital provider's Weighted Medically Indigent Costs relative to the sum of total Weighted Medically Indigent Costs for all qualified hospital providers multiplied by the allocation available to Public Hospital providers. Weighted Medically Indigent Costs shall be as defined in Section 8.903.C.10 and the allocation available to Public Hospital providers shall be as specified in Section 8.903.C.16.b. [Eff. 10/30/07]~~