

FFY 23-24 CHASE Provider Fees and Supplemental Payments

August 6, 2024

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Department of Health Care Policy & Financing (HCPF)



CHASE

Colorado Healthcare Affordability and
Sustainability Enterprise

Our Mission

Improving health care equity, access and outcomes for the people we serve while saving Coloradans money on health care and driving value for Colorado.



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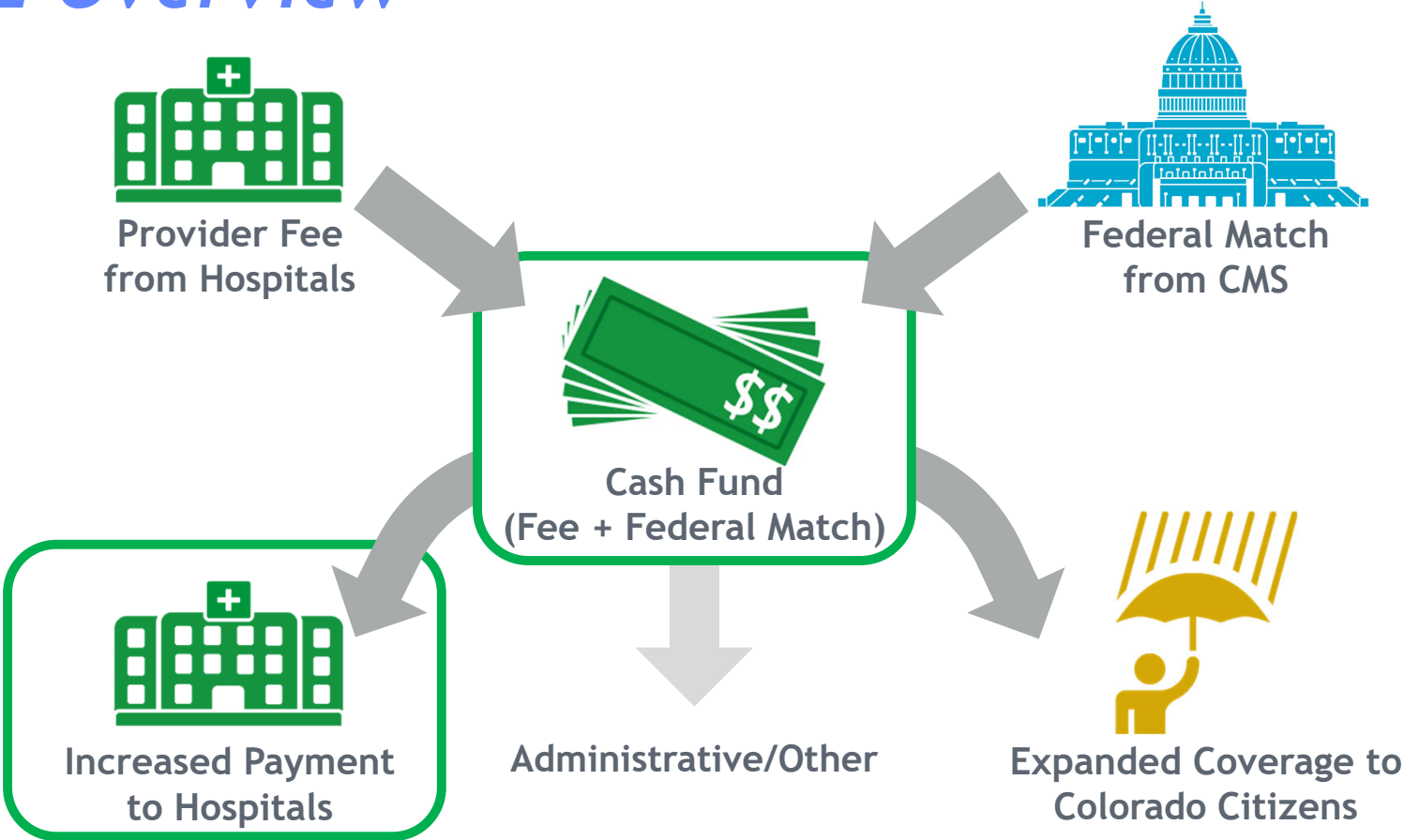
Purpose of Webinar

- Explanation of FFY 23-24 Colorado Healthcare Affordability and Sustainability Enterprise (CHASE) fees and payments calculations experienced by hospitals.
- Will align with overview letter provided to hospitals on June 19, 2024
- Limited overview of overall CHASE program (purpose & authority, federal requirements) and 99.25% UPL CHASE models for FFY 22-23 and FFY 23-24. Additional information can be found with the June 3rd, 2024 CHASE Board presentation

Agenda

- CHASE Overview
- Provider Fee (*Pages 7 - 9*)
- Supplemental Payment (*Pages 10 - 24*)
- Enhanced Federal Match (*Page 4*)
- Fee and Payment Reconciliation (*Page 5*)
- Next steps
- Q&A

CHASE Overview



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CHASE Overview

CHASE Program	<i>Benefits to <u>Hospitals</u></i>	<i>Benefits to <u>Coloradans</u></i>
1. Increases reimbursement to Medicaid hospitals	<i>Reduced uncompensated care costs</i>	<i>Reduced need to shift costs to other payers like commercial insurance, <u>lowering the cost of care</u>. Quality incentive payments targeting <u>equity and outcomes</u></i>
2. Funds coverage for 500,000+ Medicaid & CHP+ expansion members	<i>Less uninsured = reduced uncompensated care costs</i>	<i><u>Access and low cost of care</u> for low-income Coloradans</i>
3. Hospital Transformation Program (HTP)	<i>Hospitals implement measures/interventions and improve quality to receive increased CHASE reimbursement</i>	<i><u>Better outcomes</u> through care redesign and integration of care across settings</i>

- No General Fund
- Low administrative costs

CHASE Overview

- **Fee** - \$1.25 billion (1.58% increase)
- **Supplemental Payment** - \$1.73 billion (1.84% increase)
 - Quality Incentive Payment - \$128 million
- **Net Reimbursement** - \$475 million (2.52% increase)
 - Supplemental Payments minus Provider fees

