

Hospital Provider Fee Oversight and Advisory Board Update for the Medical Services Board

Friday, February 13, 2015

Colorado Health Care Affordability Act Annual Report

At its December 28, 2014 meeting, the Hospital Provider Fee Oversight and Advisory Board (OAB) reviewed and approved the [Colorado Health Care Affordability Act Annual Report](#), which was delivered to the Medical Services Board on January 15, 2015. This report noted that during October 1, 2013 through September 30, 2014 the hospital provider fee:

- **Provided \$215 million in increased reimbursement to hospital providers**

Hospitals received more than \$913 million in supplemental Medicaid and Disproportionate Share Hospital (DSH) payments financed with hospital provider fees, including \$34 million in hospital quality incentive payments. This funding resulted in more than \$215 million in a net reimbursement increase for care provided to Medicaid and Colorado Indigent Care Program (CICP) clients with no increase in General Fund expenditures.

- **Reduced uncompensated care costs and the need to shift uncompensated care costs to other payers**

The hospital provider fee reduces uncompensated care for hospital providers and the need to shift those costs to private payers by increasing hospital reimbursement and by reducing the number of uninsured Coloradans. Prior to the implementation of the hospital provider fee, Medicaid reimbursement to Colorado hospitals was approximately 61% of cost. The latest data shows that Medicaid reimbursement to hospitals has improved to approximately 80% of cost.

- **Provided health care coverage through Medicaid and the Child Health Plan *Plus* (CHP+) for more than 300,000 Coloradans**

As of September 30, 2014, the Department has enrolled approximately 73,000 Medicaid parents, 18,000 CHP+ children and pregnant women, 2,900 adults and children with disabilities, and 210,000 adults without dependent children with no increase in General Fund expenditures.

Hospital Provider Fee Oversight and Advisory Board

The Department continues to await federal approval of the State Plan Amendments by the Centers for Medicare and Medicaid Services (CMS) for the 2014-15 hospital provider fee model approved by the OAB in October 2014. Until the new model is fully approved, hospitals will continue to pay fees and receive payments at the 2013-14 amounts.

Minutes from the December 16, 2014 OAB meeting are attached. The next OAB meeting is scheduled for February 24, 2015.