



DENVER HEALTH™

est. 1860

FOR LIFE'S JOURNEY

April 25, 2024

Kim Bimestefer
Executive Director
Colorado Department of Health Care Policy and Financing
via email to Kim.Bimestefer@state.co.us

Re: Changes to the Upper Payment Limit/CHASE Fee

Dear Kim,

I am aware that the Colorado Hospital Association has presented a request that HCPF consider changes in the Colorado Healthcare Affordability and Sustainability Enterprise (CHASE) fee model and the Upper Payment Limit (UPL). Denver Health agrees on some level with the requested changes, however, we are concerned that any adjustments to these programs be closely examined to determine the changes that would impact hospitals who are most financially impacted by caring for a disproportionate share of Medicaid and uninsured patients within their payer mix.

Denver Health is strongly concerned that raising the UPL to 100 percent from 97 percent will increase the fees our health system provides to the CHASE fee while giving us no financial benefit. The purpose of the CHASE fee is to increase Medicaid reimbursement to an amount closer to cost, particularly for those that see a disproportionate share of Medicaid patients. Denver Health's payer mix is 50 percent Medicaid and over 10 percent uninsured.

As you know, because of our payer mix, the CHASE fee model already reimburses us up to 96 percent of our estimated Disproportionate Share Hospital (DSH) limit. Unfortunately, that means Denver Health can only receive minimal additional revenue from the CHASE fee model or other additional federal matching dollars related to state payments. We understand that all health systems want to benefit from this program as much as possible, but adequate exploration of the impact on all hospitals should precede any decision-making.

If the state chooses to move forward to seek CMS approval to increase the UPL to 100 percent, Denver Health is asking that the DSH payment is also increased to 100 percent. This ensures that the CHASE fee will benefit hospitals like ours that are the most impacted by a high Medicaid and uninsured payer mix.

We look forward to continuing the conversation on this effort and please let me know if you have any questions.

Sincerely,

Donna Lynne, Dr.PH
Chief Executive Officer
Denver Health

CC: Colorado Hospital Association