COLORADO DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

OPERATIONS AND FINANCE OFFICE
SAFETY NET FINANCING SECTION

REPORT TO THE JOINT BUDGET COMMITTEE

ON

SAFETY NET FINANCING PROVIDER PAYMENTS UPDATE

FEBRUARY 1, 2005

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EXECUTIVE SUMMARY

This report is presented to the Joint Budget Committee (JBC) of the Colorado General Assembly in response to footnote 40 of House Bill 04-1422.

The Colorado Indigent Care Program (CICP) was authorized by House Bill 83-1129, the "Reform Act for the Provision of Health Care for the Indigent." Unlike the Medicaid program, the Colorado Indigent Care Program is not an entitlement, which means the State is not legally obligated to serve all who meet the program's eligibility requirements. The program is a financing mechanism through which the State reimburses participating providers for a portion of costs incurred in treating eligible individuals. Funding for the Colorado Indigent Care Program is through two unique funding sources. These funding sources are the Disproportionate Share Hospital Allotment and the Medicare Upper Payment Limit for inpatient hospital services (Inpatient UPL), which are financed with General Fund, federal funds and certification of public expenditures.

Based on Decision Item 6 from the FY 2003-04 Budget Request submitted by the Department on November 1, 2002, a change in the reimbursement methodology for the Colorado Indigent Care Program was approved. This request combined the multiple rate setting methodologies for the program into a more simplified system that can be more readily understood by Department staff, the General Assembly and providers. In addition, five different line items were discontinued, and are now consolidated into the new Long Bill line item, Safety Net Provider Payments. Within the new line item, there are four separate calculations or payments: Low-Income payment, High-Volume payment, Bad Debt payment and the Medicaid Shortfall payment.

Given that the Safety Net Provider Payments utilize federal funds, the payment methodologies must be approved by the Centers for Medicare and Medicaid Services (CMS). On June 3, 2003, the Department submitted two State Plan Amendments to Centers for Medicare and Medicaid Services, which were officially approved on February 2, 2004. In addition to the approval of the new reimbursement methodology, the Department had asked Centers for Medicare and Medicaid Services to review a revised calculation for the Inpatient UPL. On May 27, 2004, Centers for Medicare and Medicaid Services officially approved a revised Inpatient UPL calculation, which allowed more federal funds to be dispensed then previously calculated for the FY 2003-04 Colorado Indigent Care Program reimbursements. Through a State Plan Amendment submitted on August 10, 2004, the Centers for Medicare and Medicaid Services officially approved the total dispersal of funds, under the new reimbursement formula using the revised Inpatient UPL calculation for FY 2003-04 on December 15, 2004. Retroactive FY 2003-04 payment adjustments were released to all Colorado Indigent Care Program hospital providers on December 28, 2004. The final FY 2003-04 payments are detailed in this report.

The Department estimates that for the FY 2003-04 payments, the new methodology increased federal funds to public-owned providers by $6.1 million and the revised Inpatient UPL calculation generated another $24.0 million, for a total of $30.1 million new federal funds paid to public-owned providers. Of the $144,863,854 distributed as direct reimbursement under the Colorado Indigent Care Program to hospital providers, 8.7% or $12,576,646 of the total funds consisted of General Fund, while the remaining portion was federal funds.

INTRODUCTION

This report is presented to the Joint Budget Committee (JBC) of the Colorado General Assembly in response to footnote 40 of House Bill 04-1422, which states:

> *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, 2005, to the Joint Budget Committee, which evaluates the use of the new methodology to distribute disproportionate share and major teaching hospital payments.*

The Governor vetoed footnote 40 stating:

> *I vetoed this footnote last year. This footnote is in violation of the Colorado Constitution, Article III and possibly Article V, Section 32, because it interferes with the ability of the executive branch to administer the appropriation and may constitute substantive legislation that cannot be included in the general appropriations bill. I will direct the Department to comply to the extent feasible.*

I. PROGRAM OVERVIEW

The Colorado Indigent Care Program (CICP) was authorized by House Bill 83-1129, the "Reform Act for the Provision of Health Care for the Indigent." Prior to this, the State had procedures to partially reimburse providers for care furnished to the medically indigent; however, the program was not formally recognized in statute. Unlike the Medicaid program, the Colorado Indigent Care Program is not an entitlement, which means that the State is not legally obligated to serve all who meet the program's eligibility requirements.

The Colorado Indigent Care Program is a financing mechanism through which the State reimburses participating providers for a portion of costs incurred in treating eligible individuals. In turn, providers must adhere to state-established limits for amounts charged to eligible individuals. The program promotes access to health care services for low-income individuals by helping to defray provider costs of furnishing uncompensated care and by limiting the amount that low-income patients must pay.

