



COLORADO DEPARTMENT OF HEALTH CARE POLICY & FINANCING

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Bill Ritter, Jr., Governor • Joan Henneberry, Executive Director

February 1, 2010

The Honorable Jack Pommer, Chairman
Joint Budget Committee
200 East 14th Avenue, Third Floor
Denver, CO 80203

Dear Representative Pommer:

The Department of Health Care Policy and Financing (Department) presents this letter to the Joint Budget Committee of the Colorado General Assembly in response to Legislative Request for Information 22:

Department of Health Care Policy and Financing, Indigent Care Program, Safety Net Provider Payments -- The Department is requested to submit a report by February 1, 2010, to the Joint Budget Committee, estimating the disbursements to each hospital from the Safety Net Provider Payment line item for FY 2009-10.

The Safety Net Provider Payment line item funds payments to public-owned and private-owned hospitals that participate in the Colorado Indigent Care Program (CICP). The Safety Net Provider Payments for FY 2009-10 are estimated to be \$138,549,129 and are reported in the attached Table 1. High-Volume payments are supplemental Medicaid payments and Low-Income payments are disproportionate share hospital (DSH) payments made to participating CICP hospitals. More information regarding the CICP and the reimbursement methodology can be found in the Medically Indigent and Colorado Indigent Care Program Fiscal Year 2009-10 Annual Report.

The payment amounts reported in Table 1 are currently in effect and were issued to providers through reimbursement letters dated September 22, 2009. With the passage of the Health Care Affordability Act of 2009 (HB 09-1293), and contingent upon approval of the State Plan Amendments by the Centers for Medicare and Medicaid Services, the funding and payment methodologies for the CICP will change dramatically by the end of FY 2009-10, and the changes will be retroactive to July 1, 2009. The payment amounts in Table 1 do not reflect any estimated impacts or changes associated with the Health Care Affordability Act of 2009.

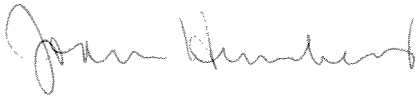
On August 24, 2009 Governor Ritter delivered a written, detailed package of budget cuts to the Joint Budget Committee. As part of the governor's budget balancing measures, the FY 2009-10 General Fund in the payment to private-owned hospital providers that participate in the CICP was restricted. This means that in FY 2009-10 there will not be any DSH or High-Volume UPL

payments made to hospitals classified as private-owned under CICP. These cuts are reflected in Table 1.

Public-owned hospital providers are not impacted by this reduction, since the state can access a federal match on their uncompensated costs related to the CICP through a financing mechanism commonly referred to as certified public expenditure. Public-owned providers do not utilize any General Fund to fund these CICP payments.

Questions regarding disbursements to participating Colorado Indigent Care Program Hospitals can be addressed to Chris Underwood, Director, State Programs and Federal Financing Division. His telephone number is (303) 866-4766.

Sincerely,

A handwritten signature in dark ink, appearing to read "Joan Henneberry", written in a cursive style.

Joan Henneberry
Executive Director
JH:cu

Cc: Senator Moe Keller, Vice-Chairman, Joint Budget Committee
Senator Abel Tapia, Joint Budget Committee
Senator Al White, Joint Budget Committee
Representative Mark Ferrandino, Joint Budget Committee
Representative Kent Lambert, Joint Budget Committee
Senator Brandon Shaffer, President of the Senate
Senator John Morse, Senate Majority Leader
Senator Josh Penry, Senate Minority Leader
Representative Terrance Carroll, Speaker of the House
Representative Paul Weissmann, House Majority Leader
Representative Mike May, House Minority Leader
John Ziegler, Staff Director, JBC
Melodie Beck, JBC Analyst
Lorez Meinhold, Senior Policy Analyst for Health Care, Governor's Office
Liza Fox, Policy Analyst for Health Care, Governor's Office
Todd Saliman, Director, Office of State Planning and Budgeting
Lisa Esgar, Deputy Director, Office of State Planning and Budgeting
Sarah Sills, Budget Analyst, Office of State Planning and Budgeting
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Joan Henneberry, Executive Director
Sue Williamson, Deputy Director, Client and Community Relations Office
Sandeep Wadhwa, M.D, Deputy Director, Medical and CHP+ Program Administration Office
John Bartholomew, Director, Budget and Finance Office
Phil Kalin, Center for Improving Value in Health Care (CIVHC) Director
Ginny Brown, Legislative Liaison
Lindy Wallace, Project Management Director
Joanne Lindsay, Public Information Officer
HCPF Budget Library, HCPF Budget Division

