

# Hospital Provider Fee

## What is it and how does it work?

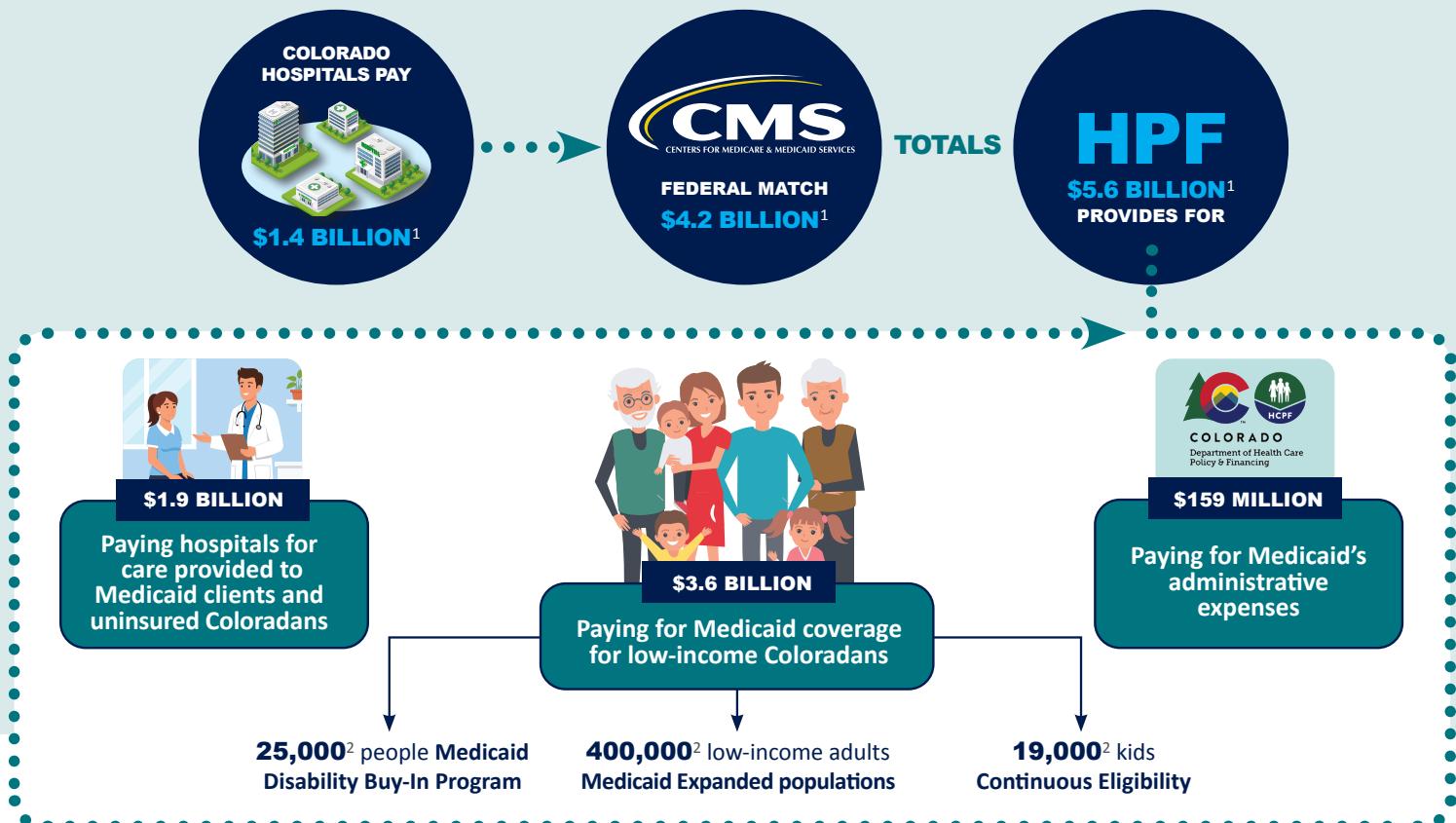


### What is the Hospital Provider Fee?

Hospitals pay for Colorado's share of costs for expanded Medicaid populations, saving the state \$700 million<sup>1</sup> in the General Fund every year and ensuring access to care for 427,000 Coloradans on Medicaid.

Since its creation in 2009, Colorado's Hospital Provider Fee has fueled the Medicaid program, by drawing down crucial federal funding, supporting hospitals across the state, and lowering health care costs for everyone.

### How does it work and who does it help?



Hospitals pay fees into the Colorado Healthcare Affordability and Sustainability Enterprise (CHASE) based on their net patient revenue (NPR). In a typical year these fees are about \$1.4 billion<sup>1</sup>. The amount hospitals can pay into the fund is capped at 6% of NPR.

Colorado then receives a federal match funded by federal tax dollars.

The funds, historically around \$500 million<sup>1</sup>, are used to pay hospitals for the care they provide to Medicaid patients. The dollars paid to hospitals are not proportional to what hospitals pay in – some net money while others lose money.

The rest of the funds from the fee are used to cover the cost of expanded Medicaid populations and some HCFF administrative costs/expenses.

<sup>1</sup> Program Financial Statements; <sup>2</sup> CHASE 2025 Annual Report

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