

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop: S2-26-12
Baltimore, Maryland 21244-1850



Financial Management Group
Division of Financial Operations West

December 14, 2023

Adela Flores-Brennan
Medicaid Director
Health Care Policy & Financing
1570 Grant Street
Denver, Colorado 80203-1818

RE: Amended - Notification of Financial Management Review – Outpatient Hospital Supplemental Payments, Federal Fiscal Year 2021, Control Number WD-FM-2024-CO-01-D

Dear Director Flores-Brennan:

This letter is to inform you that the Centers for Medicare & Medicaid Services (CMS) will be performing a financial management review (FMR) of Colorado's outpatient hospital supplemental payments. The review period will include payments made for Medicaid services during the period October 01, 2020 through September 30, 2021. This review will be performed remotely and is scheduled to begin on January 15, 2024.

The objective of our review is to ensure that Colorado's outpatient hospital supplemental payments are consistent with the Colorado Medicaid state plan, as approved and federal regulations. In addition, the Upper Payment Limit (UPL) calculations will be reviewed for appropriateness and adequate availability necessary to accommodate those outpatient supplemental payments prescribed under Attachment 4.19-B of the Medicaid state plan.

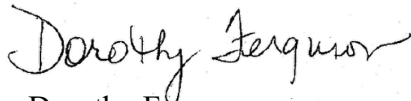
Attached to this letter is a preliminary information request list. This list is not all-inclusive, and we may request additional information necessary as the review progresses. To expedite completion of our work, we request that responses to the attached preliminary information request be provided to the Review Team Lead, identified below, by January 31, 2024. We request all information is provided to us in electronic format via email or through the same mechanisms already in place to provide us supporting documentation during our quarterly Form CMS-64 reviews (such as the use of secure networks). We also have the option of using a secure network, BOX. If BOX is preferable, CMS will grant state staff providing requested documentation access to BOX. Additionally, CMS has obtained contractor support to assist us with this review. The contractor is the National Opinion Research Center (NORC). NORC will be involved with all aspects of this review.

Adela Flores-Brennan, Director
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Please provide the Department of Health Care Policy & Financing Medicaid audit liaison point of contact so my Review Team Lead may schedule our entrance conference date (tentatively the week of January 08, 2024) and begin coordinating meeting dates with key state staff. We will provide the state the chance to respond to any potential findings or observations prior to development of a draft report. We will consider the state's input in preparation of a draft report. We anticipate the issuance of a draft report to the state by the end of calendar year 2024. The state will then have 30 days to formally respond to the draft report.

If you have any questions or concerns about our review, please contact Anh Ta, Branch Chief, at (206) 615-2340, email anh-dung.ta@cms.hhs.gov or the Review Team Lead, Frank Schneider, at (206) 615-2335, email frank.schneider@cms.hhs.gov please refer to control number **WD-FM-2024-CO-01-D** in all correspondence. Additionally, please include our contractor, NORC, at MedicaidFMR@norc.org in all email correspondence relating to this review. We appreciate your assistance in this review.

Sincerely,

A handwritten signature in black ink that reads "Dorothy Ferguson". The signature is written in a cursive style with a large initial "D".

Dorothy Ferguson
Director, Division of Financial Operations West

Attachment

Attachment
CMS Review of Colorado's Supplemental Payments for Outpatient Hospital Services
(Control No. WB-FM-2024-CO-01-D)
Initial Documentation Request

To expedite the review of the Colorado's Supplemental Payment for Outpatient Hospital Services for the period October 1, 2020 through September 30, 2021, please provide the following documents, in **electronic format** via the state's secure portal by January 31, 2024. We will gladly accept this information as it becomes available before January 31, 2024.

1. Provide a copy of the state plan and upper payment limit demonstrations (UPL) in relation to the supplemental payments made to outpatient hospitals for the period October 1, 2020 through September 30, 2021. The demonstrations should include all supporting working papers, schedules, spreadsheets, etc., used by the state in calculating the UPL.
2. Internal policies, procedures, and controls regarding oversight, monitoring and validation of the State Medicaid agency's supplemental payments to Medicaid provider for outpatient hospital services, for the period under review.
3. If applicable, please provide any written agreements between the state and hospitals that describes how these supplemental payments are to be used.
4. Provide a list of participating Medicaid certified providers (e.g. hospitals), for each type of outpatient supplemental payment(s), covering the period October 1, 2020 through September 30, 2021. Further, please identify whether the source of the non-federal share thereof. If the source is legislative appropriations, please provide documentation of the appropriations for the period under review.
5. In relation to the above, we are requesting that the state also identify the entity, if other than the participating provider, which is responsible for provision of the non-federal share (e.g., city / county, et al) via the IGT or other funding arrangement.
6. A list of all written agreements, contracts and/or arrangements between the state and participating Medicaid certified providers, and/or any other entities involved in the transactions pursuant to Colorado's supplemental payment program.
7. Identification of all outpatient hospital supplemental payments reported on the Form CMS-64, with identification of prior period adjustments listed separately, for the period October 1, 2020 through September 30, 2021. Also, provide a reconciliation between state accounting/MMIS records to the Form CMS-64 if there are any variances.
8. Identification of each above provider's licensure and certification status, including all assigned provider numbers, dates of certification, etc., obtained from CMS.

9. Supporting spreadsheets, working papers, and any other detail utilized in preparation and documentation of payment calculations used by the state in determining the supplemental payments each provider will receive.
10. Specify the method of payment (e.g., Medicaid Management Information System (MMIS), manual processing, etc.). If payments are made outside of MMIS, please explain further.
11. Provide any documents the state believes will assist in validating the appropriateness of the outpatient supplemental payments and funding mechanisms associated with the payments.

Please note that all spreadsheets provided in response to the above requests should be in an unprotected Excel format, to facilitate review by CMS staff of the underlying formulas and calculations.