



**COLORADO CENTER**  
on LAW & POLICY

Justice and Economic Security for all Coloradans

**NEWS RELEASE**

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## New provider fee will benefit low-income Coloradans and hospitals across the state

A new fee charged at most hospitals across Colorado will pay for a massive expansion of health insurance for people with low incomes.

The fee, approved this week by the Centers for Medicare and Medicaid Services, represents one of the biggest improvements in recent history to access to affordable health care for all Coloradans. It will enable the state to extend Medicaid eligibility, starting May 1, to more than 100,000 additional Colorado citizens and lawful residents, and simultaneously give hospitals a financial boost by decreasing substantially the amount of uncompensated care they provide.

Assessing hospitals the “provider fee” will yield an estimated \$600 million statewide. The federal government will match that money, giving Colorado \$1.2 billion to expand health access to people with low incomes and cut hospitals’ uncompensated care.

The amount of the fee is set by a formula that accounts for variables at each hospital such as the number of in-patient and out-patient days. Hospitals will remit fees to the state, which will use the revenue to draw down funds from the federal government and then redistribute the money to hospitals and state agencies. By design, some hospitals with relatively low levels of uncompensated care will see a net decrease in revenue as a result of the fee, while hospitals with high rates of uncompensated care will see a net increase. One way the fee will give hospitals incentives to see more uncompensated patients is by increasing hospital reimbursement under the Colorado Indigent Care Program from an average payment of 33 cents on the dollar to close to the cost of providing care.

State lawmakers established the hospital provider fee last year with House Bill 09-1293. Gov. Bill Ritter signed the bill on April 21, 2009. The Colorado Center on Law and Policy, which advocates on behalf of low- and moderate-income Coloradans, has been monitoring implementation closely.

The table on subsequent pages shows the net gain or loss to hospitals across the state as a result of the fee, which is just one of the fee’s favorable results. Starting May 1, the fee will allow Colorado to expand eligibility for parents, children and pregnant women in Medicaid and CHP+.

These expansions are expected to cover about 20,000 additional people this year, according to projections made when the bill passed.

Additional expansions, to be accomplished by 2012, include for the first time making low-income, childless adults eligible for Medicaid, implementing a program that allows disabled adults at higher income levels to buy in to Medicaid, and streamlining Medicaid enrollment so it is easier for eligible people to receive continuous care.

“This couldn’t be more timely”, said Elisabeth Arenales, health care program director at the Colorado Center on Law and Policy. “Not only will people in desperate need of health care get services, but Colorado is now well positioned to implement federal health care reform as a result of these expansions.”

The Colorado Center on Law and Policy is a nonprofit, nonpartisan research and advocacy organization seeking justice and economic security for all Coloradans.

<b>Hospital</b>	<b>Net annual gain/loss as a result of HB 09-1293</b>
Animas Surgical Center	\$528,895
Arkansas Valley Regional Medical Center	\$414,932
Aspen Valley Hospital	\$22,181
Boulder Community Hospital	\$(333,842)
Centura Health Avista Adventist Hospital	\$1,640,522
Centura Health Littleton Adventist Hospital	\$(3,211,695)
Centura Health Parker Adventist Hospital	\$(1,096,929)
Centura Health Penrose St. Francis Health Services	\$(3,692,476)
Centura Health Porter Adventist Hospital	\$(3,590,165)
Centura Health St. Anthony Central Hospital	\$4,708,124
Centura Health St. Anthony North Hospital	\$987,147
Centura Health St. Anthony Summit Hospital	\$405,765
Centura Health St. Mary Corwin Medical Center	\$6,714,733
Centura Health St. Thomas More Hospital	\$1,540,823
Colorado Acute Long Term Hospital	\$3,374
Colorado Plains Medical Center	\$349,901
Community Hospital	\$(314,055)
Conejos County Hospital	\$874,116
Craig Hospital	\$448,505
Delta County Memorial Hospital	\$884
Denver Health Medical Center	\$16,495,128
East Morgan County Hospital	\$692,636
Estes Park Medical Center	\$453,850
Exempla Good Samaritan Medical Center	\$(1,169,482)
Exempla Lutheran Medical Center	\$(329,375)
Exempla St. Joseph Hospital	\$2,834,948
Family Health West Hospital	\$(15,944)
Grand River Medical Center	\$702,475
Gunnison Valley Hospital	\$88,356
Haxtun Hospital	\$95,288
HealthOne Medical Center of Aurora	\$1,114,026
HealthOne North Suburban Medical Center	\$1,909,693
HealthOne Presbyterian St. Luke's Medical Center	\$5,916,856

HealthOne Rose Medical Center	\$2,140,951
HealthOne Sky Ridge Medical Center	\$(3,552,522)
HealthOne Spalding Rehabilitation Hospital	\$114,561
HealthOne Swedish Medical Center	\$(2,718,408)
HealthSouth Rehabilitation Hospital	\$75,268
Heart of the Rockies Regional Medical Center	\$454,846
Keef Memorial Hospital	\$41,602
Kindred Hospital	\$24,188
Kit Carson County Memorial Hospital	\$116,276
Kremmling Memorial Hospital	\$(204,265)
Lincoln Community Hospital and Nursing Home	\$368,506
Longmont United Hospital	\$3,955,308
McKee Medical Center	\$3,588,451
Medical Center of the Rockies	\$413,202
Melissa Memorial Hospital	\$185,323
Memorial Hospital	\$5,346,357
Mercy Medical Center	\$589,608
Montrose Memorial Hospital	\$156,672
Mount San Rafael Hospital	\$365,590
National Jewish Medical and Research Center	\$1,581,773
North Colorado Medical Center	\$3,883,173
Northern Colorado Rehabilitation Hospital	\$40,456
Pagosa Mountain Hospital	\$321,518
Parkview Medical Center	\$7,238,556
Pikes Peak Regional Hospital	\$773,230
Pioneers Hospital	\$113,037
Platte Valley Medical Center	\$2,019,052
Poudre Valley Hospital	\$1,463,902
Prowers Medical Center	\$1,222,236
Rangely District Hospital	\$58,153
Rio Grande Hospital	\$708,451
San Luis Valley Regional Medical Center	\$1,337,930
Sedgwick County Memorial Hospital	\$55,621
Southeast Colorado Hospital	\$177,575
Southwest Memorial Hospital	\$421,488
Spanish Peaks Regional Health Center	\$491,041
St. Mary's Hospital and Medical Center	\$580,225
St. Vincent General Hospital District	\$97,166
Sterling Regional MedCenter	\$1,335,341
The Children's Hospital	\$11,345,891
The Memorial Hospital	\$66,160
Triumph Hospital	\$6,829
University of Colorado Hospital	\$2,248,578
Vail Valley Hospital	\$1,224,910
Vail Valley Medical Center	\$(60,257)
Vibra Long Term Acute Care Hospital	\$42,532
Weisbrod Memorial County Hospital	\$104,249
Wray Community District Hospital	\$344,479
Yampa Valley Medical Center	\$195,971
Yuma District Hospital	\$404,719

**Source:** Colorado Department of Health Care Policy and Financing