The Colorado Indigent Care Program is not an insurance plan under State law, because it does not provide individuals with a policy that defines a list of benefits to which they are entitled. Colorado statute limits the program's expenditures to available appropriations and the individual provider's physical, financial, and staff resources. To the extent of available appropriations, the program serves eligible persons with income and assets at or below 185% of the federal poverty level who are not eligible for Medicaid or the Children's Basic Health Plan.

Funding for the Colorado Indigent Care Program is through two unique funding sources. These funding sources are the Disproportionate Share Hospital Allotment and the Medicare Upper Payment Limit for inpatient hospital services (Inpatient UPL), which are financed with General Fund, federal funds and certification of public expenditures. Any provider who

participates in the program is qualified to receive funding from both funding sources and to use those funds as partial compensation for providing medical care to those individuals who qualify to receive discounted services.

Payments made under either the Disproportionate Share Hospital Allotment or Inpatient UPL to public-owned hospital providers (those facilities which are owned or operated by the State or local government) consist entirely of federal funds. This is accomplished by the utilization of certification of public expenditures. Certification of public expenditures document the uncompensated cost of a public-owned hospital provider incurred in association with providing a qualified medical service to an eligible Medicaid or indigent client. These public expenditures are eligible for a federal match. Public-owned hospital providers document the uncompensated cost annually, which is represented in the Long Bill as Cash Funds Exempt. For this line item, the Cash Funds Exempt figures are an accounting record to document the certification of public expenditures on Medicaid and indigent populations that have not previously been compensated at public-owned hospitals. Consequently, the Cash Funds Exempt figures reported for this line item do not represent an expenditure by the State.

II. DISPROPORTIONATE SHARE HOSPITAL ALLOTMENT

In 1987 Congress amended Title XIX (the Medicaid Program) to require states to make enhanced payments for those "safety net" hospitals which provide services to a disproportionate share of Medicaid and low-income patients. The Disproportionate Share Hospital payments were intended to offset the uncompensated costs of providing services to uninsured and underinsured patients. These payments assist in securing the hospitals' financial viability and preserve access to care for Medicaid and low-income clients. Since January 1991, the Colorado Medicaid Program has developed and implemented several measures, using Disproportionate Share Hospital payments, to finance Medicaid program expansions and to cover the escalating costs of ongoing Medicaid programs and costs associated with the Colorado Indigent Care Program.

Congress granted states a great deal of flexibility in the design and implementation of these Disproportionate Share Hospital plans. However, as states exercised this flexibility to finance the state share of Medicaid, the federal government became alarmed at the corresponding impact on the federal budget. The federal Balanced Budget Act of 1997 (BBA97) established declining limits on the amount of federal funds available to states for Disproportionate Share Hospital payments. These limits were established as allotments (or caps) for each state starting in Federal Fiscal Year 1997-98 based on their previous levels of payments. Under the Balanced Budget Act of 1997, the allotment for Colorado in Federal Fiscal Year 2000-01 was to be $74 million. However, federal legislation was enacted in December 2000 that provided temporary relief from the Balanced Budget Act of 1997 allotments by maintaining the Federal Fiscal Year 1999-00 allotment of $79 million for Federal Fiscal Years 2000-01 and 2001-02, plus increases tied to the Consumer Price Index for all Urban Consumers (CPI-U) for those years.

For Federal Fiscal Year 2002-03, the Disproportionate Share Hospital Allotment reverted to the Balanced Budget Act of 1997 allotment of $74 million plus an inflationary increase for Colorado. Using an inflationary increase (based on the CPI-U) of 1.5%, the Federal Fiscal Year

2002-03 allotment for Colorado was $75,110,000. Then, due to a provision in the Medicare Prescription Drug, Improvement and Modernization Act of 2003, Disproportionate Share Hospital Allocation for Colorado in Federal Fiscal Year 2003-04 increased to $87,127,600. The formula in this federal law allows the allotment to remain at this level until approximately Federal Fiscal Year 2009-10. It is possible that additional federal legislation could be implemented to change current or future allotments.

Chart 1
Disproportionate Share Hospital Allotment

Federal Fiscal Year	Disproportionate Share Hospital Federal Payment Maximum
1997-98	$93,000,000
1998-99	$85,000,000
1999-00	$79,000,000
2000-01	$81,765,000
2001-02	$83,890,890
2002-03	$75,110,000
2003-04	$87,127,600

The federal funds are used to cover the following methodologies under the Disproportionate Share Hospital Allotment:

- Low-Income Payments
- Bad Debt Payments
- Medicaid Shortfall Payment

III. MEDICARE UPPER PAYMENT LIMIT

The Medicare Upper Payment Limit is the maximum amount Medicaid can reimburse a provider and still receive the federal match rate (or federal financial participation). The Medicare Upper Payment Limit is relevant to three distinct provider payments: Inpatient Hospital, Outpatient Hospital and Nursing Home payments. The three unique Medicare Upper Payment Limits are calculated by the Department are a reasonable estimate of the amount Medicare would reimburse providers for providing Medicaid services.