CHASE Overview

Fee/Payment Limits

- Net Patient Revenue (NPR) - Limiting **total fees** that can be collected
- Upper Payment Limit (UPL) - Limiting **total payments** that can be paid
- Disproportionate Share Hospital (DSH) Limit - Limiting **hospital specific DSH payments** that can be paid

CHASE Overview

Net Patient Revenue (NPR)

- Provider fee collection limited to 6.00% of NPR
 - Estimated using historical revenue data inflated forward
 - Aggregated, not hospital-specific
 - Completed for both Inpatient and Outpatient services

Item	NPR	Fee	% of NPR
Inpatient	\$ 9,778M	\$ 539M	5.52%
Outpatient	\$ 12,836M	\$ 711M	5.54%
Total	\$ 22,615M	\$ 1,251M	5.53%

CHASE Overview

Upper Payment Limit (UPL)

- FFS Medicaid payments (MMIS + Supplemental) limited to UPL
 - Estimated using historical **cost data** inflated forward
 - Aggregate, not hospital-specific
 - Completed both for Inpatient and Outpatient services

Item	UPL	MMIS Payments	Supplemental payments	Remaining UPL Gap	UPL Utilization %
Inpatient	\$ 2,056M	\$ 1,102M	\$ 896M	\$ 57M	97.21%
Outpatient	\$ 1,498M	\$ 816M	\$ 640M	\$ 42M	97.20%
Total	\$ 3,553M	\$ 1,918M	\$1,536M	\$ 99M	97.21%



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CHASE Overview

Three provider fees

- 1) Managed Care Inpatient Fee
- 2) Non-Managed Care Inpatient Fee
- 3) Outpatient Fee

Six supplemental payments

- 1) Inpatient
- 2) Outpatient
- 3) Essential Access (EA)
- 4) Rural Support Program (RSP)
- 5) Hospital Quality Incentive Payment (HQIP)
- 6) Disproportionate Share Hospital (DSH)

Table 1. FFY 2023-24 Fees & Supplemental Payments

Row	Description	Amount
Fees		
1	Inpatient Fee	\$5,000,000
2	Outpatient Fee	\$7,000,000
3	Total Fee	\$12,000,000
Supplemental Payments		
4	Inpatient Supplemental Payment	\$7,000,000
5	Outpatient Supplemental Payment	\$6,000,000
6	Essential Access Supplemental Payment	\$250,000
7	Rural Support Supplemental Payment	\$100,000
8	Hospital Quality Incentive Payment Supplemental Payment	\$1,000,000
9	Disproportionate Share Hospital Supplemental Payment	\$3,650,000
10	Total Supplemental Payment	\$18,000,000
Net Reimbursement		
11	Total Supplemental Payment	\$18,000,000
12	Total Fee	\$12,000,000
13	Net Reimbursement	\$6,000,000



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CHASE Overview

Interim - 23-24 fees/payments not implemented till 7/24. 10/13 through 6/24 interim fees/payments (1/12th of 22-23 fees/payments)

Reconciliation - Transition to 23-24 fees/payments (Provided in Table 1) over three months. Includes reconciliation for nine months of interim fee/payment transactions

Q4 Fee Refund - Fees collected during year are Provisional Fee. Refunding difference between Provisional Fee and CHASE Fee for Q4 (July through September).

Fee refund will be subtracted from interim FFY24-25 fees communicated to hospitals in September.

Table 4. FFY 2023-24 CHASE Transaction Schedule

Transaction Date	Transaction Type	Fee	Supplemental Payment
October 13, 2023	Interim	\$1,000,000	\$1,250,000
November 10, 2023		\$1,000,000	\$1,250,000
December 8, 2023		\$1,000,000	\$1,250,000
January 12, 2024		\$1,000,000	\$1,250,000
February 9, 2024		\$1,000,000	\$1,250,000
March 8, 2024		\$1,000,000	\$1,250,000
April 12, 2024		\$1,000,000	\$1,250,000
May 10, 2024		\$1,000,000	\$1,250,000
June 14, 2024		\$1,000,000	\$1,250,000
July 19, 2024	Reconciliation	\$1,750,000	\$2,250,000
August 9, 2024		\$1,750,000	\$2,250,000
September 13, 2024 ⁶		\$1,750,000	\$2,250,000
October 11, 2024	Q4 Fee Refund ⁷	(\$750,000)	N/A
November 8, 2024		(\$750,000)	N/A
December 13, 2024		(\$750,000)	N/A
Total		\$12,000,000	\$18,000,000

Provider Fee



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Provider Fee

CHASE Provider fee

- **\$1,250 million Provider Fees**
 - Fees cover state funding obligation for:
 - 1) CHASE supplemental payments
 - 2) Medicaid Expansion Coverage
 - 3) Administrative expenditures for CHASE related activities

Provider Fee

Inpatient Provider Fee

- Non-Managed Care fee - Non-managed Care Per Diem * Non-managed Care Days
 - Per Diem - \$473.90
 - Days - CRYE 21 Totals Days (*Medicare Cost Report*) - CRYE 21 Managed Care Days (*Colorado hospitals*)
- Managed Care Fee - Managed Care Per Diem * Managed Care Days
 - Per Diem - \$106.01 (*22.37% of Non-MCO per diem*)
 - Days - CYRE 21 Managed Care Days (*Colorado hospitals*)



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Provider Fee

Inpatient Provider Fee

<u>Discounted</u>
High Volume CICP Hospitals, Essential Access Hospitals

<u>Fee Except</u>
Psychiatric Hospitals, Long Term Care Hospitals, Rehabilitation Hospitals

Provider Fee Group	% of Waiver Fee	Non-Managed Care Per Diem	Managed Care Per Diem
Waiver Fee	100.00%	\$ 473.90	\$106.01
High Volume Medicaid CICP	52.21%	\$ 247.42	\$ 55.35
Essential Access	40.00%	\$ 189.56	\$ 42.40
Fee Exempt	0.00%	\$ 0.00	\$ 0.00



