



April 25, 2024

Kim Bimestefer  
Executive Director  
Colorado Department of Health Care Policy and Financing  
via email to [Kim.Bimestefer@state.co.us](mailto:Kim.Bimestefer@state.co.us)

Director Bimestefer,

On behalf of its 105 member hospitals and health systems, the Colorado Hospital Association (CHA) has been advocating with you and Gov. Polis in recent weeks to maximize federal funding for Colorado's Medicaid program.

While the mechanics are complex and implementation details critical, the core request is to increase the Upper Payment Limit (UPL) from the historical "artificial ceiling" of 96-97 percent of the maximum allowed under federal law to 100 percent. CHA estimates that if executed to its fullest potential under federal law (FFY 2022-2024), **this could provide \$230 million in new CHASE funds.**

Maximizing federal funding for Medicaid through the CHASE Fee is a long-standing principle for CHA and the hospital community, and one that has not been fully realized. Particularly now, when 70 percent of Colorado's hospitals are not meeting the threshold for long-term sustainability and face aftershocks from the COVID public health emergency – including increased supply and workforce costs and lagging reimbursements – the state must commit to drawing down all allowable federal funds.

Recognizing that some hospitals may pay additional fees without a commensurate increase in Medicaid payments, we must ensure that we avoid inadvertent harm for individual hospitals in our attempts to "grow the pie." CHA's commitment, on behalf of our entire membership, is to implement this "grow the pie" strategy in a way that benefits and does not harm any individual members – our goal is to "lift all boats." This will be accomplished through preparation of updated CHASE fee models by HCPF (which will be shared as quickly as possible and will include consideration of DSH limits) to allow for transparency, stakeholder input, and review by hospitals prior to finalizing.

To fulfill this vision and achieve these principles, the CHA Board has created a Strategic Advisory Group comprised of representatives from systems and independent hospitals, urban and rural hospitals to inform the Association's involvement. In tandem with the state's efforts to bring this before stakeholders at the CHASE Board, we are confident we can maximize federal funding and benefit the hospital field in the process.

**Ultimately, this is about the patients and communities we serve**, and especially those Coloradans who benefit from Medicare and Medicaid or who are uninsured. Adding nearly one-quarter billion in additional funds would help stabilize finances for many hospitals and enable patients to get care when they need it most.

We ask that you take immediate action to maximize federal funding by increasing the UPL and work with CHA and the CHASE Board to ensure no hospitals suffer inadvertent harm through the implementation of this policy.

With gratitude,



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Animas Surgical Hospital

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Arkansas Valley Regional Medical Center

Dave Ressler  
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Rob Visser  
Boulder Community Health

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Matthew Brown  
CommonSpirit – All hospitals

Chris Thomas  
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Craig Hospital

Julie Huffman (Interim)  
Delta Health

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Arlene Harms  
Rio Grande Hospital

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UCHealth – All hospitals

Will Cook  
Vail Health

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Valley View Hospital

Beth Bell  
Weisbrod Memorial County Hospital

John Sheehan  
West Springs Hospital

John Hart  
Wray Community District Hospital

Ted Beckman (Interim)  
Yuma District Hospital