Table 1 FY 2009-10 CICP Estimated Provider Payments			
CICP Provider	UPL High-Volume Payment	DSH Low-Income Payment	Total CICP Payment
Denver Health Medical Center	\$10,218,762	\$57,671,911	\$67,890,673
University of Colorado Hospital at Denver	\$14,603,153	\$20,898,693	\$35,501,846
Arkansas Valley Regional Medical Center	\$1,286,640	\$108,303	\$1,394,943
Aspen Valley Hospital	\$364,413	\$138,161	\$502,574
Delta County Memorial Hospital	\$509,916	\$418,558	\$928,474
East Morgan County Hospital District	\$5,731	\$172,664	\$178,395
Estes Park Medical Center	\$225,474	\$216,689	\$442,163
Gunnison Valley Hospital	\$32,063	\$11,020	\$43,083
Heart of the Rockies Regional Medical Center	\$120,016	\$131,132	\$251,148
Kremmling Memorial Hospital District	\$32,925	\$19,836	\$52,761
Melissa Memorial Hospital	\$26,161	\$14,948	\$41,109
Memorial Hospital	\$9,095,647	\$7,329,951	\$16,425,598
The Memorial Hospital-Craig	\$134,219	\$26,589	\$160,808
Montrose Memorial Hospital	\$546,684	\$524,569	\$1,071,253
North Colorado Medical Center	\$2,898,992	\$3,371,131	\$6,270,123
Poudre Valley Hospital	\$3,026,324	\$3,001,695	\$6,028,019
Prowers Medical Center	\$163,402	\$248,710	\$412,112
Sedgwick County Memorial Hospital	\$15,681	\$12,048	\$27,729
Southeast Colorado Hospital	\$11,011	\$23,473	\$34,484
Southwest Memorial Hospital	\$243,335	\$147,712	\$391,047
Spanish Peaks Regional Health Center	\$48,409	\$88,850	\$137,259
St Vincent General Hospital District	\$100,008	\$21,408	\$121,416
Wray Community District Hospital	\$59,257	\$50,113	\$109,370
Yuma District Hospital	\$45,818	\$53,584	\$99,402
Public Hospitals	\$43,814,041	\$94,701,748	\$138,515,789

Table 1 FY 2009-10 CICP Estimated Provider Payments			
Boulder Community Hospital	\$0	\$0	\$0
Centura Health-Penrose St Francis Health Services	\$0	\$0	\$0
Centura Health-St Mary Corwin Medical Center	\$0	\$0	\$0
Centura Health-St Thomas More Hospital	\$0	\$0	\$0
The Children's Hospital	\$0	\$0	\$0
Colorado Plains Medical Center	\$0	\$0	\$0
Community Hospital	\$0	\$0	\$0
Conejos County Hospital Corporation	\$0	\$0	\$0
Longmont United Hospital	\$0	\$0	\$0
McKee Medical Center	\$0	\$0	\$0
Medical Center of the Rockies	\$0	\$0	\$0
Mercy Regional Medical Center	\$0	\$0	\$0
Mt San Rafael Hospital	\$0	\$0	\$0
National Jewish Medical & Research Center	\$0	\$0	\$0
Parkview Medical Center Inc	\$0	\$0	\$0
Pikes Peak Regional Hospital	\$0	\$0	\$0
Platte Valley Medical Center	\$0	\$0	\$0
Presbyterian/St Luke's Medical Center	\$0	\$0	\$0
Rio Grande Hospital	\$0	\$0	\$0
San Luis Valley Regional Medical Center	\$0	\$0	\$0
St Mary's Hospital and Medical Center	\$0	\$0	\$0
Sterling Regional Medcenter	\$0	\$0	\$0
Vail Valley Medical Center	\$0	\$0	\$0
Valley View Hospital Association	\$0	\$0	\$0
Vibra Long Term Acute Care Hospital	\$0	\$0	\$0
Yampa Valley Medical Center	\$0	\$0	\$0
Private Hospitals	\$0	\$0	\$0
All CICP Providers Total	\$43,814,041	\$94,701,748	\$138,515,789