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IP Provider Fee

Table 5. Inpatient Fee Calculation			
Row	Description	Amount	Calculation
Row 1	Managed Care Days	9,433	
Row 2	Fee Per Managed Care Day	\$106.01	
Row 3	Managed Care Day Fee	\$1,000,000	Row 1 * Row 2
Row 4	Non-Managed Care Days	16,167	
Row 5	Fee Per Non-Managed Care Day	\$247.42	
Row 6	Non-Managed Care Day Fee	\$4,000,000	Row 4 * Row 5
Row 7	Inpatient Fee	\$5,000,000	Row 3 + Row 6

Your hospital's calculation can be found on Page 8 of the June 2024 letter



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Provider Fee

Outpatient Provider Fee

- Outpatient Fee Percent * Total Outpatient Charges
 - Outpatient Fee Percent - 1.6625%
 - Total Outpatient Charges - CRYE 21 Total Outpatient Charges
(*Medicare Cost Report*)



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Provider Fee

Outpatient Provider Fee

<u>Discounted</u>
High Volume CICP Hospitals

<u>Fee Except</u>
Psychiatric Hospitals, Long Term Care Hospitals, Rehabilitation Hospitals

Provider Fee Group	% of Waiver Fee	Non-Managed Care Per Diem
Waiver Fee	100.00%	1.6625%
High Volume Medicaid CICP	99.16%	1.6485%
Fee Exempt	0.00%	0.0000%



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OP Provider Fee

Table 6. Outpatient Fee Calculation			
Row	Description	Amount	Calculation
Row 1	Total Outpatient Charges	\$421,052,63	
Row 2	Outpatient Fee Percentage	1.6625%	
Row 3	Outpatient Fee	\$ 7,000,000	Row 1 * Row 2

Your hospital's calculation can be found on Page 9 of the June 2024 letter



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Supplemental Payments



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Supplemental Payments

1. Inpatient (IP) Supplemental Payment
2. Outpatient (OP) Supplemental Payment
3. Essential Access (EA) Supplemental Payment
4. Rural Support Program (RSP) RSP Supplemental Payment
5. Disproportionate Share Hospital (DSH) Supplemental Payment
6. Hospital Quality Incentive Payments (HQIP) Supplemental Payment



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Supplemental Payments

Inpatient Supplemental Payment

- **Purpose** - Increase reimbursement for inpatient hospital services provided to Medicaid Members Medicaid cost
- **Calculation** - Medicaid Patient Days * Inpatient Adjustment Factor
 - Medicaid Patient Days
 - CRYE 2021 In-State Medicaid FFS paid claim days (*Colorado iC*)
 - CYRE 2021 Out-Of-State Medicaid FFS days (*Colorado hospitals*)
 - Inpatient Adjustment Factor - Per Diem Rate

Supplemental Payments

Inpatient Supplemental Payment

- Hospital compared to adjustment group definitions in a predetermined order and assigned the first adjustment group, and corresponding per-diem rate, whose definition they meet
- Once a hospital is assigned to an adjustment group, they are not compared to any further adjustment groups
- Adjustment group order and definitions are provided on the CHASE Board website and with the CHASE overview letters



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Supplemental Payments

FFY 23-24 Inpatient Adjustment Factors				
Order	Adjustment Group	UPL Category	Percent of Hospitals	Inpatient Adjustment Factor
1	Rehabilitation or LTAC	All	14%	\$16.00
2	State Government Teaching Hospital	State Gov.	1%	\$618.75
3	Non-State Government Teaching Hospital	Non-State Gov.	1%	\$676.00
4	Non-State Government Rural or CAH	Non-State Gov.	29%	\$1,040.00
5	Non-State Government Hospital	Non-State Gov.	2%	\$720.00
6	Private Rural or CAH	Private	15%	\$485.00
7	Private Heart Institute Hospital	Private	1%	\$1,310.00
8	Private Pediatric Specialty Hospital	Private	2%	\$755.00
9	Private High Medicaid Utilization Hospital	Private	3%	\$1,118.00
10	Private NICU Hospital	Private	11%	\$1,675.00
11	Private Independent Metropolitan Hospital	Private	2%	\$1,395.00
12	Private Safety Net Metropolitan Hospitals	Private	1%	\$1,395.00
13	Private Hospital	Private	17%	\$536.00



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Supplemental Payments

Inpatient Supplemental Payment

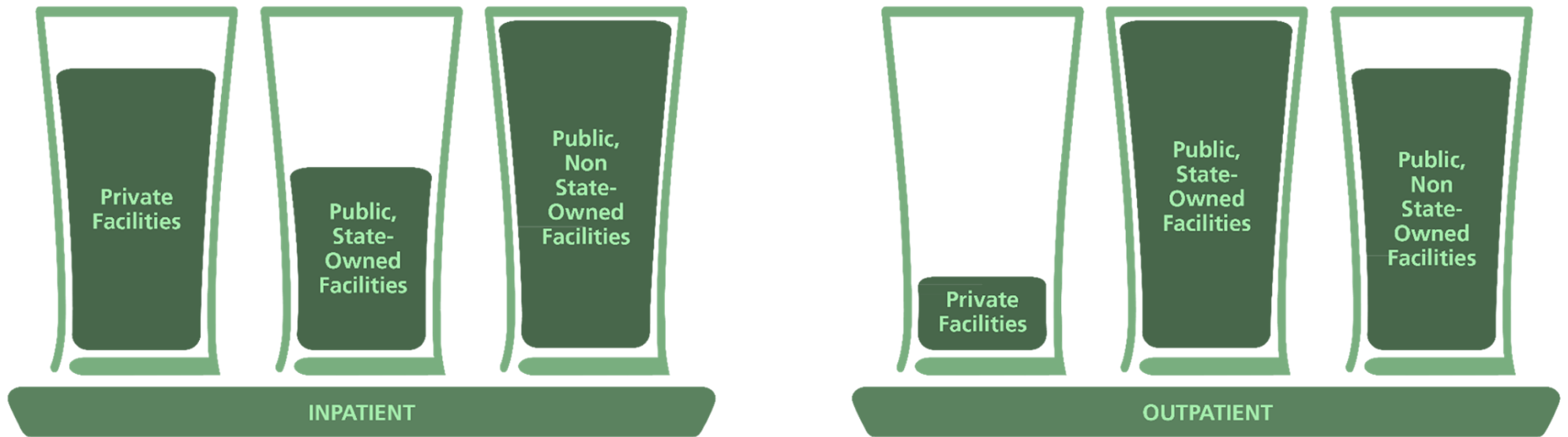
- Maximize hospitals benefiting from fee and minimize losses
- Tied to Medicaid utilization and higher cost service needs of Medicaid population (e.g., NICU Level III, teaching hospitals, pediatric specialty)
- Reach targeted UPL percentages by UPL pool