Historically Medicaid fee-for-service rates are below the three Medicare Upper Payment Limits. This provides an opportunity for the Department to gain a federal match on the difference between the Medicaid fee-for-service reimbursement and the Medicare Upper Payment Limits. Public-owned providers use certification of public expenditures, which generate a federal match without the need for additional General Fund expenditures.

Colorado Indigent Care Program payments to public-owned providers are partially funded using certification of public expenditures under the Medicare Upper Payment Limit for inpatient hospital services (Inpatient UPL). For FY 2001-02 and FY 2002-03, a total of $2,645,000 in

federal funds had been generated for these Colorado Indigent Care Program payments. This eliminated the need for General Fund to support these payments. In FY 2003-04, the federal fund payment stood at $3,516,553 and is called a High-Volume payment.

Since FY 1989-90, Colorado Indigent Care Program payments to Denver Health Medical Center and University Hospital have been partially funded under the Inpatient UPL through a payment commonly known as the "Major Teaching Payment." Starting in FY 1999-00 certification of public expenditures for inpatient hospital services eliminated the General Fund portion of the payment. Over the three fiscal years from FY 2000-01 to FY 2002-03, $64,667,000 in federal funds had been generated for these provider payments. In FY 2003-04, the federal fund payment to these two providers stood at $33,465,379.

In FY 2003-04 the distinct Major Teaching Hospital payments to Denver Health Medical Center and University Hospital was eliminated and combined with the payment to all other Colorado Indigent Care Program providers to create the High-Volume payment. In addition, during this restructuring of payments, the revised methodology utilizes the Inpatient UPL for private-owned facilities, which allowed the Department to shift payments from the Disproportionate Share Hospital Allotment to the Inpatient UPL and increase the reimbursement to public-owned providers by $6.1 million.

Effective July 1, 2002 The Children's Hospital became eligible to receive a Major Teaching Hospital Payment. An agreement was reached with The Children's Hospital and the Department, such that the hospital would administer the payments to Colorado Indigent Care Program Clinics and in return, the Department would use a portion of the General Fund available under the Colorado Indigent Care Program Clinic payment as The Children's Hospital Pediatric Major Teaching Hospital payment. The payment under the Medicare Upper Payment Limit for inpatient hospital services for FY 2002-03 and FY 2003-04 was $6,119,760. Since the Children's Hospital is a private-owned facility, the certification of public expenditures for uncompensated Medicaid costs at the facility is not allowed. Instead, General Fund is required as the State's share of the payment to receive the federal funds match.

The federal funds are used to cover the following methodologies under the Inpatient UPL:

- High-Volume Payments
- Pediatric Major Teaching Hospital Payment

SAFETY NET PROVIDER PAYMENTS

To simplify the reimbursement model for hospital providers, based on Decision Item 6 from the FY 2003-04 Budget Request submitted by the Department on November 1, 2002, a change in the methodology for the Colorado Indigent Care Program was approved. This request combined the methodologies for rate setting for the Major Teaching Hospital payment, Out-state Indigent Care Program payments, Component 1A Disproportionate Share Hospital payments, Pre-Component 1 Disproportionate Share Hospital payments and Bad Debt payments. In addition, under this new methodology, Denver Indigent Care Program, University Hospital Indigent Care Program, Out-state Indigent Care Program, Disproportionate Share Payments to Hospitals and Pre-Component 1 Disproportionate Share Payments to Hospitals separate line items were all discontinued, and are now consolidated into the new Long Bill line item, Safety-Net Provider Payments.

Within the new line item, there are four separate payments: Low-Income payment, High-Volume payment, Bad Debt payment and the Medicaid Shortfall payment. The Low-Income payment and the High-Volume payment utilize the same formula to distribute different pools of funds. The Low-Income payment is used to distribute available funds under the Disproportionate Share Hospital Allotment, while the High-Volume payment is used to distribute funds under the Inpatient UPL. The Bad Debt payment is used as a balancing mechanism to maximize the federal funds available under the Disproportionate Share Hospital Allotment. A Bad Debt payment is made if federal funds remain after the Low-Income payment has been distributed. For example, if the Low-Income payment utilizes the entire Disproportionate Share Hospital Allotment, the Bad Debt payment will be zero.

The Medicaid Shortfall payment is a simplified payment to providers who qualify for a Disproportionate Share Hospital payment under the federal guidelines, but do not participate in the Colorado Indigent Care Program. Only three providers received this payment in FY 2003-04.

The Department submitted the detailed mathematics associated with these calculations within Decision Item 6 from the FY 2003-04 Budget Request on November 1, 2002. The Children's Hospital Pediatric Major Teaching Hospital payment was not modified by this Decision Item.

