

Colorado Healthcare Affordability and Sustainability Enterprise Annual Report

January 15, 2021



CHASE

Colorado Healthcare Affordability and
Sustainability Enterprise

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I. Colorado Healthcare Affordability and Sustainability Enterprise Overview

This legislative report is presented by the Colorado Department of Health Care Policy & Financing (the Department) and the Colorado Healthcare Affordability and Sustainability Enterprise (CHASE) Board regarding the CHASE Act of 2017.

The CHASE is a government-owned business operating within the Department. Its purpose is to charge and collect the health care affordability and sustainability fee to obtain federal matching funds. The health care affordability and sustainability fee and the federal matching funds are used to provide business services to hospitals by:

- Increasing hospital reimbursement for care provided to Health First Colorado (Colorado's Medicaid program) members and Coloradans eligible for discounted health care services through the Colorado Indigent Care Program (CICP);
- Funding hospital quality incentive payments;
- Increasing the number of individuals eligible for Health First Colorado and Child Health Plan *Plus* (CHP+);
- Paying the administrative costs of the CHASE, limited to 3% of its expenditures; and
- Providing or arranging for additional business services to hospitals by:
 - ✓ Consulting with hospitals to help them improve both cost efficiency and patient safety in providing medical services and the clinical effectiveness of those services;
 - ✓ Advising hospitals regarding potential changes to federal and state laws and regulations that govern Health First Colorado and CHP+;
 - ✓ Providing coordinated services to hospitals to help them adapt and transition to any new or modified performance tracking and payment system for Health First Colorado and CHP+;
 - ✓ Providing any other services to hospitals that aid them in efficiently and effectively participating in Health First Colorado and CHP+; and
 - ✓ Providing funding for a health care delivery system reform incentive payments program.

From Oct. 2019 through Sept. 2020, the CHASE has:

- **Provided \$393 million in increased reimbursement to hospital providers**

Hospitals received more than \$1.4 billion in supplemental Medicaid and Disproportionate Share Hospital (DSH) payments financed with health care affordability and sustainability fees, including \$90.7 million in hospital quality incentive payments (HQIP). This funding increased hospital reimbursement by \$393 million for care provided to Health First Colorado and CICP members with no increase in General Fund expenditures.

- **Transferred \$114 million in health care affordability and sustainability fees to the state General Fund**

To offset state revenue loss as a result of the novel coronavirus (COVID-19) pandemic, hospitals funded a portion of the state's medical assistance program expenditures normally funded through the state General Fund.

- **Saved hospitals \$127 million in health care affordability and sustainability fees by using an enhanced federal medical assistance percentage methodology**

If the enhanced federal medical assistance percentage methodology were not used, hospitals would have had to pay \$127 million more in health care affordability and sustainability fees to receive the same \$1.4 billion supplemental payment as mentioned above.

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

The CHASE reduces uncompensated care for hospital providers and the need to shift those costs to private payers by increasing reimbursement to hospitals and by reducing the number of uninsured Coloradans. From 2009 to 2019, the payment for care provided to Health First Colorado members has improved overall, increasing coverage from 54% to 75% of costs¹. In 2019, the amount of bad debt and charity care decreased by more than 56% compared to 2013. This sharp reduction in hospitals' uncompensated care follows the increased reimbursement to hospitals under the CHASE and the reduction in the number of uninsured Coloradans due to the CHASE and the federal Affordable Care Act (ACA). However, a positive impact on cost shifting to private payers is not apparent with payments in excess of cost per patient increasing by approximately 117% since 2009. Determining the extent to which hospitals reduced the cost shift requires additional data and analysis.

- **Provided health care coverage through Health First Colorado and Child Health Plan *Plus* for more than 502,000 Coloradans**

As of Sept. 30, 2020, the Department has enrolled approximately 87,000 Health First Colorado parents ranging from 61% to 133% of the federal poverty level (FPL), 27,000 CHP+ children and pregnant women ranging from 206% to 250% of the FPL, 14,000 Health First Colorado working adults up to 450% of the FPL and children with disabilities up to 300% of the FPL, and 374,000 Health First Colorado adults without dependent children up to 133% of the FPL with no increase in General Fund expenditures.

¹ Includes data from the former Colorado Health Care Affordability Act (CHCAA).

A. CHASE Annual Report

Pursuant to Section 25.5-4-402.4(7)(H)(V)(e), C.R.S., this report includes:

- The recommendations made by the CHASE Board to the Medical Services Board regarding the health care affordability and sustainability fee;
- A description of the formula for how the health care affordability and sustainability fee is calculated and the process by which the health care affordability and sustainability fee is assessed and collected;
- An itemization of the total amount of the health care affordability and sustainability fee paid by each hospital and any projected revenue received by each hospital, including quality incentive payments;
- An itemization of the costs incurred by the CHASE in implementing and administering the health care affordability and sustainability fee;
- Estimates of the differences between the cost of care provided and the payment received by hospitals on a per-patient basis, aggregated for all hospitals, for patients covered by Health First Colorado, Medicare, and all other payers; and
- A summary of the efforts made by the CHASE to seek any federal waiver necessary to fund and support the implementation of a health care delivery system reform incentive payments program.

II. Health Care Affordability and Sustainability Fee and Supplemental Payments

- *The recommendations made by the CHASE Board to the Medical Services Board regarding the health care affordability and sustainability fee*
- *A description of the formula for how the health care affordability and sustainability fee is calculated and the process by which the health care affordability and sustainability fee is assessed and collected*
- *An itemization of the total amount of the health care affordability and sustainability fee paid by each hospital and any projected revenue received by each hospital, including quality incentive payments*

A thirteen-member CHASE Board appointed by the governor provides oversight and makes recommendations to the Medical Services Board regarding the health care affordability and sustainability fee. Information about the CHASE Board and its meetings is available at www.colorado.gov/pacific/hcpf/colorado-healthcare-affordability-and-sustainability-enterprise-chase-board.

Current CHASE Board members, listed by term expiration date, are noted below.

For terms expiring May 15, 2021:

- Shepard Nevel of Denver, representing a business that purchases health insurance, to serve as chair.
- Christopher Daniel Rieber of Castle Rock, representing a safety-net hospital.
- Ryan Westrom of Aurora, representing a statewide organization of hospitals.
- Matthew Stephen Colussi of Aurora, representing the Department.
- Allison Anne Neswood of Denver, representing a consumer of health care.
- Robert John Vasil of Larkspur, representing a hospital.
- Claire Reed of Pueblo, representing the health care industry.

For terms expiring May 15, 2023:

- Scott Lindblom of Thornton, representing the Department.
- George Lyford of Boulder, representing a statewide organization of health insurance carriers.
- Robert Morasko of Salida, representing a rural hospital.
- Jeremy Springston of Highlands Ranch, representing a hospital.

For terms expiring May 15, 2024:

- Janie Wade of Lafayette, representing a hospital.
- Kimberley E. Jackson of Windsor, representing persons with disabilities.

The Medical Services Board, with the recommendation of the CHASE Board, promulgated rules related to the health care affordability and sustainability fee, including the calculation, assessment, and timing of the fee, the reports that hospitals will be required to report to the

CHASE, and other rules necessary to implement the health care affordability and sustainability fee. Those rules are located at 10 CCR 2505-10, Section 8.3000.

The CHASE operates on a federal fiscal year (FFY) basis, from October to September. Table 1 outlines the FFY 2019-20 health care affordability and sustainability fee and payment amounts. Table 14 and Table 15 (in the Appendix) detail hospital specific FFY 2019-20 health care affordability and sustainability fee and payment amounts. Health care affordability and sustainability fees are collected and resulting hospital payments are made monthly by electronic funds transfer for each hospital.

Table 1. FFY 2019-20 CHASE Fee and Supplemental Payments

| Item | Amount |
|---|------------------------|
| Inpatient Fee | \$465,433,776 |
| Outpatient Fee | \$549,329,132 |
| Total Health Care Affordability and Sustainability Fee | \$1,014,762,908 |
| Inpatient Supplemental Payment | \$522,846,670 |
| Outpatient Supplemental Payment | \$558,646,359 |
| Essential Access Supplemental Payment | \$19,000,004 |
| Disproportionate Share Hospital Supplemental Payment | \$216,338,549 |
| Hospital Quality Incentive Supplemental Payment | \$90,663,203 |
| Total Supplemental Payments | \$1,407,494,785 |
| Net Reimbursement to Hospitals | \$392,731,877 |

For an overview of the fee assessment and payment methodologies recommended by the CHASE Board for October 2019 through September 2020, see the sections below. While individual hospitals may not be eligible for all payments, all methodologies are described.

A. Health Care Affordability and Sustainability Fee

The total health care affordability and sustainability fee collected during FFY 2019-20 was \$1,014,762,908, with the inpatient fee comprising 45.9% of total fees and the outpatient fee comprising 54.1% of total fees.

A portion of the total health care affordability and sustainability fee was used to offset the state's General Fund. The General Fund Offset Fee comprises 11.2% of the total health care affordability and sustainability fee collected. It was authorized pursuant to [House Bill \(H.B.\) 20-1386](#) in response to the COVID-19 pandemic. The fee was used to offset state medical assistance program expenditures for state fiscal year (SFY) 2020-21 which runs from July 2020 through June 2021. The total General Fund offset fee for SFY 2020-21 amounts to \$161 million, however, only \$114 million was collected in FFY 2019-20.

The inpatient fee is charged on a facility's managed care days and non-managed care days. Fees charged on managed care days are discounted by 77.63% compared to the rate assessed on non-managed care days. Managed care days are Medicaid Health Maintenance Organization (HMO), Medicare HMO, and any commercial Preferred Provider Organization

(PPO) or HMO days. Non-managed care days are all other days (i.e., fee-for-service, normal Diagnosis Related Group [DRG], or indemnity plan days).

The outpatient fee is assessed as a percentage of total outpatient charges.

Hospitals that serve a high volume of Health First Colorado and CICP members or are essential access providers are eligible to receive a discount on the fee. High volume Health First Colorado and CICP providers are those providers with at least 27,500 Health First Colorado inpatient days per year that provide over 30% of their total days to Health First Colorado members and CICP clients. The inpatient fee calculation for high-volume Health First Colorado and CICP providers was discounted by 47.79%. The outpatient fee for high-volume Health First Colorado and CICP providers was discounted by 0.84%. Essential access providers are those providers that are critical access hospitals and other rural hospitals with 25 or fewer beds. The inpatient fee calculation for essential access providers was discounted by 60% with no discount on the outpatient fee calculation.