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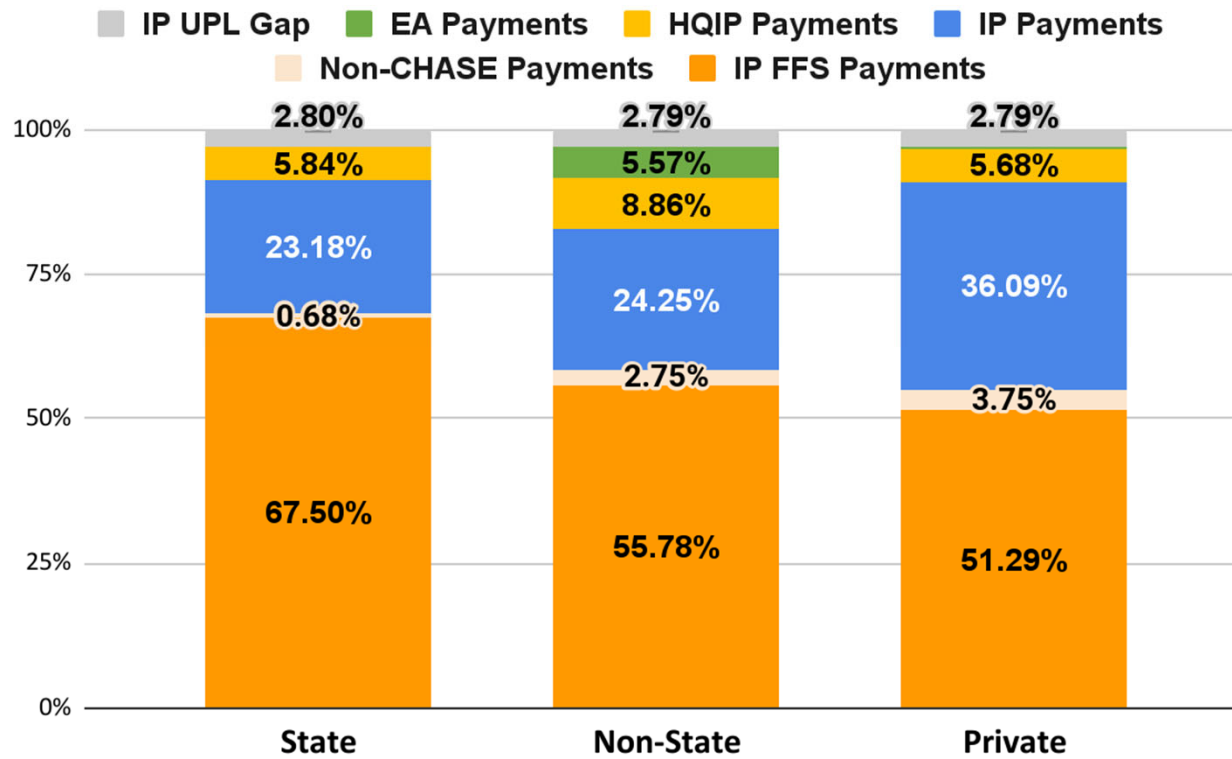
Supplemental Payments



UPL Group (FFY23-24)	Inpatient UPL	Outpatient UPL
Public State Hospitals	97.20%	97.21%
Public Non-State Hospitals	97.21%	97.21%
Private Hospitals	97.21%	97.19%