I. RECENT HISTORY

Safety Net Provider Payments utilize federal funds therefore the payment methodologies must be approved by the Centers for Medicare and Medicaid Services (CMS) prior to the distribution of funds. Until the CMS approved the Safety Net Provider Payments methodology, the Department made payments to providers using the previous methodologies. On June 3, 2003, the Department submitted two State Plan Amendments to the National Institutional Reimbursement Team (NIRT), which is responsible for reviewing State Plan Amendments dealing with inpatient hospital services, for review. Under the direction of the NIRT, the Department made considerable effort to revise the two State Plan Amendments necessary for the finalization of the Safety Net Provider Payments. On January 22, 2004, the Department received a notice that the CMS Medicaid Director had approved the State Plan Amendments and official notice was delivered to the Department on February 2, 2004. Following this approval and the official

publication of the Federal Fiscal Year 2003-04 Disproportionate Share Hospital Allotment, providers were notified of their rate for FY 2003-04 under this approved payment methodology on April 9, 2004.

In addition to the approval of the two State Plan Amendments, the Department had asked the NIRT to review a revised calculation for the Inpatient UPL. The revised Inpatient UPL calculations were based on Medicare payment per discharge instead of the Medicare hospital base rates utilized in the current calculation. On May 27, 2004, CMS officially approved a revised Inpatient UPL calculation, which allowed more federal funds to be dispensed then previously calculated for the FY 2003-04 Colorado Indigent Care Program reimbursements. Through a State Plan Amendment submitted on August 10, 2004, CMS officially approved the total dispersal of funds, under the new reimbursement formula using the revised Inpatient UPL calculation for FY 2003-04 on December 15, 2004. Retroactive FY 2003-04 payment adjustments were released to all Colorado Indigent Care Program providers on December 28, 2004. The final FY 2003-04 payments are detailed throughout the remainder of this report.

II. GOALS

A primary goal in combining the methodologies was to **create a more simplified system** that could be more readily understood by Department staff, the General Assembly and providers. This goal has been accomplished as the payment methodology is computed within a single model using consistent variables. Provider reimbursements between one fiscal year and the next are modified by changing a limited number of variables, such as the Disproportionate Share Hospital Allotment, Inpatient UPL, Colorado Indigent Care Program costs, and hospital utilization statistics. In addition, various provider reimbursements are no longer calculated by different individuals working independently. Instead, all provider reimbursements are set by a single individual, which are then reviewed and audited by accounting and budget staff in the Department.

Further, the rate setting process was changed to **maximize the federal funds and minimize the General Fund** required while equitably distributing the pool of money to providers who served a greater number of Medicaid and low-income clients. This revised methodology utilizes the Inpatient UPL to compensate private-owned facilities and allowed the Department to shift payments from the Disproportionate Share Hospital Allotment to the Inpatient UPL. This increases the reimbursement to public-owned providers since certification of public expenditures is available to match federal funds for public-owned providers. In total, public-owned provider reimbursements were substantially increased without requiring any additional General Fund.

Prior to the new methodology, several providers were allowed to receive a reimbursement that exceeded their indigent medical care costs, while other providers' costs were reimbursed at 30% or less. By combining the methodologies, the Department was able to **create a system that distributed the available funds more equitably**. Providers with Medicaid eligible days that exceeded or equal one standard deviation of the mean for all Colorado Medicaid hospital providers received a significant increase in their reimbursement rate.

High Medicaid Utilization Hospital Providers were eligible to receive a Pre-Component 1, a Component 1A and a Bad Debt payment under the previous payment methodology. Under the new payment methodology, these providers receive additional compensation under the Low-Income and High-Volume payments, while the Pre-Component 1 and Component 1A payments are discontinued. In addition, the program implemented another classification called High CICP Utilization Hospital Providers. Under state regulations, these Colorado Indigent Care Program providers receive additional compensation under the Low-Income and High-Volume payments since their Colorado Indigent Care Program days are above the mean of all participating providers.

Under the new reimbursement methodology, all providers with the relatively same Colorado Indigent Care Program and Medicaid utilization receive the same reimbursement percentage. For providers previously receiving an Out-state Indigent Care Program payment, all public-owned providers would have received reimbursement for 30.0% of their Colorado Indigent Care Program costs while the private-owned providers would have received approximately 28.0%.

All reimbursements to public providers were allowed to increase since payments made under either the Disproportionate Share Hospital Allotment or Inpatient UPL to public-owned (State or local government) providers consist entirely of federal funds. This is accomplished by the utilization of certification of public expenditures. Certification of public expenditures document a portion of uncompensated costs incurred by public-owned providers in association with providing a qualified medical service to an eligible Medicaid or indigent client, which are eligible for a federal match. The same cannot be said for the private-owned providers, since payments to private-owned providers must be 50% General Fund.