Hospitals exempt from the health care affordability and sustainability fee include the following:

- State licensed psychiatric hospitals;
- Medicare certified long-term care (LTC) hospitals; or
- State licensed and Medicare certified rehabilitation hospitals.

B. Enhanced Federal Medical Assistance Percentage

The CHASE supplemental payments are funded from two sources: health care affordability and sustainability fees and federal matching funds, calculated pursuant to the federal medical assistance percentage (FMAP). Historically, the FMAP for supplemental payments was 50%. For every supplemental payment dollar, 50 cents were health care affordability and sustainability fees and 50 cents were federal matching funds. For FFY 2019-20, the Department utilized an enhanced FMAP to make supplemental payments to hospitals. With the enhanced FMAP, the Department was able to use less fee to make the same payment due to the federal share of the payment increasing.

The enhanced FMAP is allowable as a result of the Affordable Care Act (ACA) and Colorado's decision to expand Health First Colorado to individuals who would otherwise not have been eligible. Prior to the ACA, every Health First Colorado member received the base FMAP for all claims, generally 50% for Colorado. When Health First Colorado expansion occurred, the individuals that were newly eligible as a result of the ACA received a higher FMAP, currently at 90%. Each claim submitted on a Health First Colorado member's behalf can be tied to the base FMAP group (50% FMAP) or the newly eligible group (90% FMAP). The federal share of the claims can be determined by multiplying the total amount paid for the claim by the FMAP for the Health First Colorado member on the claim. A similar methodology is used to calculate the federal share of the CHASE supplemental payments. Switching to this methodology saved hospitals a total of \$127 million in health care affordability and sustainability fees for FFY 2019-20.

C. COVID Federal Medical Assistance Percentage

On March 18, 2020, the President signed into law [H.R. 6021](#), the Families First Coronavirus Response Act (FFCRA). As it relates to CHASE, this bill temporarily increases the base Medicaid FMAP from 50% to 56.2% during the COVID-19 public health emergency. The temporary increase in base FMAP is effective beginning January 1, 2020 and extends through the last day of the calendar quarter in which the public health emergency terminates.

Similar to the enhanced FMAP methodology mentioned in the previous section, the FFCRA allows the Department to increase the federal funds used to make supplemental payments to hospital providers. As a direct result of the FFCRA, the Colorado General Assembly passed [H.B. 20-1385](#), allowing the Department to utilize the increase in base FMAP to offset General Fund expenditures for medical service premiums. So far, the Department has been able to draw down an additional \$33 million in federal funds for the period January 1, 2020 through October 31, 2020.

D. Supplemental Payments

1. Inpatient Supplemental Payment

For qualified hospitals, this payment equals total Health First Colorado patient days multiplied by an inpatient adjustment factor. Inpatient adjustment factors may vary by hospital. The inpatient adjustment factor for each hospital is published annually in the Provider Bulletin.

State licensed psychiatric hospitals are not qualified for this payment.

2. Outpatient Supplemental Payment

For qualified hospitals, this payment equals Health First Colorado outpatient billed costs, adjusted for utilization and inflation, multiplied by an outpatient adjustment factor. Outpatient adjustment factors may vary by hospital. The outpatient adjustment factor for each hospital is published annually in the Provider Bulletin.

State licensed psychiatric hospitals are not qualified for this payment.

3. Essential Access Supplemental Payment

This payment is for qualified Essential Access hospitals. It equals the hospital's percent of beds compared to total beds for all qualified Essential Access hospitals multiplied by \$19,000,000.

Psychiatric hospitals, LTC hospitals, and rehabilitation hospitals do not qualify for this payment.

4. Disproportionate Share Hospital Supplemental Payment

The Disproportionate Share Hospital (DSH) payment equals \$216,338,549 in total. To qualify for the DSH Supplemental Payment a Colorado hospital must meet either of the following criteria:

- Is a CICP provider and has at least two obstetricians or is obstetrician exempt pursuant to Section 1923(d)(2)(A) of the Social Security Act; or
- Has a Medicaid Inpatient Utilization Rate equal to or greater than the mean plus one standard deviation of all Medicaid Inpatient Utilization Rates for Colorado hospitals and has at least two obstetricians or is obstetrician exempt pursuant to Section 1923(d)(2)(A) of the Social Security Act.

No hospital receives a DSH supplemental payment greater than its estimated DSH limit.

The DSH Supplemental Payment for qualified hospitals equals the lesser of each hospital's DSH limit and each hospital's uninsured costs as a percentage of total uninsured cost for all qualified hospitals multiplied by the DSH Allotment in total. This methodology is used to distribute the remaining allotment among qualified hospitals that have not met their DSH limit.

Psychiatric hospitals, LTC hospitals, and rehabilitation hospitals do not qualify for this payment.

5. Hospital Quality Incentive Supplemental Payment

The CHASE includes a provision to establish Hospital Quality Incentive Payments (HQIP) funded by the health care affordability and sustainability fee to improve the quality of care provided in Colorado hospitals. At the request of the CHASE Board, the HQIP subcommittee recommends the approach for quality incentive payments.

The HQIP subcommittee seeks to:

- Adopt measures that can be prospectively set to allow time for planning and successful implementation;
- Identify measures and methodologies that apply to care provided to Health First Colorado members;
- Adhere to value-based purchasing principles;
- Maximize participation in Health First Colorado; and
- Minimize the number of hospitals which would not qualify for selected measures.

HQIP Measures

For the year beginning Oct. 1, 2019, the HQIP subcommittee recommended, and the CHASE Board approved, the following measures for HQIP. A hospital was scored on all measures for a maximum possible score of 100 points. If a hospital was not eligible for any given measure, the measure was normalized for that hospital. There was a total of

15 measures separated into six measure groups. The measures for 2019 HQIP are presented below.

- 1) Maternal Health and Perinatal Care Measure Group
 - i. Exclusive Breast Feeding
 - ii. Cesarean Section
 - iii. Perinatal Depression and Anxiety
 - iv. Maternal Emergencies
 - v. Reproductive Life/Family Planning
- 2) Patient Safety Measure Group
 - i. Clostridium Difficile
 - ii. Adverse Event
 - iii. Falls with Injury
 - iv. Culture of Safety Survey
- 3) Patient Experience Measure Group
 - i. Hospital Consumer Assessment of Health Care Providers and Systems (HCAHPS)
 - ii. Advance Care Plan
- 4) Regional Accountable Entity (RAE) Engagement Measure Group
 - i. RAE Engagement on Physical and Behavioral Health
- 5) Substance Abuse Measure Group
 - i. Substance Use Disorder Composite
 - ii. Alternatives to Opioids
- 6) Addressing Cost of Care Measure Group
 - i. Hospital Index

Payment Calculation

The payments earned for each of the FFY 2019-20 measures are based on points per Health First Colorado adjusted discharge. Health First Colorado adjusted discharges are calculated by multiplying total Health First Colorado discharges by an adjustment factor. The adjustment factor is calculated by dividing total Health First Colorado gross charges by Health First Colorado inpatient service charges and multiplying the result by the total Health First Colorado discharges. The adjustment factor is limited to five (5.0). For purposes of calculating Health First Colorado adjusted discharges, if a hospital has less than 200 Health First Colorado discharges, those discharges are multiplied by 125% before the adjustment factor is applied.

Each hospital's HQIP payment is calculated as quality points awarded multiplied by Health First Colorado adjusted discharges multiplied by dollars per adjusted discharge point.

Dollars per adjusted discharge point are tiered so that hospitals with more quality points awarded receive a greater per adjusted discharge point reimbursement. The dollars per adjusted discharge point for the five tiers are shown in Table 2.

Table 2. FFY 2019-20 HQIP Dollars Per Adjusted Discharge Point

| Tier | Quality Points Awarded | Dollars Per Adjusted Discharge Point |
|------|------------------------|--------------------------------------|
| 0 | 0-19 | \$0.00 |
| 1 | 20-35 | \$1.99 |
| 2 | 36-50 | \$3.98 |
| 3 | 51-65 | \$5.97 |
| 4 | 66-80 | \$7.96 |

During the FFY 2019-20 timeframe, HQIP payments totaled \$90.7 million with 82 hospitals receiving payments. HQIP payments, Health First Colorado adjusted discharges, and quality points awarded by hospital are listed in Table 3.

Table 3. FFY 2019-20 Hospital Quality Incentive Payments

| Hospital Name | Quality Points Awarded | Medicaid Adjusted Discharges | Dollars Per Adjusted Discharge Point | HQIP Payment |
|--|------------------------|------------------------------|--------------------------------------|--------------|
| Animas Surgical Hospital | 100 | 142 | \$7.96 | \$113,032 |
| Arkansas Valley Regional Medical Center | 56 | 916 | \$3.98 | \$204,158 |
| Aspen Valley Hospital | 80 | 151 | \$7.96 | \$96,157 |
| Avista Adventist Hospital | 86 | 2,282 | \$7.96 | \$1,562,166 |
| Banner Fort Collins Medical Center | 96 | 667 | \$7.96 | \$509,695 |
| Broomfield Hospital | 100 | 119 | \$7.96 | \$94,724 |
| Castle Rock Adventist Hospital | 84 | 992 | \$7.96 | \$663,291 |
| Children's Hospital Anschutz | 96 | 9,071 | \$7.96 | \$6,931,695 |
| Colorado Canyons Hospital and Medical Center | 91 | 94 | \$7.96 | \$68,090 |
| Colorado Plains Medical Center | 50 | 976 | \$3.98 | \$194,224 |
| Community Hospital | 52 | 659 | \$3.98 | \$136,387 |
| Conejos County Hospital | 90 | 94 | \$7.96 | \$67,342 |
| Craig Hospital | 52 | 75 | \$3.98 | \$15,522 |
| Delta County Memorial Hospital | 80 | 1,086 | \$7.96 | \$691,565 |
| Denver Health Medical Center | 82 | 12,191 | \$7.96 | \$7,957,310 |
| East Morgan County Hospital | 92 | 616 | \$7.96 | \$451,109 |
| Estes Park Health | 76 | 348 | \$5.97 | \$157,895 |
| Foothills Hospital | 50 | 1,778 | \$3.98 | \$353,822 |
| Good Samaritan Medical Center | 74 | 1,880 | \$5.97 | \$830,546 |
| Grand River Health | 85 | 184 | \$7.96 | \$124,494 |
| Gunnison Valley Health | 96 | 242 | \$7.96 | \$184,927 |
| Haxtun Health | 35 | 5 | \$1.99 | \$348 |
| Heart of the Rockies Regional Medical Center | 84 | 700 | \$7.96 | \$468,048 |
| Keefe Memorial Hospital | 56 | 25 | \$3.98 | \$5,572 |
| Kit Carson County Memorial Hospital | 85 | 307 | \$7.96 | \$207,716 |
| Lincoln Community Hospital | 48 | 100 | \$3.98 | \$19,104 |
| Littleton Adventist Hospital | 81 | 1,534 | \$7.96 | \$989,062 |