Supplemental Payments

Inpatient UPL Pools

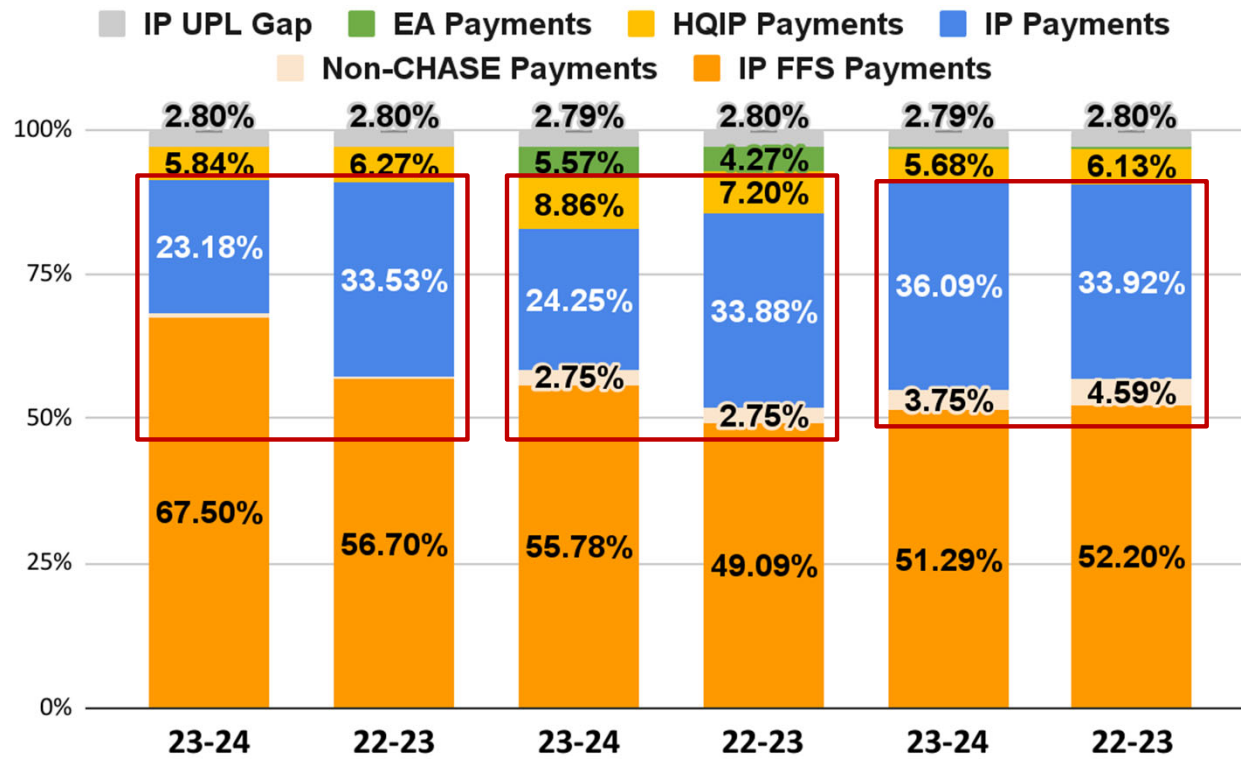


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Supplemental Payments

Annual Change in Inpatient UPL Pools



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Supplemental Payments

Table 7. Inpatient Supplemental Payment Calculation			
Row	Description	Amount	Calculation
Row 1	FFS Medicaid Days	13,060	
Row 2	Inpatient Adjustment Factor	\$ 536.00	
Row 3	Inpatient Payment	\$ 500,000	Row 1 * Row 2

Your hospital's calculation can be found on Page 11 of the June 2024 letter

rounding may cause calculation discrepancies



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Supplemental Payments

Outpatient Supplemental Payment

- **Purpose** - Increase reimbursement for outpatient hospital services provided to Medicaid Members Medicaid cost
- **Calculation** - Adjusted Medicaid Outpatient Cost * Outpatient Adjustment Factor
 - Adjusted Medicaid Outpatient Cost
 - CRYE 2021 Medicaid Outpatient charges (*Colorado iC*)
 - CYRE 2021 ancillary CCR (*Medicare Cost Report*)
 - Adjusted Utilization/Inflation for period CYRE 2021 to FFY 23-24
 - Outpatient Adjustment Factor - Percentage Rate



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Supplemental Payments

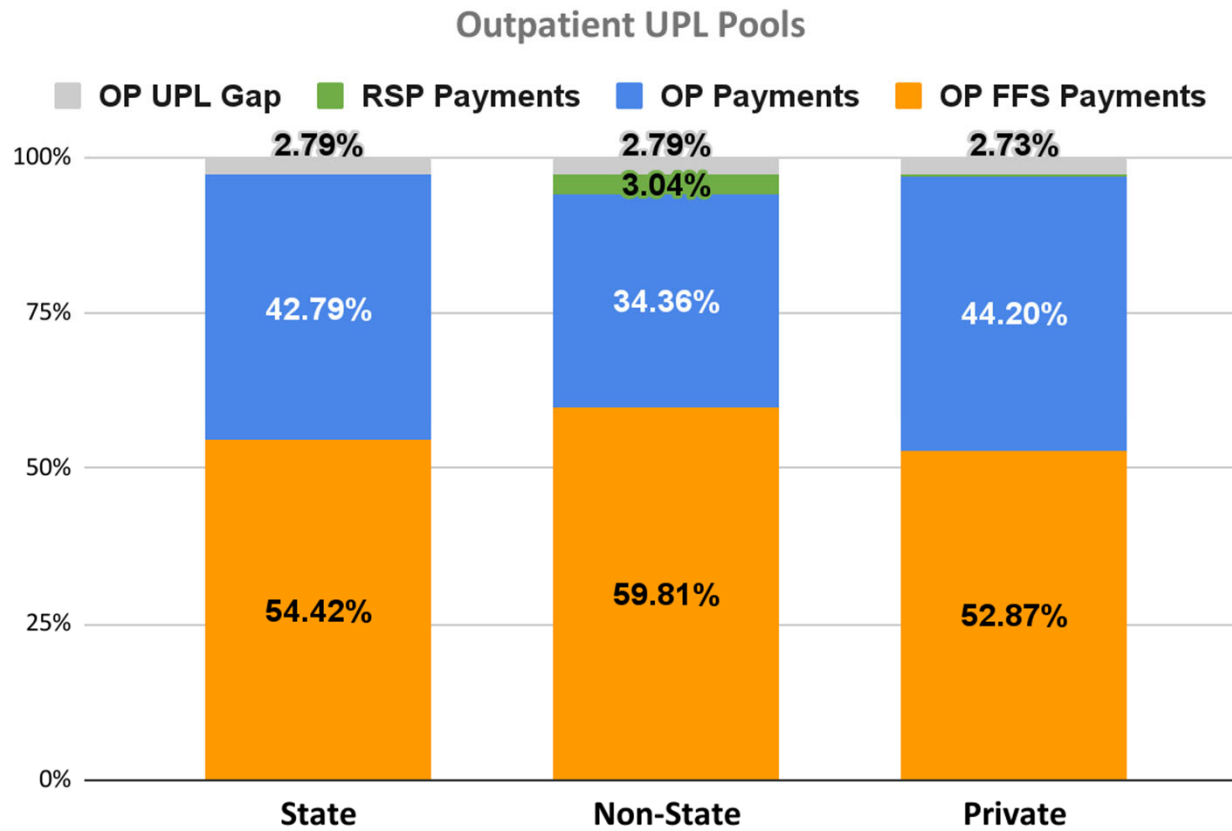
FFY 23-24 Outpatient Adjustment Factors				
Order	Adjustment Group	UPL Category	Percent of Hospitals	Outpatient Adjustment Factor
1	Rehabilitation or LTAC	All	14%	16.00%
2	State Government Teaching Hospital	State Gov.	1%	47.14%
3	Non-State Government Teaching Hospital	Non-State Gov.	1%	9.70%
4	Non-State Government Rural or CAH	Non-State Gov.	29%	94.00%
5	Non-State Government Hospital	Non-State Gov.	2%	10.00%
6	Private Rural or CAH	Private	15%	88.25%
7	Private Heart Institute Hospital	Private	1%	72.50%
8	Private Pediatric Specialty Hospital	Private	2%	5.65%
9	Private High Medicaid Utilization Hospital	Private	3%	41.00%
10	Private NICU Hospital	Private	11%	84.45%
11	Private Independent Metropolitan Hospital	Private	2%	88.00%
12	Private Safety Net Metropolitan Hospitals	Private	1%	88.00%
13	Private Hospital	Private	17%	28.45%



