



COLORADO

Colorado Healthcare Affordability
& Sustainability Enterprise

MEMORANDUM

TO: Hospital Transformation Program participants
FROM: Nancy Dolson, Special Financing Division Director
DATE: June 18, 2019
RE: State Plan Amendment vs. 1115 waiver

The Department of Health Care Policy & Financing (the Department) would like to update hospitals on changes to the Hospital Transformation Program (HTP) federal authority vehicle the program will operate under.

After multiple conversations with the Centers for Medicare and Medicaid Services (CMS) over the past several months, the Department is planning to move to a State Plan Amendment (SPA) for the initial implementation of the developed HTP components. CMS guidance to the state is to utilize existing federal authority where possible. Most of the program's current recommended framework can be accomplished under the State Plan authority and the Department will seek to utilize waiver authority for more targeted areas of the program that cannot be accomplished under State Plan authority.

While the HTP federal authority vehicle is expected to change, no revisions to the program framework or mechanisms are being proposed. Recent conversations with CMS indicate we can implement the program under SPA. These modifications in approach are not the result of any lack of feasibility with the program, and the Department plans to put the program forward to CMS as we have proposed it. We are not proposing any programmatic changes with these changes in federal authority.

Additional discussions with CMS will include plans to discuss waiver authority for targeted areas of the program that will need to be approved outside the SPA such as rural infrastructure and savings bonus components. The HTP is still in development and is a continued collaboration with the Colorado Hospital Association (CHA), hospital workgroups, Colorado Healthcare Affordability and Sustainability Enterprise Board (CHASE) and CMS, and is ultimately subject to CMS approval.