| Hospital Name | Quality Points Awarded | Medicaid Adjusted Discharges | Dollars Per Adjusted Discharge Point | HQIP Payment |
|--|------------------------|------------------------------|--------------------------------------|--------------|
| Longmont United Hospital | 87 | 1,761 | \$7.96 | \$1,219,528 |
| Longs Peak Hospital | 86 | 1,299 | \$7.96 | \$889,243 |
| Lutheran Medical Center | 77 | 4,922 | \$5.97 | \$2,262,594 |
| McKee Medical Center | 92 | 1,490 | \$7.96 | \$1,091,157 |
| Medical Center of the Rockies | 86 | 2,779 | \$7.96 | \$1,902,392 |
| Melissa Memorial Hospital | 32 | 51 | \$1.99 | \$3,248 |
| Memorial Hospital | 83 | 14,774 | \$7.96 | \$9,760,886 |
| Mercy Regional Medical Center | 79 | 1,595 | \$5.97 | \$752,250 |
| Middle Park Medical Center | 67 | 113 | \$5.97 | \$45,199 |
| Montrose Memorial Hospital | 85 | 833 | \$7.96 | \$563,608 |
| Mt. San Rafael Hospital | 88 | 644 | \$7.96 | \$451,109 |
| National Jewish Health | 85 | 119 | \$7.96 | \$80,515 |
| North Colorado Medical Center | 87 | 5,034 | \$7.96 | \$3,486,146 |
| North Suburban Medical Center | 62 | 6,120 | \$5.97 | \$2,265,257 |
| Northern Colorado Rehabilitation Hospital | 30 | 123 | \$1.99 | \$7,343 |
| Pagosa Springs Medical Center | 87 | 206 | \$7.96 | \$142,659 |
| PAM Specialty Hospital of Denver | 45 | 9 | \$3.98 | \$1,612 |
| Parker Adventist Hospital | 85 | 1,876 | \$7.96 | \$1,269,302 |
| Parkview Medical Center | 85 | 7,559 | \$7.96 | \$5,114,419 |
| Penrose-St. Francis Health Services | 83 | 6,675 | \$7.96 | \$4,410,039 |
| Pikes Peak Regional Hospital | 95 | 300 | \$7.96 | \$226,860 |
| Pioneers Medical Center | 52 | 40 | \$3.98 | \$8,278 |
| Platte Valley Medical Center | 83 | 1,787 | \$7.96 | \$1,180,635 |
| Porter Adventist Hospital | 80 | 1,676 | \$7.96 | \$1,067,277 |
| Poudre Valley Hospital | 85 | 5,901 | \$7.96 | \$3,992,617 |
| Presbyterian-St. Luke's Medical Center | 74 | 3,681 | \$5.97 | \$1,626,192 |
| Prowers Medical Center | 75 | 1,006 | \$5.97 | \$450,437 |
| Rangely District Hospital | 51 | 5 | \$3.98 | \$1,015 |
| Rehabilitation Hospital of Colorado Springs | 42 | 417 | \$3.98 | \$69,706 |
| Rehabilitation Hospital of Littleton | 79 | 229 | \$5.97 | \$108,003 |
| Rio Grande Hospital | 76 | 438 | \$5.97 | \$198,729 |
| Rose Medical Center | 72 | 3,631 | \$5.97 | \$1,560,749 |
| San Luis Valley Health Regional Medical Center | 80 | 1,852 | \$7.96 | \$1,179,354 |
| Sedgwick County Health Center | 54 | 142 | \$3.98 | \$30,519 |
| Sky Ridge Medical Center | 57 | 2,133 | \$3.98 | \$483,892 |
| Southeast Colorado Hospital | 48 | 176 | \$3.98 | \$33,623 |
| Southwest Health System | 49 | 940 | \$3.98 | \$183,319 |
| Spanish Peaks Regional Health Center | 76 | 169 | \$5.97 | \$76,679 |
| St. Anthony Hospital | 79 | 2,546 | \$5.97 | \$1,200,770 |
| St. Anthony North Health Campus | 81 | 3,067 | \$7.96 | \$1,977,479 |
| St. Anthony Summit Medical Center | 85 | 716 | \$7.96 | \$484,446 |
| St. Joseph Hospital | 62 | 4,589 | \$5.97 | \$1,698,572 |
| St. Mary-Corwin Medical Center | 78 | 2,293 | \$5.97 | \$1,067,758 |

| Hospital Name | Quality Points Awarded | Medicaid Adjusted Discharges | Dollars Per Adjusted Discharge Point | HQIP Payment |
|-----------------------------------|------------------------|------------------------------|--------------------------------------|---------------------|
| St. Mary's Medical Center | 76 | 2,012 | \$5.97 | \$912,885 |
| St. Thomas More Hospital | 78 | 1,225 | \$5.97 | \$570,434 |
| Sterling Regional MedCenter | 81 | 819 | \$7.96 | \$528,058 |
| Swedish Medical Center | 60 | 5,266 | \$5.97 | \$1,886,281 |
| The Memorial Hospital at Craig | 32 | 473 | \$1.99 | \$30,121 |
| University of Colorado Hospital | 83 | 11,596 | \$7.96 | \$7,661,245 |
| Vail Health Hospital | 83 | 506 | \$7.96 | \$334,304 |
| Valley View Hospital | 73 | 765 | \$5.97 | \$333,395 |
| Weisbrod Memorial County Hospital | 88 | 6 | \$7.96 | \$4,203 |
| Wray Community District Hospital | 95 | 278 | \$7.96 | \$210,224 |
| Yampa Valley Medical Center | 89 | 502 | \$7.96 | \$355,637 |
| Yuma District Hospital | 84 | 169 | \$7.96 | \$113,000 |
| Total | 6,103 | 156,567 | | \$90,663,203 |

DRAFT

III. Administrative Expenditures

- An itemization of the costs incurred by the enterprise in implementing and administering the health care affordability and sustainability fee

Administrative expenditures are reported on a state fiscal year basis. In SFY 2019-20 CHASE collected \$936 million in fees from hospitals, which, with federal matching funds, funded health coverage expansions, payments to hospitals, and the CHASE’s administrative expenses. Table 4 outlines the health care affordability and sustainability fee expenditures in SFY 2019-20.

Table 4. SFY 2019-20 CHASE Expenditures

| Item | Total Fund |
|---|------------------------|
| Supplemental Payments | \$1,283,349,970 |
| CHASE Administration (Table 5) | \$89,371,632 |
| Expansion Populations | \$2,040,010,639 |
| 25.5-4-402.4(5)(b)(VIII) - Offset Revenue Loss ² | \$15,700,000 |
| Total Expenditures | \$3,428,432,241 |

Funding in SFY 2019-20 was appropriated for the CHASE administrative expenses through the normal budget process. For SFY 2019-20, there were approximately 82 regular full-time equivalent (FTE) positions for the administration of the CHASE. The expenditures reflected in Table 5 are funded entirely by the health care affordability and sustainability fee and federal funds.

Table 5. SFY 2019-20 CHASE Administrative Expenditures

| Item | Total Fund |
|--|---------------------|
| General Administration | \$14,148,360 |
| Personal Services | \$7,093,902 |
| PERA Direct Distribution | \$139,766 |
| Worker's Compensation | \$13,797 |
| Operating Expenses | \$390,127 |
| Legal Services | \$311,636 |
| Administrative Law Judge Services | \$83,164 |
| Payments to Risk Management and Property Funds | \$15,222 |
| Leased Space | \$326,682 |
| Capitol Complex Leased Space | \$68,676 |
| Payments to OIT | \$1,459,923 |
| CORE Operations | \$17,503 |
| General Professional Services and Special Projects | \$4,227,962 |
| Information Technology Contracts and Projects | \$43,174,394 |
| MMIS Maintenance and Projects | \$28,319,581 |
| CBMS Operating and Contract Expenses | \$14,293,940 |

² The \$114 million in healthcare affordability and sustainability fee collected between August 2020 and September 2020 to offset the state medical assistance program expenditures for SFY 2020-21 will appear in the 2021 CHASE Annual Report’s administrative expenditures section.

| Item | Total Fund |
|--|---------------------|
| CBMS Health Care & Economic Security Staff | \$560,873 |
| Eligibility Determinations and Client Services | \$27,989,362 |
| Medical Identification Cards | \$63,050 |
| Disability Determination Services | \$858,929 |
| County Administration | \$20,437,195 |
| Medical Assistance Sites | \$795,537 |
| Customer Outreach | \$673,242 |
| Centralized Eligibility Vendor Contract Project | \$5,161,409 |
| Utilization and Quality Review Contracts | \$2,818,331 |
| Provider Audits and Services - Professional Audit Contracts | \$715,046 |
| Indirect Cost Recoveries - Indirect Cost Assessment | \$518,234 |
| Children's Basic Health Plan Administration | \$7,905 |
| Total Administrative Expenditures (Total Funds) | \$89,371,632 |

Administrative expenditures are for the CHASE related activities, including expenditures related to the CHASE funded expansion populations. These expenditures do not supplant existing Department administrative funds.