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Supplemental Payments

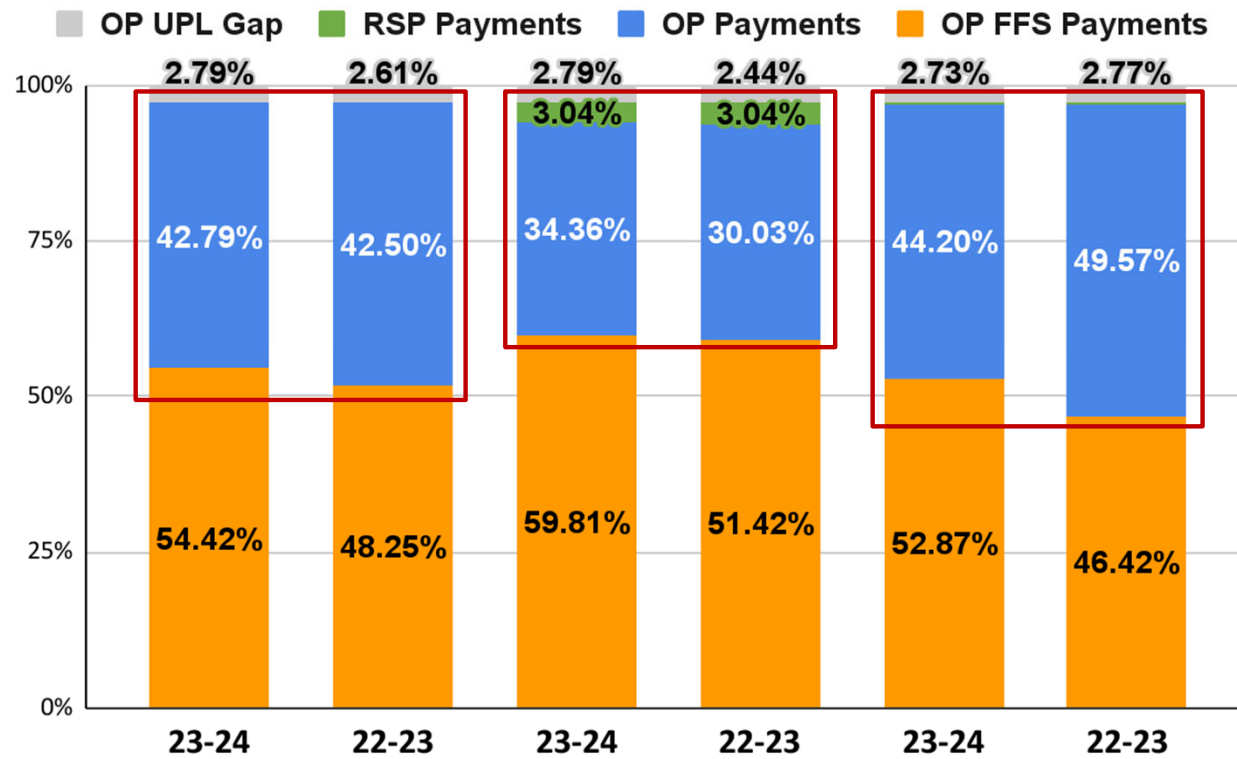


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Supplemental Payments

Annual Change in Outpatient UPL Pools



Supplemental Payments

Table 8. Outpatient Supplemental Payment Calculation			
Row	Description	Amount	Calculation
Row 1	Estimated Medicaid Outpatient Cost	\$21,089,631	
Row 2	Outpatient Adjustment Factor	28.45%	
Row 3	Outpatient Payment	\$6,000,000	Row 1 * Row 2

Your hospital's calculation can be found on Page 13 of the June 2024 letter

rounding may cause calculation discrepancies



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Supplemental Payments

Essential Access Supplemental Payment

- **Purpose** - Increase reimbursement to rural and critical access hospitals
- **Calculation** - Available Funds / Total eligible hospitals
 - Available Funds - \$26,000,000
 - Essential Access Hospital - Rural or critical access hospitals with 25 beds or less
 - Rural hospital located outside of a metropolitan statistical area
 - Beds based on beds licensed to operate from CDPHE

Supplemental Payments

Table 9. Essential Access Supplemental Payment Calculation			
Row	Description	Amount	Calculation
Row 1	Essential Access Hospital	True	
Row 2	Hospital Bed Count	\$26,000,000	
Row 3	Number of Essential Access Hospitals	34	
Row 4	Essential Access Payment	\$764,706	If Row 1 is True Then Row 2 / Row 3, Else \$0

Your hospital's calculation can be found on Page 14 of the June 2024 letter

rounding may cause calculation discrepancies

Supplemental Payments

RSP Supplemental Payment

- **Purpose** - Increased reimbursement to support efforts for future value-based payment environments
- **Calculation** - Available funds / Total Eligible Hospitals
 - Available Funds - \$12,000,000
 - Total eligible hospitals - Non-Profit, Rural or Critical Access Hospital and:
 - Bottom 10% NPR for all Rural and Critical Access Hospitals, or
 - Bottom 2.5% funds balance for all Rural/Critical Access Hospitals