III. ANALYSIS[1]

Overall, the Department estimates that for the FY 2003-04 payments, the new methodology increased federal funds to public-owned providers by $6.1 million and the revised Inpatient UPL calculation generated another $24.0 million, for a total increase of 29.4% or $30.1 million new federal funds paid to public-owned providers. Of the $144,863,854 distributed as direct reimbursement under the Colorado Indigent Care Program to hospital providers, 8.7% or $12,576,646 of the total funds consisted of General Fund, while the remaining portion was federal funds. The funds distributed under the Low-Income payment, High-Volume payment and Bad Debt payment are presented in summary on Chart 2 and in detail in Table 1 at the end of this report.

[1] All analysis in this report is based on variables used for the FY 2003-04 Colorado Indigent Care Program reimbursement model. The basis for the FY 2003-04 reimbursement calculation was the write-off cost data published in the *Medically Indigent and Colorado Indigent Care Program FY 2001-02 Annual Report*. The write-off cost data was inflated forward using the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), Medical Care for Denver, through June 30 of the fiscal year payment period, which was 4.69%. A comparison to FY 2003-04 actual cost is available in the *Medically Indigent and Colorado Indigent Care Program FY 2003-04 Annual Report.*

Chart 2 FY 2003-04 CICP Provider Payments				
CICP Provider	**High-Volume**	**Low-Income**	**Bad Debt**	**Total**
Denver Health Medical Center	**$20,600,542**	**$42,555,425**	**$1,548,122**	**$64,704,089**
University Hospital	**$12,864,837**	**$24,885,845**	**$286,619**	**$38,037,301**
Public-Owned Hospitals*	$3,535,173	$13,122,052	$48,730	$16,705,955
Private-Owned Hospitals	$22,514,354	$2,489,686	$412,469	$25,416,509
All CICP Hospital Providers	**$59,514,906**	**$83,053,008**	**$2,295,940**	**$144,863,854**
*Excludes Denver Health Medical Center and University Hospital for comparison purposes. Both facilities classify as a Public-Owned Hospital.				

Prior to the new methodology, the Bad Debt payment was a significant portion of the payment to each qualified provider and collectively $4 million of federal funds were distributed through this payment in FY 2002-03. The Bad Debt payment was originally developed to maximize the federal funds under the Disproportionate Share Hospital Allotment once all other payments had been made. The Bad Debt payment is not considered an efficient method for distributing large amounts of funds since it does not take into account Colorado Indigent Care Program costs or utilization and is limited to the High Medicaid Utilization providers. Under the new methodology, the Bad Debt payment is reduced to $2.3 million in FY 2003-04 and is expected to diminish further in future payments.

Chart 3 demonstrates that Denver Health Medical Center received 51.7% of all Disproportionate Share Hospital allotment funds and 34.6% of all Inpatient UPL funds, while 77.3% of their total Colorado Indigent Care Program costs are reimbursed under the model. University Hospital receives 26.3% of all available funds and received 72.8% in reimbursement. Public-owned providers received an average reimbursement of 46.3%, while private-owned providers received 40.6%. The percentage of funds received by each provider is detailed on Table 3 at the end of this report.

Chart 3 FY 2003-04 Percent of CICP Costs Reimbursed and CICP Available Funding				
CICP Provider	**Percent of CICP Costs Reimbursed**	**Percent of DSH Funds**	**Percent of UPL Funds**	**Percent of Total Funds**
Denver Health Medical Center	77.3%	51.7%	34.6%	44.7%
University Hospital	72.8%	29.6%	21.6%	26.3%
Public-Owned Hospitals*	46.3%	15.3%	6.0%	11.5%
Private-Owned Hospitals	40.6%	3.4%	37.8%	17.5%
All CICP Hospital Providers	**61.6%**	100.0%	100.0%	100.0%
*Excludes Denver Health Medical Center and University Hospital for comparison purposes. Both facilities classify as a Public-Owned Hospital.				

Provider level detail for Chart 4 can be found in Table 2 at the end of this report. For providers previously receiving an Out-state Indigent Care Program payment, all public-owned hospital providers would have received reimbursement for 30.0% of their Colorado Indigent Care Program costs while the private-owned hospital providers would have received approximately 28.0%. Under the new reimbursement methodology, providers with the relatively same Colorado Indigent Care Program and Medicaid utilization receive the same reimbursement percentage. In addition, all reimbursements to public-owned hospital providers were allowed to increase. The same cannot be said for the private-owned owned hospitals providers, since payments to private-owned hospital providers must be 50% General Fund. For public-owned hospital providers, the range of reimbursement percentage varies from 35.4% to 78.8%, while for private-owned hospitals providers the range is 25.5% to 82.1%.