More than \$74 million in CHASE's administrative expenditures were related to contracted services, the majority of which were information technology contracts. Information technology contract expenditures were approximately \$42.6 million and were for the CHASE's share of expenses for the Colorado Benefits Management System (CBMS, the eligibility determination system for the Health First Colorado and CHP+ programs), the Medicaid Management Information System (MMIS, the claims system for the Health First Colorado and CHP+ programs), the Business Intelligence Data Management (BIDM) system, and the Pharmacy Benefits Management System (PBMS). The two other significant contract expenses funded by the CHASE were county administration contracts for eligibility determinations totaling approximately \$20 million and a utilization management contract for approximately \$2.8 million. The CHASE, as a government owned business with the Department of Health Care Policy & Financing, follows the state procurement code codified at C.R.S. §24-101-101, et seq., statutory requirements for contracts for personal services codified at C.R.S. §24-50-501, and state fiscal rules at 1 C.C.R. §101-1, et seq. These state procurement requirements ensure that contracted services are competitively selected and approved by the State Controller (or designee), avoid conflicts of interest, and allow the CHASE to receive federal matching funds for services procured.

The CHASE includes a 3% limit on administrative expenditures, and the CHASE's administrative expenditures are below that cap. Approximately 2.6% of total CHASE expenditures were for administrative expenses, while 0.21% of total CHASE expenditures were for the personal services costs for the FTE administering the program.

IV. Cost Shift

- *Estimates of the differences between the cost of care provided and the payment received by hospitals on a per-patient basis, aggregated for all hospitals, for patients covered by Health First Colorado, Medicare, and all other payers*

This section reports cost shift data from calendar year 2009 through calendar year 2019 and includes data reported under the Colorado Health Care Affordability Act (CHCAA), which was enacted effective July 1, 2009 and repealed effective June 30, 2017, and data reported under CHASE, which was enacted July 1, 2017. Like the CHASE, the former CHCAA was intended to reduce the need for hospitals to shift uncompensated care costs to private payers by increasing reimbursement to hospitals for inpatient and outpatient care provided for Health First Colorado members and CICP clients and reducing the number of uninsured Coloradans. Reporting data from calendar year 2009 forward allows longitudinal analysis of the impact of the CHCAA and the CHASE on the cost shift.

Since the inception of the CHCAA and through the implementation of the CHASE, the hospital provider fee and the hospital affordability and sustainability fee increased hospital reimbursement an average of more than \$210 million per year and substantially increased enrollment in Health First Colorado and CHP+. Overall reimbursement compared to cost per patient improved by 117% since 2009, including a reduction to hospitals' bad debt/charity care write off costs by 56%. Additional analysis should be undertaken to explore the extent to which the hospitals reduced the cost shift, as a positive impact on cost shifting to private payers has not been apparent for the past several years.

Historically the impact on the cost shift has been evaluated by trending the difference between hospital payments and costs for each of the four major payer groups - Medicare, Medicaid, private insurance, and CICP/Self Pay/Other. For data between 2009 and 2018, the Colorado Hospital Association (CHA) DATABANK³ and survey data are used as the data source as information at this level of detail is not available from public sources. The trending starts with 2009 data as it shows payment to cost ratios prior to the implementation of the CHCAA, while changes due to the CHCAA are captured with data from 2010 to midway through 2017, with CHASE beginning in July 2017. Calendar year (CY) 2014 data is the first year of data that includes the expansion of Health First Colorado under the ACA.

[H.B. 19-1001](#), Hospital Transparency Measures to Analyze Efficacy, signed into legislation in March 2019 changed the data source for the analysis of the cost shift. Under H.B. 19-1001, hospitals are required to report data on an individual basis directly to the Department. Reporting the data in this manner gives the Department a more accurate allocation of uncompensated care write-offs by payer groups which had been previously allocated based on the survey data that CHA had supplied the Department. With the new dataset for the cost shift analysis the Department has broken out the payer group Self Pay, which had historically

³ CHA DATABANK is an online program available to Colorado Hospital Association members and serves as a centralized location for the collection and analysis of hospital utilization and financial data.

been grouped with CICIP and Other payer groups. As such, some trended analysis between historic data and the most recent year cannot be performed. However, where applicable, trend analysis is provided for the other payer groups.

A. Payment, Cost, and Payment Less Cost by Payer Group

Table 6 and Table 7 displays the total hospital payments by payer group. Overall, hospital payments have grown an average of 6.4% every year from 2009 through 2019.

Table 6. Total Payments by Payer Group

| Year | Medicare | Health First Colorado | Insurance | CICIP/Self Pay/Other | Overall |
|---------|-----------------|-----------------------|-----------------|----------------------|------------------|
| CY 2009 | \$2,214,233,425 | \$557,527,978 | \$6,043,450,921 | \$654,096,373 | \$9,469,308,697 |
| CY 2010 | \$2,359,258,345 | \$877,817,423 | \$6,082,937,998 | \$1,025,616,731 | \$10,345,630,496 |
| CY 2011 | \$2,511,236,539 | \$979,309,514 | \$6,538,322,288 | \$965,597,858 | \$10,994,466,200 |
| CY 2012 | \$2,581,505,340 | \$1,147,395,495 | \$6,962,969,923 | \$1,014,141,949 | \$11,706,012,707 |
| CY 2013 | \$2,455,232,152 | \$1,295,109,772 | \$7,081,529,981 | \$1,287,865,235 | \$12,119,737,140 |
| CY 2014 | \$2,756,637,578 | \$1,718,040,377 | \$7,373,458,448 | \$1,072,398,883 | \$12,920,535,286 |
| CY 2015 | \$2,862,382,554 | \$1,992,336,026 | \$7,396,133,964 | \$1,173,824,281 | \$13,424,676,824 |
| CY 2016 | \$3,153,602,748 | \$2,069,703,567 | \$8,270,697,106 | \$1,157,479,690 | \$14,651,483,110 |
| CY 2017 | \$3,525,196,468 | \$2,270,573,909 | \$8,815,032,304 | \$965,930,484 | \$15,576,733,165 |
| CY 2018 | \$3,760,985,656 | \$2,536,572,987 | \$9,433,882,965 | \$1,147,446,398 | \$16,878,888,005 |

Table 7. Total Payments by Payer Group, Post H.B. 19-1001

| Year | Medicare | Health First Colorado | Insurance | Self Pay | CICIP/Other | Overall |
|---------|-----------------|-----------------------|-----------------|---------------|---------------|------------------|
| CY 2019 | \$4,574,794,438 | \$2,633,375,585 | \$9,677,011,459 | \$145,774,348 | \$536,643,710 | \$17,567,599,540 |

Table 8 and Table 9 shows the total costs by payer from 2009 through 2019. The average overall growth in cost for providing hospital care to Coloradans was 6.1% every year.

Table 8. Total Costs by Payer Group

| Year | Medicare | Health First Colorado | Insurance | CICIP/Self Pay/Other | Overall |
|---------|-----------------|-----------------------|-----------------|----------------------|------------------|
| CY 2009 | \$2,839,342,944 | \$1,040,627,618 | \$3,903,275,906 | \$1,269,020,760 | \$9,052,267,229 |
| CY 2010 | \$3,115,937,802 | \$1,182,883,012 | \$4,084,993,448 | \$1,416,139,436 | \$9,799,953,697 |
| CY 2011 | \$3,243,478,502 | \$1,284,909,168 | \$4,250,957,528 | \$1,483,234,322 | \$10,262,579,519 |
| CY 2012 | \$3,499,461,617 | \$1,455,905,942 | \$4,512,890,351 | \$1,516,650,711 | \$10,984,908,621 |
| CY 2013 | \$3,695,876,322 | \$1,622,994,698 | \$4,670,085,639 | \$1,536,290,634 | \$11,525,247,293 |
| CY 2014 | \$3,878,325,532 | \$2,400,790,546 | \$4,635,720,459 | \$1,155,110,731 | \$12,069,947,268 |
| CY 2015 | \$3,974,650,475 | \$2,668,966,765 | \$4,678,708,961 | \$1,062,124,632 | \$12,384,450,834 |
| CY 2016 | \$4,443,278,973 | \$2,924,209,541 | \$5,044,457,104 | \$1,086,819,126 | \$13,498,764,744 |
| CY 2017 | \$4,903,744,347 | \$3,168,793,725 | \$5,301,515,281 | \$1,132,134,862 | \$14,506,188,215 |
| CY 2018 | \$5,343,329,547 | \$3,305,808,620 | \$5,552,968,410 | \$1,304,014,180 | \$15,506,120,757 |

Table 9. Total Costs by Payer Group, Post H.B. 19-1001

| Year | Medicare | Health First Colorado | Insurance | Self Pay | CICP/Other | Overall |
|---------|-----------------|-----------------------|-----------------|---------------|---------------|------------------|
| CY 2019 | \$6,377,590,415 | \$3,502,198,562 | \$5,222,229,381 | \$558,172,855 | \$758,250,742 | \$16,418,441,955 |

The disparity between actual Colorado hospital cost growth and these national trends bears further research.

Table 10 and 11 shows the total payments less total costs by payer, or total margin. The total margin for hospitals grew by 176% since 2009.

Table 10. Payment Less Cost by Payer Group

| Year | Medicare | Health First Colorado | Insurance | CICP/Self Pay/Other | Overall |
|---------|-------------------|-----------------------|-----------------|---------------------|-----------------|
| CY 2009 | (\$625,109,519) | (\$483,099,641) | \$2,140,175,015 | (\$614,924,387) | \$417,041,468 |
| CY 2010 | (\$756,679,457) | (\$305,065,589) | \$1,997,944,550 | (\$390,522,704) | \$545,676,799 |
| CY 2011 | (\$732,241,963) | (\$305,599,653) | \$2,287,364,760 | (\$517,636,463) | \$731,886,680 |
| CY 2012 | (\$917,956,277) | (\$308,510,447) | \$2,450,079,572 | (\$502,508,762) | \$721,104,085 |
| CY 2013 | (\$1,240,644,170) | (\$327,884,926) | \$2,411,444,343 | (\$248,425,399) | \$594,489,847 |
| CY 2014 | (\$1,121,687,953) | (\$682,750,169) | \$2,737,737,990 | (\$82,711,848) | \$850,588,019 |
| CY 2015 | (\$1,112,267,921) | (\$676,630,739) | \$2,717,425,002 | \$111,699,649 | \$1,040,225,991 |
| CY 2016 | (\$1,289,676,225) | (\$854,505,974) | \$3,226,240,002 | \$70,660,564 | \$1,152,718,366 |
| CY 2017 | (\$1,378,547,878) | (\$898,219,816) | \$3,513,517,023 | (\$166,204,378) | \$1,070,544,950 |
| CY 2018 | (\$1,582,343,891) | (\$769,235,633) | \$3,880,914,554 | (\$156,567,782) | \$1,372,767,248 |

Table 11. Payment Less Cost by Payer Group, Post H.B. 19-1001

| Year | Medicare | Health First Colorado | Insurance | Self pay | CICP/Other | Overall |
|---------|-------------------|-----------------------|-----------------|-----------------|-----------------|-----------------|
| CY 2019 | (\$1,802,795,977) | (\$868,822,977) | \$4,454,782,078 | (\$412,398,507) | (\$221,607,033) | \$1,149,157,584 |

Table 12 and 13 displays the difference between total payments and total costs on a per patient basis for Medicare, Health First Colorado, private sector insurance, and CICP/Self Pay/Other payer groups. As above, Table 13 breaks out Self Pay in CY 2019. Negative values indicate that costs exceed payments, while positive values indicate that payments exceed costs.