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Supplemental Payments

Table 10. RSP Supplemental Payment Calculation			
Row	Description	Amount	Calculation
Row 1	Critical Access or Rural Hospital	True	
Row 2	Tax Status	Nonprofit	
Row 3	NPR in Bottom 10%	True	
Row 4	Funds Balance in bottom 2.5%	True	
Row 5	RSP Eligible	True	If Row 1 = True, Row 2 = Nonprofit, and Row 3 or Row 4 = True Then True, Else False
Row 6	Total Funds	\$ 12,000,000	
Row 7	Number of Qualified Hospitals	23	
Row 8	RSP payment	\$ 522,000	If Row 5 is True, Then Row 6 / Row 7, Else \$0

Your hospital's calculation can be found on Page 16 of the June 2024 letter



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Supplemental Payments

DSH Supplemental Payment

- **Purpose** - Increased reimbursement for services provided to Medicaid and uninsured individuals
- **Calculation** = Available funds * (Uninsured Cost / Total Uninsured Cost)
- DSH Limit – payment limited to hospital-specific DSH limit
 - Medicaid/uninsured cost – Medicaid/Uninsured payment
Cost – CYRE 2021 Medicaid, uninsured, portion of fees for Medicaid/uninsured populations
Payment – CYRE 2021 Medicaid, uninsured, Self Pay

Supplemental Payments

DSH Supplemental Payment

- Certain hospital groups reimbursed percent of hospital specific DSH limit

Hospital Group	Requirements	% of Hospital-Specific DSH Limit
High CICIP Cost	Colorado Indigent Care Program (CICIP) write-off cost greater than 700% of average statewide CICIP write-off cost	96.00%
Critical Access & Rural	Critical Access Hospital or Rural Hospital	86.00%
Small Independent Metro	Not owned/operated by a healthcare system, within an MSA, and having less than 2,700 Medicaid patient days	80.00%
Low MIUR	MIUR less than or equal to 22.5%	10.00%



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Supplemental Payments

DSH Supplemental Payment

- DSH Eligible - meet one of the following criteria:
 - Colorado Indigent Care Program (CICP) provider & has at least two obstetricians or is obstetrician exempt
 - MIUR equal to or greater than mean + one standard deviation of all MIURS & has at least two obstetricians or is obstetrician exempt
 - Critical Access hospital & has at least two obstetricians or is obstetrician exempt

Supplemental Payments

Table 13. DSH Eligibility Calculation			
Row	Description	Amount	Calculation
Row 1	MIUR	65.00%	
Row 2	Meets MIUR Requirement	True	If Row 1 >= 59.27%, then True, Else False
Row 3	Meets OB Requirement	True	
Row 4	CICP Hospital	True	
Row 5	Critical Access Hospital	False	
Row 6	DSH Eligible	True	If Row 3 & Row 2 = True, then True, If Row 3 & Row 4 = True, then True, If Row 3 & Row 5 = True, then True, Else False

Your hospital's calculation can be found on Page 20 of the June 2024 letter

rounding may cause calculation discrepancies

Supplemental Payments

Table 14. DSH Supplemental Payment Calculation (<i>Critical Access Hospital</i>)			
Row	Description	Amount	Calculation
Row 1	DSH Eligible	True	
Row 2	Medicaid & Uninsured Cost	\$8,000,000	
Row 3	Medicaid & Uninsured Payment	\$7,000,000	
Row 4	Estimated DSH Limit Before Adjustment	\$1,000,000	Row 2 - Row 3
Row 5	DSH Adjustment Group	Critical Access	
Row 6	Estimated DSH Limit After Adjustment	\$860,000	Critical Access - Row 4 * 86%
Row 7	Uninsured Cost	N/A	
Row 8	Total Uninsured Cost for All Qualified Hospitals	N/A	
Row 9	Percent of Uninsured Cost to Total Uninsured Cost for All Qualified Hospitals	N/A	Row 7 / Row 8
Row 10	Available DSH Dollars	N/A	
Row 11	DSH Payment before DSH Limit	N/A	Row 9 * Row 10
Row 12	DSH Payment	\$860,000	Lesser of Row 6 & Row 11

Your hospital's calculation can be found on Page 21 of the June 2024 letter



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Supplemental Payments

Table 14. DSH Supplemental Payment Calculation (<i>General Hospital</i>)			
Row	Description	Amount	Calculation
Row 1	DSH Eligible	True	
Row 2	Medicaid & Uninsured Cost	\$8,000,000	
Row 3	Medicaid & Uninsured Payment	\$7,000,000	
Row 4	Estimated DSH Limit Before Adjustment	\$1,000,000	Row 2 - Row 3
Row 5	DSH Adjustment Group	General	
Row 6	Estimated DSH Limit After Adjustment	\$960,000	General - Row 4 * 96%
Row 7	Uninsured Cost	\$500,000	
Row 8	Total Uninsured Cost for All Qualified Hospitals	\$50,000,000	
Row 9	Percent of Uninsured Cost to Total Uninsured Cost for All Qualified Hospitals	1.00%	Row 7 / Row 8
Row 10	Available DSH Dollars	\$65,000,000	
Row 11	DSH Payment before DSH Limit	\$650,000	Row 9 * Row 10
Row 12	DSH Payment	\$650,000	Lesser of Row 6 & Row 11

Your hospital's calculation can be found on Page 21 of the June 2024 letter



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Supplemental Payments

HQIP Supplemental Payment

- **Purpose** - Increased reimbursement for providing services that improve health care outcomes
- **Calculation** - Normalized Awarded Points * Medicaid Adjusted Discharges * Dollars Per Adjusted Discharge Point
 - Normalized Awarded Points based on 2023 HQIP scoring measures
 - Medicaid Adjusted Discharges – (Total Medicaid Charges / Inpatient Medicaid charges) * Inpatient Medicaid Discharges
 - CY 22 from Colorado iC
 - Dollars Per Adjusted Discharge Point based on Awarded Points



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Supplemental Payments

Table 11. Dollars Per-Adjusted Discharge Point			
HQIP Tier	Normalized Points Awarded	Dollars Per Adjusted Discharge Point	Hospital Count
0	0-19	\$ 0.00	17
1	20-39	\$ 2.07	5
2	40-59	\$ 4.14	6
3	60-79	\$ 6.21	17
4	80-100	\$ 8.28	54

rounding may cause calculation discrepancies



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Supplemental Payments

HQIP Scoring Measure Groups

■ **Maternal Health & Perinatal Care Group**

- Exclusive Breast Feeding, Cesarean Section, Perinatal Depression and Anxiety, Maternal Emergencies and Preparedness, Reproductive Life/Family Planning

