

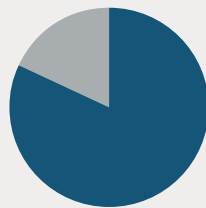
Colorado's Hospital Provider Fee Mechanics & Trends



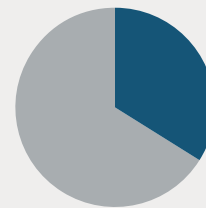
The provider fee is essential for sustaining Medicaid coverage and access to care across the state. Yet hospitals are paying more into the fee than ever, and the share that comes back to them has changed dramatically. To sustain access, supplemental payments from the provider fee are essential.

The share of fee revenue returned to hospitals as supplemental payments dropped from 82% (at program start) to 34% today.

Revenue Allocation Shifts

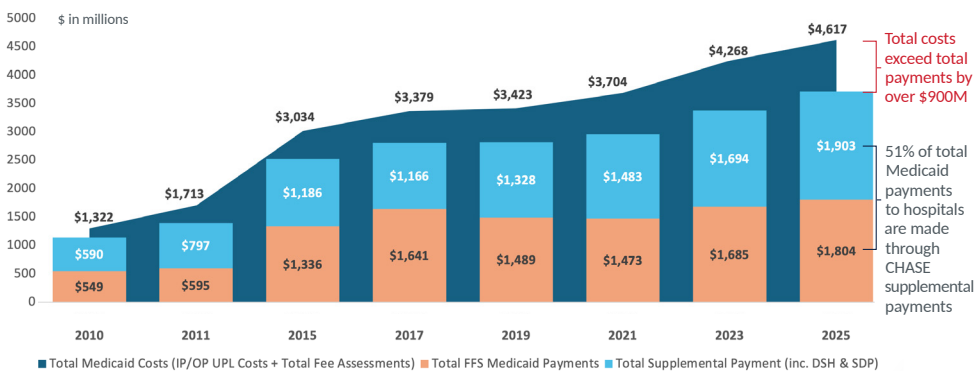


82%
share of fee revenue returned to hospitals at program start (2009)



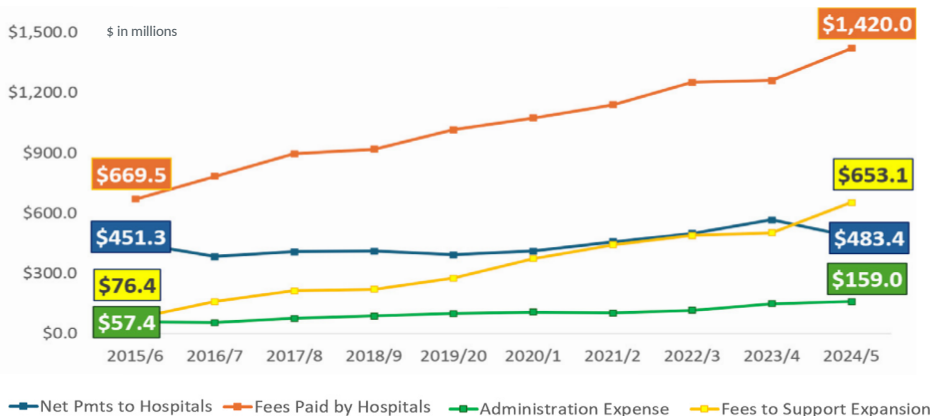
34%
share of fee revenue returned to hospitals today (2026)

Hospital Costs & Payments for Medicaid Services¹



Supplemental payments are an essential part of reimbursement for Medicaid services, representing 51% of total Medicaid payments to hospitals. Even with them, hospitals face a \$2 billion annual shortfall treating Medicaid patients. Of \$3.57 billion spent on hospital provider fee-financed Medicaid care, 76% (\$2.6 billion) goes to non-hospital providers; 24% (\$847 million) goes to hospitals.

Hospital Provider Fee Program: 10-Year Summary²



Over the last 10 years, fees paid by hospitals rose 106%, but net payments back to hospitals rose just 13%. Administrative spending has grown ~2,000% in total dollars over 15 years.

Learn more and read the full report at cha.com/issues/hospital-provider-fee-report

1. Source: CHA original analysis produced for this report, created from CHASE Board materials. Note: Chart includes first two years of the program and then every other year. Data for 2013 was not available. Note: For this chart, Medicaid costs are calculated using the UPL calculations from the FFY 2025 CHASE model, before the Medicaid portion of fees is added for UPL purposes. Additionally, the full CHASE fee assessment is added to the costs. As the UPL calculation does not include all Medicaid costs (i.e., Medicaid managed care costs), it is reasonable to assume hospitals incur greater losses on services provided to Medicaid patients.

2. Source: CHA original analysis produced for this report, created from CHASE Board materials.