



Optimizing Medicaid

New Federal Funding & Stronger Medicaid Program for Colorado

A Win-Win Proposal

For 15 years, the hospital provider fee (i.e., CHASE fee) program has ensured **Medicaid coverage for hundreds of thousands of Coloradans by drawing down billions in federal funds**, while also supporting and stabilizing hospitals statewide.

Colorado now has an **opportunity to optimize this program, all within its current framework and guidelines, by drawing down at least an additional \$150 million** to support Medicaid patients and hospitals.

This **win-win proposal** will protect patients' access to care and help stabilize our health care infrastructure **with no new investment from the state's budget**.

What is it?

The Colorado Healthcare Affordability and Sustainability Enterprise (CHASE) Fee leverages federal funding to support Medicaid, a critically important safety net health care program. It has enabled Colorado to expand Medicaid to more than 600,000 people and significantly support state administrative costs. CHASE is overseen by a governor-appointed board consisting of hospital and health care experts, consumers, and HCPF.

Colorado's CHASE Fee is used for three purposes.
For 2023, that meant:



\$3 billion

Paying for Medicaid coverage for low-income Coloradans



\$476 million

Paying hospitals for care provided to Medicaid clients and uninsured Coloradans



\$148 million

Paying for Medicaid's administrative expenses

What can we do?

Now is the time to **modernize and evolve the CHASE Fee**. We can substantially increase federal Medicaid revenue without any cost to the state budget by:

- Using a new "State Directed Payment" to maximize federal funding for Colorado's Medicaid managed care program
- Refreshing and improving the CHASE program without changes to non-hospital funding allocations

FOR MORE INFORMATION:

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