



Feb. 18, 2026

Dear Members of the CHASE Board:

Thank you for your continued service on behalf of Coloradans dependent on CHASE-governed Medicaid financing mechanisms for access to health care services in their communities across the state.

As you are aware, the Hospital Provider Fee (HPF) within CHASE plays a vital role in Colorado's health care safety net. The \$5 billion in annual funds under your authority:

- Ensures 438,000 Coloradans have health care coverage – Coloradans who would otherwise struggle to find or afford care that meets their needs;
- Draws down \$3.0 billion of federal funding to cover Medicaid expansion populations and covers \$159 million of HCPF administration costs; and,
- Facilitates critical financial support to nearly 100 hospitals, enabling them to serve their communities.

Because you play a critical role in the governance and administration of CHASE and the HPF program, we again write to call your attention to an important issue that has resulted in **misstatement of critical reporting measures in the CHASE Annual Report**. Specifically, payments less costs for Health First Colorado (Medicaid) are significantly understated due to a methodology flaw on the allocation of CHASE hospital provider fees.

Current Reporting

The [CHASE Annual Report](#) provides information on the inputs and outputs of the HPF program and is a source for reporting payments less costs and payment-to-cost ratios by payer types: Medicare, Health First Colorado, Insurance, Self Pay, Insurance, CACP/Other, and Total, in Tables 29 and Table 7.

Updated Reporting- At Issue

In the most recent program year, hospitals paid \$1.4 billion of fees into the CHASE enterprise. These funds obtain federal matching for Medicaid program expenditures. The amounts have been growing significantly over recent years and are now a substantial cost to support the Medicaid program in Colorado. Currently, only a small portion of the hospital provider fees are included as hospital costs for Health First Colorado (Medicaid) reporting in the CHASE annual report, resulting in overstatement of the Medicaid payment to cost ratio and understatement of total funding of the Medicaid program.

With information now available and updated as a result of HB 19-1001 reporting, hospital provider fees and costs for each payer can be put into the appropriate categories. Currently, the provider fee costs are allocated to each payer (Medicare, Commercial etc.) category, but instead all the fees should be included as Medicaid costs. Updating the fees to be reflected as Medicaid costs results in a significantly worse level of under-reimbursement: –some \$900 million lower than previously reported. It is important to reinforce that fees from the HPF program support Medicaid as noted above. Reflecting the fees as Medicaid costs is necessary and appropriate.

The charts below show the current reporting and reflect the more accurate restated reporting.



Payment to Cost Ratio, Post HB19-1001						
As Reported in CHASE Annual Report (Table 7.)						
Year	Medicare	Health First Colorado	Insurance	Self-Pay	CICP/Other	Overall
2022	0.73	0.79	1.40	0.33	0.90	1.02
2023	0.73	0.79	1.63	0.25	0.84	1.00
2024	0.72	0.80	1.65	-0.01	0.92	1.00

Payment To Cost Ratio						
Revised to Reflect CHASE Fee Assessment Adjustments						
Year	Medicare	Health First Colorado	Insurance	Self-Pay	CICP/Other	Overall
2022	0.77	0.66	1.73	0.35	0.95	1.02
2023	0.77	0.66	1.72	0.26	0.88	1.00
2024	0.77	0.66	1.74	-0.01	0.97	1.00

Payment less Costs by Payer Group						
As reported in CHASE Annual Report (Table 29.)						
Year	Medicare	Health First Colorado	Insurance	Self-Pay	CICP/Other	Overall
2022	(\$2,191,272,432)	(\$996,834,939)	\$4,070,572,143	(\$429,140,905)	(\$119,570,016)	\$331,000,077
2023	(\$2,361,275,556)	(\$1,065,700,627)	\$4,126,394,688	(\$484,799,382)	(\$203,616,185)	\$11,002,938
2024	(\$2,616,057,388)	(\$951,252,842)	\$4,673,704,004	(\$888,061,702)	(\$116,740,245)	\$101,592,827

Payment less Costs by Payer Group						
Revised to Reflect CHASE Fee Assessment Adjustments						
Year	Medicare	Health First Colorado	Insurance	Self-Pay	CICP/Other	Overall
2022	(\$1,730,580,963)	(\$1,899,988,073)	\$4,403,677,681	(\$391,126,408)	(\$59,454,676)	\$322,527,636
2023	(\$1,862,580,001)	(\$2,026,969,840)	\$4,485,584,746	(\$448,026,379)	(\$153,017,359)	(\$5,008,833)
2024	(\$2,085,959,139)	(\$1,987,166,667)	\$5,041,933,046	(\$837,944,804)	(\$42,375,621)	\$88,486,920

We ask the CHASE Board to direct HCPF to revisit the methodology and update CHASE Annual report released on Jan. 15, 2026 and going forward. We appreciate your attention to this important matter, and we are grateful for all that you do to serve Coloradans.

In partnership,

Jeff Tieman
CHA President & CEO