The data show that the under-compensation for the Health First Colorado and CICP/Self Pay/Other payer groups improved significantly. From 2009 to 2019, the payment shortfall improved by \$665 per patient for Health First Colorado patients.

Table 12. Payment Less Cost per Patient by Payer Group⁴

| Year | Medicare | Health First Colorado | Insurance | CICP/Self Pay/Other | Overall |
|---------|-----------|-----------------------|-----------|---------------------|---------|
| CY 2009 | (\$2,853) | (\$4,480) | \$6,820 | (\$4,563) | \$542 |
| CY 2010 | (\$3,361) | (\$2,586) | \$6,518 | (\$2,897) | \$701 |
| CY 2011 | (\$3,097) | (\$2,488) | \$7,358 | (\$3,920) | \$918 |
| CY 2012 | (\$3,886) | (\$2,465) | \$7,746 | (\$4,013) | \$903 |
| CY 2013 | (\$5,318) | (\$2,418) | \$7,717 | (\$2,070) | \$747 |
| CY 2014 | (\$4,706) | (\$3,665) | \$8,838 | (\$860) | \$1,039 |
| CY 2015 | (\$4,648) | (\$3,252) | \$8,699 | \$1,286 | \$1,243 |
| CY 2016 | (\$5,082) | (\$3,910) | \$10,391 | \$862 | \$1,347 |
| CY 2017 | (\$5,195) | (\$4,070) | \$11,060 | (\$2,016) | \$1,222 |
| CY 2018 | (\$5,659) | (\$3,574) | \$11,806 | (\$1,937) | \$1,530 |

Table 13. Payment Less Cost Per Patient by Payer Group, Post H.B. 19-1001

| Year | Medicare | Health First Colorado | Insurance | Self Pay | CICP/ Other | Overall |
|---------|-----------|-----------------------|-----------|-----------|-------------|---------|
| CY 2019 | (\$5,422) | (\$3,815) | \$13,638 | (\$8,394) | (\$3,930) | \$1,177 |

B. Patient Mix by Payer

Table 14 shows the relative patient mix by payer. Over the 11 year timeframe, the patient mix for Medicare is relatively constant, while the payer mix figures for Health First Colorado increased and Self Pay along with CICP/Other decreased significantly beginning in 2014 when the full Health First Colorado expansion under the ACA occurred. During this same period the insurance payer mix decreased as well.

⁴ The payment less cost per patient for the CICP/Self Pay-Other payer group may show a positive result in calendar years 2015 through 2016 due to hospitals reporting revenue incorrectly as CICP revenue, rather than Medicaid revenue, or because of a decline in the allocation of bad debt and charity care to this payer group. More analysis is needed to understand the change in payment less cost per patient for the CICP/Self Pay/Other payer group.

Table 14. Patient Mix by Payer Group

| Year | Medicare | Health First Colorado | Insurance | CICP/Self Pay/Other |
|---------|----------|-----------------------|-----------|---------------------|
| CY 2009 | 31.4% | 11.5% | 43.1% | 14.0% |
| CY 2010 | 31.8% | 12.1% | 41.7% | 14.5% |
| CY 2011 | 31.6% | 12.5% | 41.4% | 14.5% |
| CY 2012 | 31.9% | 13.3% | 41.1% | 13.8% |
| CY 2013 | 32.1% | 14.1% | 40.5% | 13.3% |
| CY 2014 | 32.1% | 19.9% | 38.4% | 9.6% |
| CY 2015 | 32.1% | 21.6% | 37.8% | 8.6% |
| CY 2016 | 32.8% | 21.7% | 37.4% | 8.1% |
| CY 2017 | 33.8% | 21.8% | 36.6% | 7.8% |
| CY 2018 | 34.5% | 21.3% | 35.8% | 8.4% |

Table 15. Patient Mix by Payer Group, Post H.B. 19-1001

| Year | Medicare | Health First Colorado | Insurance | Self Pay | CICP/ Other |
|---------|----------|-----------------------|-----------|----------|-------------|
| CY 2019 | 38.8% | 21.3% | 31.8% | 3.4% | 4.6% |

C. Payment to Cost Ratio

Another way to view the impact of cost shifting is through the ratio of total payments to total costs for Medicare, Health First Colorado, private sector insurance, Self Pay, and CICP/Other payer groups.

In Table 16, ratios below 1 mean that costs exceed payments, which is generally the case for Medicare and Health First Colorado. Values greater than 1 mean that payments exceed costs, as is the case for the private sector insurance group.

As shown below, in 2009, prior to the implementation of the CHCAA, Health First Colorado reimbursement to Colorado hospitals was approximately 54% of costs, while in 2019, the payment to cost ratio for Health First Colorado was 75% of costs. The payment to cost ratio for the CICP/Other payer group was 71% of costs in 2019, whereas the Self Pay payer group was reimbursed at 26% of costs⁵. The payment to cost ratio for private sector insurance and the overall payment to cost ratio have also increased, making it counterintuitive to a cost shift reduction.

⁵ The payment less cost per patient for the CICP/Self Pay-Other payer group may show a result greater than 1 in calendar years 2015 through 2016 due to hospitals reporting revenue incorrectly as CICP revenue, rather than Medicaid revenue, or because of a decline in the allocation of bad debt and charity care to this payer group. More analysis is needed to understand the change in payment less cost per patient for the CICP/Self Pay/Other payer group.

Table 16. Payment to Cost Ratio

| Year | Medicare | Health First Colorado | Insurance | CICP/Self Pay/Other | Overall |
|---------|----------|-----------------------|-----------|---------------------|---------|
| CY 2009 | 0.78 | 0.54 | 1.55 | 0.52 | 1.05 |
| CY 2010 | 0.76 | 0.74 | 1.49 | 0.72 | 1.06 |
| CY 2011 | 0.77 | 0.76 | 1.54 | 0.65 | 1.07 |
| CY 2012 | 0.74 | 0.79 | 1.54 | 0.67 | 1.07 |
| CY 2013 | 0.66 | 0.8 | 1.52 | 0.84 | 1.05 |
| CY 2014 | 0.71 | 0.72 | 1.59 | 0.93 | 1.07 |
| CY 2015 | 0.72 | 0.75 | 1.58 | 1.11 | 1.08 |
| CY 2016 | 0.71 | 0.71 | 1.64 | 1.08 | 1.09 |
| CY 2017 | 0.72 | 0.72 | 1.66 | 0.85 | 1.07 |
| CY 2018 | 0.70 | 0.77 | 1.70 | 0.88 | 1.09 |

Table 17. Payment to Cost Ratio, Post H.B. 19-1001

| Year | Medicare | Health First Colorado | Insurance | Self Pay | CICP/ Other | Overall |
|---------|----------|-----------------------|-----------|----------|-------------|---------|
| CY 2019 | 0.72 | 0.75 | 1.85 | 0.26 | 0.71 | 1.07 |

D. Bad Debt and Charity Care

Before the implementation of H.B. 19-1001 total bad debt and charity care was collected in aggregate from the CHA DATABANK. Starting in CY 2019 total bad debt and charity care is collected directly from hospitals. Bad debt and charity care are costs hospitals typically write off as uncompensated care. As shown in Table 18, total bad debt and charity care decreased significantly from 2013 to 2014 - the year health coverage expansion under the ACA was fully implemented - and continued through 2019. Between 2018 and 2019 there was a slight uptick in both bad debt and charity care costs. Total bad debt and charity care are approximately \$306 million lower in 2019 compared to 2013, decreasing by 56%.

Table 18. Bad Debt and Charity Care Cost

| Year | Bad Debt | Charity Care | Total |
|---------|---------------|---------------|---------------|
| CY 2009 | \$255,161,427 | \$438,432,609 | \$693,594,036 |
| CY 2010 | \$234,216,738 | \$430,871,543 | \$665,088,281 |
| CY 2011 | \$194,825,791 | \$473,157,782 | \$667,983,573 |
| CY 2012 | \$206,347,067 | \$465,558,867 | \$671,905,934 |
| CY 2013 | \$255,306,707 | \$444,436,807 | \$699,743,514 |
| CY 2014 | \$145,964,802 | \$174,150,188 | \$320,114,990 |
| CY 2015 | \$145,358,187 | \$118,526,410 | \$263,884,597 |
| CY 2016 | \$145,381,741 | \$147,180,251 | \$292,561,992 |
| CY 2017 | \$153,155,478 | \$133,783,564 | \$286,939,042 |
| CY 2018 | \$152,713,948 | \$152,595,060 | \$305,309,008 |
| CY 2019 | \$173,262,902 | \$213,901,358 | \$387,164,261 |

E. All-Payer Cost, Revenue and Margin

Table 19 presents overall hospital payments, costs, and margins on a per patient basis over the last 11 years. While costs have increased at an annual average rate of 3.6% over the 11 year period, payments have increased an average of 3.9% per year resulting in an average annual increase in margin of 8.1%.

