

Colorado Medicaid Fact Sheet

Hospital Provider Fees

May 2025

Nearly all states use provider fees as a federally approved Medicaid financing mechanism. Colorado provider-paid-fees represent the state share of Medicaid funding, which is then matched by federal funding. This process provides relief to state General Funds, while generating reinvestment back into local health care to achieve shared goals like reducing the uninsured rate, improving quality care, and improving Medicaid reimbursements. The Colorado Department of Health Care Policy & Financing (HCPF) established provider fees in collaboration with hospitals and their association, the Attorney General's Office, the legislature, consumer advocates, and other stakeholders.

Colorado's hospital provider fees are instrumental in:

Financing health coverage for more than 427,000 Coloradans*

- 367,000 low income adults
- 34,000 kids in Children's Health Insurance Program (CHIP)
- 25,000 adults and children with disabilities via Medicaid Buy-In program
- 1,000 pregnant women in CHIP

*HCPF provider fee funded enrollment information is from September 2024

Contributing to state and local economies

- **\$3.1 billion in claims paid to providers for care to Medicaid and CHIP members**
 - \$968 million of that paid to hospitals in supplemental payments
- Through the Colorado Healthcare Affordability and Sustainability Enterprise (CHASE), hospitals pay \$1.26 billion in fees and receive \$1.755 billion in supplemental payments, generating a net positive \$495 million in increased Medicaid hospital payments (FY23-24) in addition to reducing uncompensated care.

Supporting hospital financial stability, especially rural and critical access hospitals

- With the implementation of the CHASE hospital provider fee program in 2010, Medicaid reimbursements to hospitals increased from \$0.54 cents on the dollar to \$0.79 in 2023.
- CHASE supplemental payments are a lifeline to rural hospitals because Medicaid covers an even greater percentage of rural communities on average than urban communities. The increased coverage and supplemental payments through CHASE are a critical part of rural hospital financial solvency and sustainability.
 - **\$179 million (36% of the \$495 million in net positive funding from the CHASE fee) goes to Colorado's rural and frontier hospitals**
 - Of that, \$26 million goes to Colorado's 34 critical access hospitals to provide care in rural areas
 - An additional \$12 million goes to 23 of the state's critical access hospitals with the lowest revenue to support initiatives such as increasing and retaining staffing, expanding telehealth services, improving technology infrastructure, and more.

Current CHASE state statute at §25.5-4-402.4 (6)(b), C.R.S., outlines a hierarchy for use of the CHASE funds, prioritizing the maximization of payments to hospitals first and then coverage for the expansion populations.

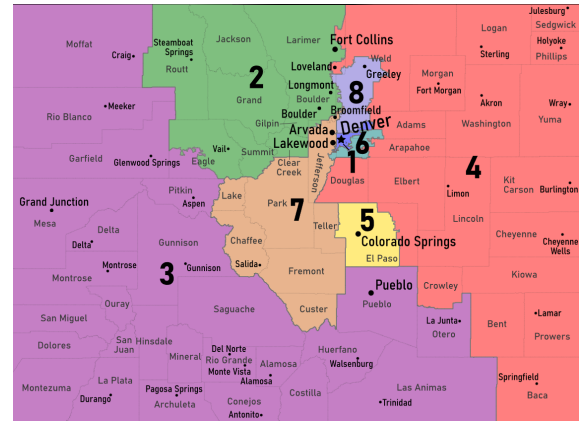


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Coverage and Financial Impact by District

Individuals across Colorado have their coverage financed by the CHASE hospital provider fee, and hospitals across the state receive supplemental payments to support them beyond the traditional payments for care provided to individuals enrolled in Medicaid. The chart below shows the supplemental payments made to hospitals in the Federal Fiscal Year 2023-24. For more information on Medicaid by congressional district visit:

hcpf.colorado.gov/medicaid-by-congressional-district.



Colorado Congressional Districts Map

Congressional District	ACA Expansion Population Funded by Hospital Provider Fee	Total CHASE Supplemental Payments	Example of Hospitals in District
1	81,614	\$327,387,228	Denver Health: \$141M HCA HealthONE Presbyterian/St Luke's: \$69M National Jewish: \$7.4M
2	48,809	\$148,260,869	Foothills Hospital (Boulder Community): \$28M Banner Ft Collins Medical Center: \$4.7M Middle Park Medical Center: \$5.2M
3	78,327	\$274,301,600	Delta County Memorial: \$10.1M Community Hospital: \$10.4M Arkansas Valley Regional: \$8.4M Parkview Medical: \$73M
4	37,726	\$150,375,616	AdventHealth Castle Rock: \$4.6M HCA HealthONE Sky Ridge: \$24.7M Lincoln Community: \$3.6M UCHealth Medical Center of the Rockies: \$17.7M
5	61,705	\$196,204,472	UCHealth Memorial: \$65M Children's Hospital CO Springs: \$17.8M
6	58,700	\$427,181,922	UCHealth University of Colorado Hospital: \$205.5M Children's Hospital Anschutz: \$67M HCA HealthONE Swedish: \$70M
7	49,993	\$102,918,819	Intermountain Health Lutheran Hospital: \$52M CommonSpirit St Anthony: \$17M Heart of the Rockies Regional Medical Center: \$10.4M
8	65,009	\$128,347,504	Intermountain Health Platte Valley Hospital: \$20M HCA HealthONE Mt Ridge: \$35.5M Banner North CO Medical Center: \$46.8M
Total		\$1,754,978,030	