Chart 4
FY 2003-04 Percent of CICP Costs Reimbursed and Low-Income Client Utilization

CICP Provider	Percent of CICP Costs Reimbursed	Percent of Medicaid Days	Percent of CICP Days	Percent of CICP and Medicaid Days
Denver Health Medical Center	77.3%	49.2%	29.7%	78.9%
University Hospital	72.8%	33.0%	10.0%	43.0%
High Medicaid Utilization Providers*	69.4%	40.2%	3.7%	43.9%
High CICP Utilization Providers*	47.8%	24.7%	5.7%	30.3%
All other Hospital Providers	31.0%	15.2%	2.4%	17.6%
All CICP Hospital Providers	61.6%	23.7%	5.8%	29.5%

*Excludes Denver Health Medical Center and University Hospital for comparison purposes. Both facilities classify as a High Medicaid Utilization and High CICP Utilization Hospital.

The Medicaid Shortfall payment is a simplified payment to providers who are High Medicaid Utilization providers, but do not participate in the Colorado Indigent Care Program. Since these hospitals are High Medicaid Utilization providers, they qualify for a Disproportionate Share Hospital payment under federal guidelines. Rangely District Hospital, Cleo Wallace, and Mediplex Rehab are providers that received this payment in FY 2003-04.

Chart 5
FY 2003-04 Medicaid Shortfall Payment

Rangely District Hospital	$152
Cleo Wallace	$20,254
Mediplex Rehab	$46,300

Table 1 FY 2003-04 CICP Provider Payments				
CICP Provider	**High-Volume Payment**	**Low-Income Payment**	**Bad Debt Payment**	**Total Payment**
Denver Health Medical Center	$20,600,542	$42,555,425	$1,548,122	$64,704,089
University Hospital	$12,864,837	$24,885,845	$286,619	$38,037,301
Arkansas Valley Regional Medical Center	$7,007	$1,344,541	$28,112	$1,379,660
Aspen Valley Hospital	$77,858	$257,838	$0	$335,696
Conejos County Hospital District	$21,723	$73,070	$0	$94,793
Delta County Memorial Hospital	$48,376	$267,945	$0	$316,321
East Morgan County Hospital	$0	$52,243	$0	$52,243
Estes Park Medical Center	$25,676	$85,032	$0	$110,708
Gunnison Valley Hospital	$4,043	$13,388	$0	$17,431
Heart of the Rockies Regional Medical Center	$50,707	$167,925	$0	$218,632
Huerfano Medical Center	$35,879	$230,304	$16,033	$282,216
Kit Carson County Memorial Hospital	$1,621	$5,368	$0	$6,989
Melissa Memorial Hospital	$10,941	$43,256	$0	$54,197
Memorial Hospital	$1,662,164	$5,504,523	$0	$7,166,687
Montrose Memorial Hospital	$126,713	$458,758	$0	$585,471
North Colorado Medical Center	$537,660	$1,780,547	$0	$2,318,207
Poudre Valley Hospital	$472,757	$1,565,610	$0	$2,038,367
Prowers Medical Center	$86,849	$287,613	$0	$374,462
Sedgwick County Memorial Hospital	$4,484	$21,537	$0	$26,021
Southeast Colorado Hospital and LTC	$482	$91,464	$4,585	$96,531
Southwest Memorial Hospital	$258,346	$533,676	$0	$792,022
St. Vincent General Hospital District	$21,140	$70,007	$0	$91,147
The Memorial Hospital	$38,518	$127,558	$0	$166,076
Wray Community District Hospital	$14,728	$48,775	$0	$63,503
Yuma District Hospital	$27,501	$91,074	$0	$118,575
Public Hospitals Total	**$37,000,552**	**$80,563,322**	**$1,883,471**	**$119,447,345**
Avista Adventist Hospital	$192,312	$1,310	$0	$193,622
Boulder Community Hospital	$702,342	$4,778	$0	$707,120
Colorado Plains Medical Center	$460,400	$3,134	$0	$463,534
Exempla Lutheran Medical Center	$910,440	$6,194	$0	$916,634
Longmont United Hospital	$477,622	$3,250	$0	$480,872
McKee Medical Center	$614,832	$4,184	$0	$619,016
Mercy Medical Center	$585,542	$3,984	$0	$589,526
Mount San Rafael Hospital	$126,674	$49,256	$0	$175,930
National Jewish Medical and Research Center	$94,196	$906,056	$22,924	$1,023,176
Parkview Medical Center	$5,051,188	$34,370	$81,181	$5,166,739
Penrose-St. Francis HealthCare Systems	$2,163,412	$14,720	$0	$2,178,132
Platte Valley Medical Center	$455,730	$3,102	$55,476	$514,308
Rio Grande Hospital	$6,074	$64,086	$0	$70,160
San Luis Valley Regional Medical Center	$206,244	$798,838	$45,241	$1,050,323
St. Anthony Central Hospital	$1,488,322	$10,128	$0	$1,498,450
St. Anthony North Hospital	$482,676	$3,286	$0	$485,962
St. Mary-Corwin Hospital	$3,654,056	$546,072	$0	$4,200,128
St. Mary's Hospital and Medical Center	$1,219,438	$8,298	$0	$1,227,736
St. Thomas More Hospital	$296,142	$2,016	$0	$298,158
Sterling Regional Medical Center	$182,192	$1,240	$0	$183,432
The Children's Hospital	$2,596,284	$17,652	$108,170	$2,722,106
Valley View Hospital	$299,482	$2,038	$99,477	$400,997
Yampa Valley Medical Center	$248,754	$1,694	$0	$250,448
Private Hospitals Total	**$22,514,354**	**$2,489,686**	**$412,469**	**$25,416,509**
All CICP Providers	**$59,514,906**	**$83,053,008**	**$2,295,940**	**$144,863,854**