■ **Patient Safety**

- Zero Suicide, Reduction of Racial and Ethnic Disparities, Clostridium Difficile, Sepsis, Antibiotics Stewardship, Adverse Event Reporting, Culture of Safety Survey, Handoffs and Sign-Outs

■ **Patient Experience**

- Hospital Consumer Assessment of Healthcare Providers and Systems, Advance Care Planning

Supplemental Payments

Table 12. HQIP Supplemental Payment Calculation			
Row	Description	Amount	Calculation
Row 1	Maternal Health & Perinatal Care	30	
Row 2	Patient Safety	20	
Row 3	Patient Experience	10	
Row 4	Total Measure Points Awarded	60	Sum Row 1 through Row 3
Row 5	Adjusted Medicaid Discharges	5,000	
Row 6	Adjusted Discharge Points	300,000	Row 4 * Row 5
Row 7	Dollars Per-Adjusted Discharge Point	\$ 6.21	
Row 8	HQIP Payment	\$ 1,863,000	Row 6 * Row 7

Your hospital's calculation can be found on Page 18 of the June 2024 letter

rounding may cause calculation discrepancies

Enhanced Federal Match



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Enhanced Federal Match

Standard Federal Match Rate

- Supplemental payment = provider fee + federal match
- Standard federal match rate is 50%
 - \$100 payment = \$50 fee + \$50 federal match

Enhanced Federal Match

Enhanced Federal Match Rate

- Can draw down additional federal funds for Affordable Care Act (ACA) populations
 - Started drawing down enhanced federal match in FFY 19-20
- Enhanced federal match rate is 63%
 - \$100 payment = \$37 fee + \$63 federal match
- **Now drawing down additional \$175 million in federal matching dollars with enhanced federal match**



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Enhanced Federal Match

Enhanced Federal Match Rate

- Cannot claim enhanced federal match at time of payment
 - Claim 50% federal match at time of payment
- Assess provisional fee in quarter to cover funding obligation
- Claim additional federal match (13%) in following quarter
- Refund additional federal match through reduced fee in quarter(s) after payment is made



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Fee and Payment Reconciliation

Provisional/CHASE Fee

- Provisional fee is fee with 50% federal match rate
 - Necessary fee to cover funding obligation
- CHASE fee is fee with enhanced federal match rate
 - Provisional fee minus fee refunds

Enhanced Federal Match

Table 2. FFY 2023-24 Fee Refund			
Row	Description	Amount	Calculation
Row 1	CHASE Fee	\$12,000,000	
Row 2	Provisional Fee	\$16,000,000	
Row 3	Fee Refund	(\$4,000,000)	Row 1 - Row 2
Row 4	Q1, Q2, Q3 Fee Refund (July, August, September)	(\$3,000,000)	Row 3 * 75%
Row 5	Q4 Fee Refund (October, November, December)	(\$1,000,000)	Row 3 - Row 4

Your hospital's calculation can be found on Page 4 of the June 2024 letter



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Fee and Payment Reconciliation



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Fee and Payment Reconciliation

Fee and Payment Reconciliation

- Interim (October 2023 - June 2024) based on FFY 22-23 fees and payments
- Reconcile (July 2024 - September 2024) based on difference between interim fees and payments and final FFY 23-24 fees and payments

10/2023	11/2023	12/2023	1/2024	2/2024	3/2024	4/2024	5/2024	6/2024	7/2024	8/2024	9/2024
Interim Fees and Payments									Reconcile Fees and Payments		

Fee and Payment Reconciliation

Fee and Payment Reconciliation

- Final fees and payments reconciled in July, August and September
- Fee reconciliation includes:
 - Interim fee reconciliation, Monthly provisional fee, and Q1/Q2/Q3 fee refund
- Payment reconciliation includes:
 - Interim payment reconciliation and Monthly final payment



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Fee and Payment Reconciliation

Fee Reconciliation

Table 3. FFY 23-24 Reconciliation

Row	Description	Amount	Calculation
Row 1	Provisional Fee (10/23 - 6/24)	\$12,000,000	
Row 2	Interim Fee (10/23 - 6/24)	\$9,000,000	
Row 3	Monthly Interim Fee Reconciliation	\$1,000,000	(Row 1 - Row 2) / 3 Months
Row 4	Monthly Provisional Fee	\$1,333,333	Table 2, Row 2 * (1/12)
Row 5	Monthly Q1, Q2, Q3 Fee Refund	(\$1,000,000)	Table 2, Row 4 / Row 3
Row 6	Monthly Fee	\$1,333,333	Row 3 + Row 4 + Row 5

Your hospital's calculation can be found on Page 5 of the June 2024 letter

Fee and Payment Reconciliation

Payment Reconciliation

Table 3. FFY 23-24 Reconciliation			
Row	Description	Amount	Calculation
Row 1	Final Payment (10/23 - 6/24)	\$13,500,000	
Row 2	Interim Payment (10/23 - 6/24)	\$11,250,000	
Row 3	Monthly Payment Reconciliation	\$750,000	(Row 1 - Row 2) / 3 Months
Row 4	Monthly Final Payment	\$1,500,000	Table 1.Row 10 / 3 months
Row 5	Monthly Payment	\$2,250,000	Row 3 + Row 4 + Row 5

Your hospital's calculation can be found on Page 5 of the June 2024 letter

Next Steps

CHASE Fees/Payments equal to 99.25%

- Current 23-24 CHASE fees/payments equal to 97% of UPL
- In subsequent months will transition 23-24 and 22-23 CHASE fees/payments to 99.25% of UPL
- More communications coming in subsequent months



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Questions?



Low Battery



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CHASE Board Website

<https://www.colorado.gov/pacific/hcpf/colorado-healthcare-affordability-and-sustainability-enterprise-chase-board>



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Thank You



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