Table 19. All-Payer Cost, Revenue, and Margin

| Year | Payment Per Patient | Cost Per Patient | Margin Per Patient |
|-----------------------|---------------------|------------------|--------------------|
| CY 2009 | \$12,313 | \$11,771 | \$542 |
| CY 2010 | \$13,285 | \$12,584 | \$701 |
| CY 2011 | \$13,786 | \$12,868 | \$918 |
| CY 2012 | \$14,663 | \$13,760 | \$903 |
| CY 2013 | \$15,224 | \$14,477 | \$747 |
| CY 2014 | \$15,766 | \$14,727 | \$1,039 |
| CY 2015 | \$16,045 | \$14,802 | \$1,243 |
| CY 2016 | \$17,126 | \$15,779 | \$1,347 |
| CY 2017 | \$17,777 | \$16,555 | \$1,222 |
| CY 2018 | \$18,816 | \$17,286 | \$1,530 |
| CY 2019 | \$17,995 | \$16,818 | \$1,177 |
| Average Annual Change | 3.9% | 3.6% | 8.1% |

V. Delivery System Reform Incentive Payment Program

- *A summary of the efforts made by the CHASE to seek any federal waiver necessary to fund and support the implementation of a health care delivery system reform incentive payments program*

Pursuant to 25.5-4-402.4 (8), C.R.S., the CHASE, acting in concert with the Department, will seek a federal waiver to fund and support the implementation of a health care delivery system reform incentive payments (DSRIP) program to improve health care access and outcomes for Health First Colorado members no earlier than Oct. 2019.

The planned DSRIP program is referred to as the Hospital Transformation Program (HTP). The HTP will engage Colorado's general and critical access hospitals by pairing the flexibility to implement innovative interventions with financial incentives designed to encourage regional collaboration and improve access, quality and appropriateness of service delivery, and patient outcomes across vital areas of care. The HTP will be the state's first major effort to significantly redirect hospital supplemental payments toward major delivery model growth, maturity, and evolution. The HTP envisions transforming care across care coordination and transitions, complex care management for targeted populations, behavioral health and substance use disorder coordination, and perinatal care and improved birth outcomes, all while recognizing and addressing social determinants of health and reducing total cost of care.

The HTP will use delivery system reform incentive payments to support hospital-led projects that will:

- Improve patient outcomes through care redesign and integration of inpatient and outpatient hospital services with community-based providers;
- Lower Health First Colorado costs through reductions in avoidable care and increased efficiency and effectiveness of care delivery systems;
- Accelerate hospitals' organizational, operational, and systems readiness for value-based payment; and
- Increase collaboration between hospitals and other providers, particularly Accountable Care Collaborative (ACC) participants, on data sharing and performance analytics and on evidenced-based initiatives in care coordination and care transitions, integrated physical and behavioral care delivery, chronic care management, and community-based population health.

A State Plan Amendment (SPA) will be utilized for the initial implementation of the developed HTP components. The Centers for Medicare and Medicaid Services (CMS) guidance to the state is to utilize existing federal authority where possible. The majority of the program's recommended framework can be accomplished under the State Plan authority; the Department will seek to utilize a federal Medicaid waiver under section 1115 of the Social Security Act for more targeted areas of the program that cannot be accomplished under State Plan authority. For the incentive payments, Colorado will leverage hospital supplemental

payment funding generated through the existing health care affordability and sustainability fees assessed on hospitals, for which the state has submitted a SPA. The proposed demonstration makes no other changes to provider reimbursement and makes no changes to Health First Colorado or CHP+ enrollment, eligibility, covered benefits, cost sharing, or beneficiary freedom of choice in providers.

To achieve these objectives, the Colorado HTP will use delivery reform incentive payments to support hospital-led projects designed to make significant, evidence-based improvements to Health First Colorado health care delivery in population health and total cost of care in critical priority areas:

- Care coordination and care transitions;
- Complex care management for core populations;
- Behavioral health (BH) and substance use disorder (SUD) coordination;
- Maternal health, perinatal care and improved birth outcomes;
- Social needs screening and notification; and
- Total cost of care.

Implementation of the HTP is a signal of Colorado's shift toward total medical expense delivery models, population health, and other alternative payment methodologies (APMs) such as shared savings for the future of reimbursement.

Within these priority areas, the DSRIP program will be used to incentivize hospital-led activities to:

- Build the necessary organizational, workforce, and technology infrastructure for delivery system reform and accelerated readiness for value-based payment;
- Implement evidence-based interventions to improve care transitions, help address unmet needs of high-risk, high-cost populations; and advance integration across the care delivery spectrum; and
- Support data-driven accountability and outcome measurement through the collection, sharing, and monitoring of information among providers.

The Department is committed to collaborating with hospitals to ensure the goals and priorities of the HTP are achievable and can be implemented effectively within required timeframes.

A. Program and Waiver Development

The Department remains committed to a development process that is open, transparent, and inclusive of stakeholder and community input and feedback. To date, the Department has maintained a robust stakeholder engagement process, which includes convening workgroups with the CHA and hospitals, as well as targeted and regular engagement with Department subject matter experts, RAEs, health alliances and other provider organizations, and other community organizations such as community health centers, community mental health centers, public health agencies, and client and consumer advocacy organizations.

The Community Advisory Council (the Council), formed in 2018 as a result of recommendations from the CHASE Board, continues to meet on a monthly basis to cast a wider net to obtain feedback from health care consumers and the broader community impacted by the HTP. The monthly council meetings provide valuable community input to all program aspects of the HTP. Council members have been able to provide valuable insight from a boots-on-the-ground perspective, especially since the COVID-19 pandemic began, and has been an appreciated though partner in looking at ways to improve community engagement and outreach throughout the five years of the HTP; especially in terms of health equity.

The Council has played a more active role in the HQIP program in terms of development and review of measures in 2021 and future program years. The Council will provide feedback through the entire process of measures development before final measures are presented to the CHASE Board. The Council continues to make HQIP data disaggregation by race, ethnicity, disability status and primary language a priority.

Multiple hospital workgroups continue to be engaged and work on components of the program: rural hospital and urban hospital workgroups. The workgroups worked with Department staff to develop and refine measures hospitals would be held accountable to throughout the HTP. The rural and urban hospital workgroups work collaboratively with the Department to balance the interests of stakeholders to design the overall framework and structure of the program. This includes identifying the goals of the HTP and developing the operational components of the program. These workgroups played a vital part in informing how the draft waiver was developed.

Statewide metrics, project-specific metrics and financing approach continued to be refined, with final metrics posted to the HTP website on Aug. 3, 2020. The development of specifications for each measure has been a collaborative process involving workgroups, clinical experts, stakeholder feedback and Department subject matter experts.

1. Waiver Submission Process

In accordance with section 10201(i) of the ACA that set forth transparency and public notice requirements for section 1115 waiver demonstrations, the Department submitted its section 1115 waiver demonstration application to CMS on Dec. 31, 2019.

The application included all the requirements for the purpose of initiating federal review including:

- A comprehensive program description of the demonstration, including the goals and objectives to be implemented under the demonstration project;
- A description of the proposed health care delivery system, eligibility requirements, benefit coverage and cost sharing (premiums, co-payments, and deductibles) required of individuals who will be impacted by the demonstration to the extent such provisions would vary from the state's current program features and the requirements of the Social Security Act;

- An estimate of the expected increase or decrease in annual enrollment, and in annual aggregate expenditures, including historic enrollment or budgetary data, if applicable;
- Current enrollment data, if applicable, and enrollment projections expected over the term of the demonstration for each category of beneficiary whose health care coverage is impacted by the demonstration;
- Other program features that the demonstration would modify in Health First Colorado and/or CHP+;
- The specific waiver and expenditure authorities that the state believes to be necessary to authorize the demonstration;
- The research hypotheses that are related to the demonstration's proposed changes, goals, and objectives; a plan for testing the hypotheses in the context of an evaluation; and, if a quantitative evaluation design is feasible, the identification of appropriate evaluation indicators; and
- Written documentation of the state's compliance with the public notice requirements, with a report of the issues raised by the public during the comment period, which shall be no less than 30 days, and how the state considered those comments when developing the demonstration application.

2. Demonstration Waiver Application and Public Comment

On Dec. 31, 2019, the Department submitted the HTP 1115 demonstration waiver application and SPA to CMS. The waiver was then posted for a 30-day federal public comment on the CMS website and the public comment period was open from Jan. 10 through Feb. 9, 2020. At the end of the federal comment period, the Department began to engage with CMS on program components.

B. Impact of the Novel Coronavirus Disease (COVID-19)

In February 2020, the state of Colorado began to see impacts, on both a financial and health care level, of COVID-19. With a Public Health Emergency declared on a federal level and mandatory Stay-at-Home orders implemented in Colorado, hospitals were dedicating all available resources to the COVID-19 pandemic readiness and care delivery. On March 17, 2020, the Department contacted hospitals participating in the HTP and stakeholders to inform them the HTP application due date, originally April 30, 2020, would be delayed. Although the application deadline was delayed, the Department continued to work with the CMS toward obtaining approval for all components of the HTP.

At the end of July 2020, a large group of rural hospitals spoke to the Department about the possibility of a delay to the implementation of the HTP to allow for proactive participation in the program with meaningful community engagement in light of the COVID-19 pandemic. On Aug. 5, 2020, a joint letter from the CHA, the Colorado Rural Health Center, the Western Healthcare Alliance and the Eastern Plains Healthcare Consortium was sent to the Department formally requesting a delay in the implementation of the HTP until six months after the public health emergency officially ended. At the

Aug. 25, 2020 CHASE Board meeting, the board voted to revise the implementation of the Hospital Transformation Program until February 2021. Subsequently, due to the increased COVID-19 caseload and hospitalizations in the state, on Nov. 20, 2020, the Department announced that the implementation date was revised to Apr. 1, 2021. Details and background about the decision were shared in a Department memo to hospital participants and stakeholders.