Table 2
FY 2003-04 Percent of CICP Costs Reimbursed and Utilization

CICP Provider	Percent of CICP Costs Reimbursed	Percent of Medicaid Days	Percent of CICP Days	Percent of CICP and Medicaid Days
Denver Health Medical Center	77.3%	49.2%	29.7%	78.9%
University Hospital	72.8%	33.0%	10.0%	43.0%
Arkansas Valley Regional Medical Center	73.9%	43.2%	7.0%	50.2%
Aspen Valley Hospital	39.7%	7.3%	5.1%	12.4%
Conejos County Hospital District	36.9%	8.2%	3.9%	12.1%
Delta County Memorial Hospital	42.7%	28.5%	4.0%	32.5%
East Morgan County Hospital	40.5%	1.5%	7.9%	9.4%
Estes Park Medical Center	35.4%	9.4%	1.4%	10.8%
Gunnison Valley Hospital	36.4%	14.1%	0.0%	14.1%
Heart of the Rockies Regional Medical Center	38.9%	17.3%	3.7%	21.0%
Huerfano Medical Center	73.8%	37.5%	4.6%	42.1%
Kit Carson County Memorial Hospital	39.4%	23.0%	0.3%	23.3%
Melissa Memorial Hospital	39.0%	9.6%	5.9%	15.5%
Memorial Hospital	47.1%	25.2%	5.7%	30.9%
Montrose Memorial Hospital	40.2%	20.7%	4.2%	24.9%
North Colorado Medical Center	42.6%	16.2%	4.8%	21.0%
Poudre Valley Hospital	38.3%	16.6%	2.7%	19.3%
Prowers Medical Center	47.9%	24.6%	6.5%	31.1%
Sedgwick County Memorial Hospital	39.3%	19.9%	2.6%	22.5%
Southeast Colorado Hospital and LTC	78.8%	34.9%	2.6%	37.5%
Southwest Memorial Hospital	45.6%	9.8%	6.9%	16.7%
St. Vincent General Hospital District	43.4%	31.4%	3.4%	34.8%
The Memorial Hospital	39.4%	20.4%	2.4%	22.8%
Wray Community District Hospital	36.4%	12.0%	1.9%	13.9%
Yuma District Hospital	53.8%	25.8%	10.5%	36.3%
Public Hospitals Total	**69.3%**	**28.2%**	**10.1%**	**38.3%**
Avista Adventist Hospital	25.5%	6.1%	1.3%	7.4%
Boulder Community Hospital	25.7%	7.0%	1.3%	8.3%
Colorado Plains Medical Center	35.6%	24.8%	6.4%	31.2%
Exempla Lutheran Medical Center	26.8%	9.8%	2.6%	12.4%
Longmont United Hospital	26.6%	8.9%	2.8%	11.7%
McKee Medical Center	31.2%	13.4%	5.2%	18.6%
Mercy Medical Center	29.9%	21.1%	3.8%	24.9%
Mount San Rafael Hospital	27.1%	10.4%	3.4%	13.8%
National Jewish Medical and Research Center	64.9%	41.7%	2.8%	44.5%
Parkview Medical Center	64.4%	33.8%	6.1%	39.9%
Penrose-St. Francis HealthCare Systems	27.1%	11.0%	2.9%	13.9%
Platte Valley Medical Center	60.3%	32.9%	2.7%	35.6%
Rio Grande Hospital	32.0%	11.3%	6.7%	18.0%
San Luis Valley Regional Medical Center	75.2%	40.1%	6.4%	46.5%
St. Anthony Central Hospital	30.1%	24.0%	2.1%	26.1%
St. Anthony North Hospital	28.8%	19.1%	1.9%	21.0%
St. Mary-Corwin Hospital	35.6%	27.2%	5.7%	32.9%
St. Mary's Hospital and Medical Center	28.8%	19.1%	1.9%	21.0%
St. Thomas More Hospital	30.9%	26.3%	3.0%	29.3%
Sterling Regional Medical Center	27.1%	11.3%	2.5%	13.8%
The Children's Hospital	71.6%	47.0%	1.4%	48.4%
Valley View Hospital	82.1%	41.0%	1.0%	42.0%
Yampa Valley Medical Center	32.8%	21.0%	4.6%	25.6%
Private Hospitals Total	**40.6%**	**20.7%**	**2.9%**	**23.6%**
All CICP Providers	**61.6%**	**23.7%**	**5.8%**	**29.5%**

