

Proposed DSH Qualification Requirements

Disproportionate Share Hospital (DSH) Payments

- [HB 24-1399](#) sunsets the Colorado Indigent Care Program (CICP) effective July 1, 2025
- CICP hospitals to qualified to receive DSH payments
- New [DSH requirements](#) being developed

States MUST make DSH payments to qualified hospitals with

- Medicaid inpatient utilization at least one standard deviation above the mean, OR
- Low-income inpatient utilization above 25%

States also have broad flexibility in both determining which hospitals receive DSH payments and in how the payments are calculated

- If the hospital has at least 1% Medicaid inpatient utilization rate, AND
- Two obstetricians who treat Medicaid members (or meet exceptions)

Current DSH Requirements

- DSH payments totaled \$257 million in most recent year funded with CHASE hospital provider fee and federal funds
- Under [current rules](#), to qualify for a DSH payment a Colorado hospital must meet the federal minimum requirements AND
 - Participate in the Colorado Indigent Care Program (CICP), OR
 - Be a Critical Access Hospital, OR
 - Be a hospital that must receive DSH payments under federal law, i.e., a Medicaid inpatient utilization at least one standard deviation above the mean or a low-income inpatient utilization rate greater than 25%

Proposed DSH Requirements

- Meet federal minimum requirements AND
- Have an approved charity care program, OR
- Be a Critical Access Hospital or Sole Community Hospital located in a rural county, OR
- Be a hospital that **MUST** receive DSH payments under federal law, i.e., a Medicaid utilization at least one standard deviation above the mean or a low-income inpatient utilization greater than 25%

Proposed DSH Requirements

Charity care program must include:

- Discounted hospital services for uninsured patients with incomes up to and including 250% of the federal poverty guideline
- A sliding fee scale with a tiered co-payment system with at least three tiers
 - Highest co-payment tier below the rates established for Hospital Discounted Care.
 - Only patient's income and the number of members in the patient's family unit determine income
 - Co-payment good for at least one year from the date of income determination
 - Payment plans allowed and not exceed the amount and duration established in Hospital Discounted Care
- Must include at a minimum: emergency department visits, inpatient stays, laboratory services, imaging services, and hospital dispensed pharmaceuticals.
- A policy exempting patient debt from any permissible collection action for those who qualify for the hospital's charity care program.

Proposed DSH Requirements

- Feedback

- Via email to hcpf_CICPCorrespondence@state.co.us
- ~~January 13th at 11 am: [Hospital Discounted Care](#) stakeholder meeting~~
- January 27th at 1 pm: [CICP Stakeholder Advisory Council](#) meeting
- February 25th at 3 pm: [Colorado Healthcare Affordability and Sustainability Enterprise \(CHASE\) Board](#)
- March 24th at 9 am: Medical Services Board [Public Rule Review Meeting](#)

- Next steps

- [Medical Services Board](#) initial hearing April 11
- [Medical Services Board](#) final hearing May 9



Questions?



Thank you!