Updated HTP Timeline



Figure 1. Hospital Transformation Program Timeline

VI. Appendix

Table 20. Fee-Exempt Hospitals: Psychiatric, Long-Term Care, and Rehabilitation Hospitals

| Hospital Name | County | Fee | Inpatient Payment | Outpatient Payment | Essential Access Payment | DSH Payment | HQIP Payment | Total Payment | Net Benefit |
|---|------------|------------------|-------------------|--------------------|--------------------------|------------------|--------------------|--------------------|-------------|
| Kindred Hospital - Aurora | Adams | \$0 | \$167,000 | \$0 | \$0 | \$0 | \$0 | \$167,000 | \$167,000 |
| Spalding Rehabilitation Hospital | Adams | \$0 | \$59,250 | \$0 | \$0 | \$0 | \$0 | \$59,250 | \$59,250 |
| Vibra Hospital of Denver | Adams | \$0 | \$24,850 | \$0 | \$0 | \$0 | \$0 | \$24,850 | \$24,850 |
| Craig Hospital | Arapahoe | \$0 | \$115,600 | \$204,946 | \$0 | \$0 | \$15,522 | \$336,068 | \$336,068 |
| Denver Springs | Arapahoe | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Rehabilitation Hospital of Littleton | Arapahoe | \$0 | \$177,600 | \$0 | \$0 | \$0 | \$108,003 | \$285,603 | \$285,603 |
| Centennial Peaks Hospital | Boulder | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Colorado Mental Health Institute Fort Logan | Denver | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Kindred Hospital - Denver | Denver | \$0 | \$800 | \$0 | \$0 | \$0 | \$0 | \$800 | \$800 |
| PAM Specialty Hospital of Denver ⁶ | Denver | \$0 | \$51,400 | \$0 | \$0 | \$0 | \$1,612 | \$53,012 | \$53,012 |
| Highlands Behavioral Health System | Douglas | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Cedar Springs Hospital | El Paso | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Peak View Behavioral Health | El Paso | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Rehabilitation Hospital of Colorado Springs | El Paso | \$0 | \$250,200 | \$36,729 | \$0 | \$0 | \$69,706 | \$356,635 | \$356,635 |
| Clear View Behavioral Health | Larimer | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Northern Colorado Long Term Acute Hospital | Larimer | \$0 | \$1,550 | \$0 | \$0 | \$0 | \$0 | \$1,550 | \$1,550 |
| Northern Colorado Rehabilitation Hospital | Larimer | \$0 | \$79,300 | \$4,230 | \$0 | \$0 | \$7,343 | \$90,873 | \$90,873 |
| West Springs Hospital | Mesa | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Colorado Mental Health Institute Pueblo | Pueblo | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total | \$0 | \$927,550 | \$245,905 | \$0 | \$0 | \$202,186 | \$1,375,641 | \$1,375,641 | \$0 |

Table 21. Fee-Paying Hospitals: General and Acute Care Hospitals

| Hospital Name | County | Fee | Inpatient Payment | Outpatient Payment | Essential Access Payment | DSH Payment | HQIP Payment | Total Payment | Net Benefit |
|--|-----------|--------------|-------------------|--------------------|--------------------------|--------------|--------------|---------------|---------------|
| Children's Hospital Anschutz | Adams | \$39,473,832 | \$8,229,960 | \$25,112,206 | \$0 | \$26,173,019 | \$6,931,695 | \$66,446,880 | \$26,973,048 |
| North Suburban Medical Center | Adams | \$23,335,782 | \$8,969,100 | \$10,228,190 | \$0 | \$11,817,312 | \$2,265,257 | \$33,279,859 | \$9,944,077 |
| Platte Valley Medical Center | Adams | \$6,971,966 | \$3,906,700 | \$5,697,069 | \$0 | \$4,736,247 | \$1,180,635 | \$15,520,651 | \$8,548,685 |
| University of Colorado Hospital | Adams | \$84,573,857 | \$35,705,168 | \$29,909,983 | \$0 | \$24,756,742 | \$7,661,245 | \$98,033,138 | \$13,459,281 |
| San Luis Valley Health Regional Medical Center | Alamosa | \$3,964,551 | \$4,227,300 | \$7,386,058 | \$0 | \$0 | \$1,179,354 | \$12,792,712 | \$8,828,161 |
| Littleton Adventist Hospital | Arapahoe | \$20,940,210 | \$8,271,790 | \$7,935,424 | \$0 | \$0 | \$989,062 | \$17,196,276 | (\$3,743,934) |
| Swedish Medical Center | Arapahoe | \$52,718,153 | \$30,063,810 | \$18,983,139 | \$0 | \$0 | \$1,886,281 | \$50,933,230 | (\$1,784,923) |
| The Medical Center of Aurora | Arapahoe | \$43,661,990 | \$32,775,265 | \$20,381,368 | \$0 | \$0 | \$0 | \$53,156,633 | \$9,494,643 |
| Pagosa Springs Medical Center | Archuleta | \$772,013 | \$373,428 | \$1,901,686 | \$291,899 | \$0 | \$142,659 | \$2,709,672 | \$1,937,659 |
| Southeast Colorado Hospital | Baca | \$200,894 | \$160,908 | \$733,675 | \$610,335 | \$0 | \$33,623 | \$1,538,541 | \$1,337,647 |
| Avista Adventist Hospital | Boulder | \$7,995,880 | \$6,670,490 | \$6,291,484 | \$0 | \$0 | \$1,562,166 | \$14,524,140 | \$6,528,260 |
| Foothills Hospital | Boulder | \$24,499,063 | \$6,622,860 | \$15,100,041 | \$0 | \$2,888,012 | \$353,822 | \$24,964,735 | \$465,672 |
| Good Samaritan Medical Center | Boulder | \$19,737,876 | \$5,212,200 | \$4,607,594 | \$0 | \$0 | \$830,546 | \$10,650,340 | (\$9,087,536) |

⁶ Changed owners in November 2019 from Colorado Acute Long Term Hospital.

| Hospital Name | County | Fee | Inpatient Payment | Outpatient Payment | Essential Access Payment | DSH Payment | HQIP Payment | Total Payment | Net Benefit |
|--|------------|--------------|-------------------|--------------------|--------------------------|--------------|--------------|---------------|----------------|
| Longmont United Hospital | Boulder | \$12,417,665 | \$4,932,200 | \$6,203,673 | \$0 | \$5,448,524 | \$1,219,528 | \$17,803,925 | \$5,386,260 |
| St. Anthony North Health Campus | Broomfield | \$12,792,622 | \$4,722,200 | \$8,965,637 | \$0 | \$0 | \$1,977,479 | \$15,665,316 | \$2,872,694 |
| Heart of the Rockies Regional Medical Center | Chaffee | \$2,204,424 | \$1,061,082 | \$3,758,569 | \$663,408 | \$0 | \$468,048 | \$5,951,107 | \$3,746,683 |
| Keefe Memorial Hospital | Cheyenne | \$161,080 | \$68,310 | \$522,726 | \$663,408 | \$0 | \$5,572 | \$1,260,016 | \$1,098,936 |
| Conejos County Hospital | Conejos | \$221,848 | \$70,950 | \$1,795,932 | \$451,117 | \$0 | \$67,342 | \$2,385,341 | \$2,163,493 |
| Delta County Memorial Hospital | Delta | \$4,053,759 | \$2,070,552 | \$5,071,985 | \$0 | \$0 | \$691,565 | \$7,834,102 | \$3,780,343 |
| Denver Health Medical Center | Denver | \$33,852,918 | \$702,670 | \$3,598,963 | \$0 | \$93,581,200 | \$7,957,310 | \$105,840,143 | \$71,987,225 |
| National Jewish Health | Denver | \$4,316,622 | \$47,600 | \$7,635,217 | \$0 | \$844,307 | \$80,515 | \$8,607,639 | \$4,291,017 |
| Porter Adventist Hospital | Denver | \$22,938,706 | \$7,506,800 | \$5,196,085 | \$0 | \$0 | \$1,067,277 | \$13,770,162 | (\$9,168,544) |
| Presbyterian-St. Luke's Medical Center | Denver | \$36,337,450 | \$35,744,840 | \$17,258,226 | \$0 | \$0 | \$1,626,192 | \$54,629,258 | \$18,291,808 |
| Rose Medical Center | Denver | \$29,475,394 | \$12,216,485 | \$11,984,068 | \$0 | \$0 | \$1,560,749 | \$25,761,302 | (\$3,714,092) |
| St. Joseph Hospital | Denver | \$34,104,211 | \$29,178,315 | \$16,302,192 | \$0 | \$0 | \$1,698,572 | \$47,179,079 | \$13,074,868 |
| Castle Rock Adventist Hospital | Douglas | \$6,703,070 | \$1,507,100 | \$2,662,042 | \$0 | \$0 | \$663,291 | \$4,832,433 | (\$1,870,637) |
| Highlands Ranch Hospital | Douglas | \$6,338,573 | \$539,630 | \$1,703,341 | \$0 | \$1,285,927 | \$0 | \$3,528,898 | (\$2,809,675) |
| Parker Adventist Hospital | Douglas | \$17,733,799 | \$6,413,565 | \$10,610,060 | \$0 | \$0 | \$1,269,302 | \$18,292,927 | \$559,128 |
| Sky Ridge Medical Center | Douglas | \$31,169,734 | \$7,980,210 | \$5,900,692 | \$0 | \$0 | \$483,892 | \$14,364,794 | (\$16,804,940) |
| Vail Health Hospital | Eagle | \$4,737,144 | \$2,338,050 | \$4,066,617 | \$0 | \$0 | \$334,304 | \$6,738,971 | \$2,001,827 |
| Children's Hospital Colorado Springs | El Paso | \$11,296,505 | \$5,442,255 | \$6,709,680 | \$0 | \$2,094,368 | \$0 | \$14,246,303 | \$2,949,798 |
| Grandview Hospital | El Paso | \$2,434,067 | \$368,900 | \$3,206,816 | \$0 | \$0 | \$0 | \$3,575,716 | \$1,141,649 |
| Memorial Hospital | El Paso | \$40,216,932 | \$38,403,370 | \$27,883,336 | \$0 | \$0 | \$9,760,886 | \$76,047,592 | \$35,830,660 |
| Penrose-St. Francis Health Services | El Paso | \$50,407,369 | \$29,303,790 | \$33,803,700 | \$0 | \$0 | \$4,410,039 | \$67,517,529 | \$17,110,160 |
| St. Thomas More Hospital | Fremont | \$2,784,696 | \$3,263,700 | \$5,187,581 | \$663,408 | \$0 | \$570,434 | \$9,685,123 | \$6,900,427 |
| Grand River Health | Garfield | \$1,712,212 | \$508,530 | \$2,469,187 | \$663,408 | \$1,090,346 | \$124,494 | \$4,855,965 | \$3,143,753 |
| Valley View Hospital | Garfield | \$7,884,869 | \$9,810,900 | \$4,557,058 | \$0 | \$1,733,532 | \$333,395 | \$16,434,885 | \$8,550,016 |
| Middle Park Medical Center | Grand | \$728,477 | \$171,534 | \$2,399,188 | \$663,408 | \$684,102 | \$45,199 | \$3,963,431 | \$3,234,954 |
| Gunnison Valley Health | Gunnison | \$1,143,059 | \$214,038 | \$1,193,244 | \$636,872 | \$0 | \$184,927 | \$2,229,081 | \$1,086,022 |
| Spanish Peaks Regional Health Center | Huerfano | \$339,206 | \$162,426 | \$1,629,762 | \$530,726 | \$0 | \$76,679 | \$2,399,593 | \$2,060,387 |
| Broomfield Hospital | Jefferson | \$1,827,738 | \$922,600 | \$2,338,623 | \$0 | \$0 | \$94,724 | \$3,355,947 | \$1,528,209 |
| Lutheran Medical Center | Jefferson | \$32,638,953 | \$19,446,235 | \$21,262,915 | \$0 | \$0 | \$2,262,594 | \$42,971,744 | \$10,332,791 |
| OrthoColorado Hospital | Jefferson | \$2,052,532 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$2,052,532) |
| St. Anthony Hospital | Jefferson | \$27,947,997 | \$11,123,000 | \$8,131,804 | \$0 | \$0 | \$1,200,770 | \$20,455,574 | (\$7,492,423) |
| Weisbrod Memorial County Hospital | Kiowa | \$40,366 | \$118,404 | \$110,840 | \$663,408 | \$0 | \$4,203 | \$896,855 | \$856,489 |
| Kit Carson County Memorial Hospital | Kit Carson | \$369,581 | \$153,318 | \$978,202 | \$504,190 | \$0 | \$207,716 | \$1,843,426 | \$1,473,845 |
| Animas Surgical Hospital | La Plata | \$1,347,811 | \$95,700 | \$1,565,896 | \$318,436 | \$0 | \$113,032 | \$2,093,064 | \$745,253 |
| Mercy Regional Medical Center | La Plata | \$9,522,396 | \$11,366,850 | \$8,694,866 | \$0 | \$0 | \$752,250 | \$20,813,966 | \$11,291,570 |
| St. Vincent Hospital | Lake | \$174,018 | \$39,468 | \$1,198,162 | \$663,408 | \$0 | \$0 | \$1,901,038 | \$1,727,020 |
| Banner Fort Collins Medical Center | Larimer | \$1,624,781 | \$832,300 | \$2,564,653 | \$0 | \$1,346,803 | \$509,695 | \$5,253,451 | \$3,628,670 |
| Estes Park Health | Larimer | \$1,095,426 | \$291,456 | \$2,175,136 | \$610,335 | \$0 | \$157,895 | \$3,234,822 | \$2,139,396 |
| McKee Medical Center | Larimer | \$7,561,147 | \$2,264,500 | \$5,068,741 | \$0 | \$3,068,631 | \$1,091,157 | \$11,493,029 | \$3,931,882 |
| Medical Center of the Rockies | Larimer | \$24,545,754 | \$5,697,300 | \$7,265,762 | \$0 | \$4,064,580 | \$1,902,392 | \$18,930,034 | (\$5,615,720) |
| Poudre Valley Hospital | Larimer | \$32,935,210 | \$16,143,090 | \$13,769,178 | \$0 | \$5,889,473 | \$3,992,617 | \$39,794,358 | \$6,859,148 |
| Mt. San Rafael Hospital | Las Animas | \$1,320,592 | \$952,050 | \$3,919,989 | \$663,408 | \$0 | \$451,109 | \$5,986,556 | \$4,665,964 |
| Lincoln Community Hospital | Lincoln | \$334,124 | \$48,576 | \$1,088,991 | \$398,045 | \$0 | \$19,104 | \$1,554,716 | \$1,220,592 |