Table 3
FY 2003-04 Percent of CICP Costs Reimbursed and Funding Allocation

CICP Provider	Percent of CICP Costs Reimbursed	Percent of DSH Funds	Percent of UPL Funds	Percent of Total Funds
Denver Health Medical Center	77.3%	51.7%	34.6%	44.7%
University Hospital	72.8%	29.6%	21.6%	26.3%
Arkansas Valley Regional Medical Center	73.9%	1.6%	0.0%	1.0%
Aspen Valley Hospital	39.7%	0.3%	0.1%	0.2%
Conejos County Hospital District	36.9%	0.1%	0.1%	0.1%
Delta County Memorial Hospital	42.7%	0.3%	0.1%	0.2%
East Morgan County Hospital	40.5%	0.1%	0.0%	0.0%
Estes Park Medical Center	35.4%	0.1%	0.1%	0.1%
Gunnison Valley Hospital	36.4%	0.0%	0.0%	0.0%
Heart of the Rockies Regional Medical Center	38.9%	0.2%	0.1%	0.2%
Huerfano Medical Center	73.8%	0.3%	0.1%	0.2%
Kit Carson County Memorial Hospital	39.4%	0.0%	0.0%	0.0%
Melissa Memorial Hospital	39.0%	0.1%	0.0%	0.0%
Memorial Hospital	47.1%	6.4%	2.8%	4.9%
Montrose Memorial Hospital	40.2%	0.5%	0.2%	0.4%
North Colorado Medical Center	42.6%	2.1%	0.9%	1.6%
Poudre Valley Hospital	38.3%	1.8%	0.8%	1.4%
Prowers Medical Center	47.9%	0.3%	0.1%	0.3%
Sedgwick County Memorial Hospital	39.3%	0.0%	0.0%	0.0%
Southeast Colorado Hospital and LTC	78.8%	0.1%	0.0%	0.1%
Southwest Memorial Hospital	45.6%	0.6%	0.5%	0.5%
St. Vincent General Hospital District	43.4%	0.1%	0.0%	0.1%
The Memorial Hospital	39.4%	0.1%	0.1%	0.1%
Wray Community District Hospital	36.4%	0.1%	0.0%	0.0%
Yuma District Hospital	53.8%	0.1%	0.0%	0.1%
Public Hospitals Total	**69.3%**	**96.6%**	**62.2%**	**82.5%**
Avista Adventist Hospital	25.5%	0.0%	0.3%	0.1%
Boulder Community Hospital	25.7%	0.0%	1.2%	0.5%
Colorado Plains Medical Center	35.6%	0.0%	0.8%	0.3%
Exempla Lutheran Medical Center	26.8%	0.0%	1.5%	0.6%
Longmont United Hospital	26.6%	0.0%	0.8%	0.3%
McKee Medical Center	31.2%	0.0%	1.0%	0.4%
Mercy Medical Center	29.9%	0.0%	1.0%	0.4%
Mount San Rafael Hospital	27.1%	0.1%	0.2%	0.1%
National Jewish Medical and Research Center	64.9%	1.1%	0.2%	0.7%
Parkview Medical Center	64.4%	0.1%	8.5%	3.6%
Penrose-St. Francis HealthCare Systems	27.1%	0.0%	3.6%	1.5%
Platte Valley Medical Center	60.3%	0.1%	0.8%	0.4%
Rio Grande Hospital	32.0%	0.1%	0.0%	0.1%
San Luis Valley Regional Medical Center	75.2%	1.0%	0.3%	0.7%
St. Anthony Central Hospital	30.1%	0.0%	2.5%	1.0%
St. Anthony North Hospital	28.8%	0.0%	0.8%	0.3%
St. Mary-Corwin Hospital	35.6%	0.7%	6.1%	2.9%
St. Mary's Hospital and Medical Center	28.8%	0.0%	2.1%	0.9%
St. Thomas More Hospital	30.9%	0.0%	0.5%	0.2%
Sterling Regional Medical Center	27.1%	0.0%	0.3%	0.1%
The Children's Hospital	71.6%	0.1%	4.4%	1.9%
Valley View Hospital	82.1%	0.1%	0.5%	0.3%
Yampa Valley Medical Center	32.8%	0.0%	0.4%	0.2%
Private Hospitals Total	**40.6%**	**3.4%**	**37.8%**	**17.5%**
All CICP Providers	**61.6%**	**100.0%**	**100.0%**	**100.0%**