| Hospital Name | County | Fee | Inpatient Payment | Outpatient Payment | Essential Access Payment | DSH Payment | HQIP Payment | Total Payment | Net Benefit |
|--|------------|-----------------------|----------------------|----------------------|--------------------------|----------------------|---------------------|------------------------|----------------------|
| Sterling Regional MedCenter | Logan | \$1,862,967 | \$1,389,300 | \$4,316,089 | \$663,408 | \$0 | \$528,058 | \$6,896,855 | \$5,033,888 |
| Colorado Canyons Hospital and Medical Center | Mesa | \$1,098,888 | \$224,400 | \$1,787,809 | \$663,408 | \$0 | \$68,090 | \$2,743,707 | \$1,644,819 |
| Community Hospital | Mesa | \$6,587,965 | \$2,607,090 | \$3,235,771 | \$0 | \$1,703,095 | \$136,387 | \$7,682,343 | \$1,094,378 |
| St. Mary's Medical Center | Mesa | \$27,544,042 | \$22,099,135 | \$8,847,048 | \$0 | \$0 | \$912,885 | \$31,859,068 | \$4,315,026 |
| The Memorial Hospital at Craig | Moffat | \$1,017,736 | \$1,349,502 | \$5,895,004 | \$663,408 | \$0 | \$30,121 | \$7,938,035 | \$6,920,299 |
| Southwest Health System | Montezuma | \$1,701,107 | \$1,795,794 | \$5,139,147 | \$663,408 | \$0 | \$183,319 | \$7,781,668 | \$6,080,561 |
| Montrose Memorial Hospital | Montrose | \$6,104,579 | \$3,133,152 | \$4,476,361 | \$0 | \$2,248,401 | \$563,608 | \$10,421,522 | \$4,316,943 |
| Colorado Plains Medical Center | Morgan | \$4,434,263 | \$2,253,900 | \$3,323,939 | \$0 | \$0 | \$194,224 | \$5,772,063 | \$1,337,800 |
| East Morgan County Hospital | Morgan | \$886,015 | \$440,220 | \$2,392,122 | \$663,408 | \$0 | \$451,109 | \$3,946,859 | \$3,060,844 |
| Arkansas Valley Regional Medical Center | Otero | \$1,448,620 | \$1,982,508 | \$3,697,954 | \$663,408 | \$0 | \$204,158 | \$6,548,028 | \$5,099,408 |
| Haxtun Health | Phillips | \$103,645 | \$13,662 | \$300,089 | \$663,408 | \$0 | \$348 | \$977,507 | \$873,862 |
| Melissa Memorial Hospital | Phillips | \$284,738 | \$28,842 | \$806,106 | \$398,045 | \$0 | \$3,248 | \$1,236,241 | \$951,503 |
| Aspen Valley Hospital | Pitkin | \$1,657,995 | \$403,788 | \$1,476,570 | \$663,408 | \$262,023 | \$96,157 | \$2,901,946 | \$1,243,951 |
| Prowers Medical Center | Prowers | \$881,196 | \$1,305,480 | \$3,515,158 | \$663,408 | \$0 | \$450,437 | \$5,934,483 | \$5,053,287 |
| Parkview Medical Center | Pueblo | \$41,225,994 | \$30,717,480 | \$28,294,272 | \$0 | \$0 | \$5,114,419 | \$64,126,171 | \$22,900,177 |
| St. Mary-Corwin Medical Center | Pueblo | \$17,862,660 | \$6,621,300 | \$8,840,405 | \$0 | \$0 | \$1,067,758 | \$16,529,463 | (\$1,333,197) |
| Pioneers Medical Center | Rio Blanco | \$286,939 | \$153,318 | \$436,250 | \$265,363 | \$0 | \$8,278 | \$863,209 | \$576,270 |
| Rangely District Hospital | Rio Blanco | \$125,093 | \$30,360 | \$693,458 | \$663,408 | \$0 | \$1,015 | \$1,388,241 | \$1,263,148 |
| Rio Grande Hospital | Rio Grande | \$581,560 | \$552,750 | \$1,617,551 | \$451,117 | \$0 | \$198,729 | \$2,820,147 | \$2,238,587 |
| Yampa Valley Medical Center | Routt | \$2,731,990 | \$1,588,950 | \$4,777,463 | \$0 | \$348,904 | \$355,637 | \$7,070,954 | \$4,338,964 |
| Sedgwick County Health Center | Sedgwick | \$209,667 | \$100,188 | \$452,986 | \$398,045 | \$0 | \$30,519 | \$981,738 | \$772,071 |
| St. Anthony Summit Medical Center | Summit | \$3,136,340 | \$2,280,300 | \$2,639,206 | \$0 | \$0 | \$484,446 | \$5,403,952 | \$2,267,612 |
| Pikes Peak Regional Hospital | Teller | \$911,377 | \$356,400 | \$2,212,465 | \$398,045 | \$0 | \$226,860 | \$3,193,770 | \$2,282,393 |
| Greeley Hospital | Weld | \$6,766,267 | \$888,615 | \$2,565,073 | \$0 | \$1,327,836 | \$0 | \$4,781,524 | (\$1,984,743) |
| Longs Peak Hospital | Weld | \$7,393,282 | \$2,426,900 | \$5,047,719 | \$0 | \$7,721,960 | \$889,243 | \$16,085,822 | \$8,692,540 |
| North Colorado Medical Center | Weld | \$24,352,297 | \$11,163,600 | \$12,592,145 | \$0 | \$11,223,205 | \$3,486,146 | \$38,465,096 | \$14,112,799 |
| Wray Community District Hospital | Yuma | \$450,201 | \$464,508 | \$1,034,508 | \$398,045 | \$0 | \$210,224 | \$2,107,285 | \$1,657,084 |
| Yuma District Hospital | Yuma | \$424,581 | \$113,850 | \$1,310,534 | \$398,045 | \$0 | \$113,000 | \$1,935,429 | \$1,510,848 |
| Totals | | \$1,014,762,90 | \$521,919,120 | \$558,400,454 | \$19,000,004 | \$216,338,549 | \$90,461,017 | \$1,406,119,144 | \$391,356,236 |
| Totals (all hospitals) | | \$1,014,762,90 | \$522,846,670 | \$558,646,359 | \$19,000,004 | \$216,338,549 | \$90,663,203 | \$1,407,494,785 | \$392,731,877 |