



For Immediate Release

Contact: Megan Lyda, Outreach Program Manager

303-832-7493 or ml@coruralhealth.org

Colorado Rural Health Center Supports the Hospital Provider Fee Enterprise

Denver, Colo – Colorado Rural Health Center (CRHC) announced its strong support for Colorado House Bill 16-1420, the proposed legislation to create the Hospital Provider Fee Enterprise. Since its implementation in 2010, the Colorado Hospital Provider Fee (HPF) has improved and increased access for hundreds of thousands of Coloradans and increased Medicaid reimbursement rates for Colorado’s hospitals.

The Hospital Provider Fee, assessed on Colorado hospitals, is matched dollar-for-dollar by the federal government. This funding has lowered the cost of healthcare for every Coloradan as the funding is used to cover the cost of unreimbursed care. In many rural areas of Colorado, the HPF has ensured affordable access to healthcare where none previously existed. HB 1460 would keep the HPF in place but reconstitute it as an enterprise fund, therefore protecting it from the Colorado’s Taxpayer’s Bill of Rights (TABOR) revenue cap.

The proposal to convert the HPF into an enterprise not only allows the program to continue operating and supporting Colorado hospitals, it excludes the fees from state revenue when determining if taxpayer refunds are required each year. Creating a Hospital Provider Fee Enterprise keeps the necessary funding to continue to provide access to quality healthcare to Coloradans across the state. Additionally, it ensures Colorado will not have to cut critical parts of the state budget including transportation, K-12 education, higher education and increased funding for healthcare services.

Michelle Mills, CEO of CRHC said, “Without converting the Hospital Provider Fee into an enterprise fund, we are leaving hospitals serving rural and underserved areas without the necessary resources to serve their communities.” Mills went on to specify, “Without the Hospital Provider Fee, 382,000 vulnerable Coloradans will lose or see a significant reduction in

health coverage. This bill will ensure the long-term sustainability of this crucial funding, and ultimately support the future of healthcare in rural Colorado.”

CRHC Members and rural hospitals in every region of the state voiced their support of the Hospital Provider Fee, including former hospital CEO and rural health advocate John Ayoub, who noted “The Colorado hospital provider fee is absolutely essential to the ongoing preservation of the rural healthcare safety net in our great state. People in rural communities are older, sicker, and less likely to have reasonable deductibles.”

Mark Francis, CEO at Family Health West in Fruita, Colorado, also voiced the importance of the provider fee in his rural health facility, noting “as a Critical Access Hospital facility in a small rural setting with roots to the farming community of the Lower Valley and a high population of Medicaid, we depend on the provider fee to support both our hospital and nursing home to keep our programs moving forward and for providing the best possible care for those that cannot necessary afford healthcare or have a place to call home”.

The significance of the fee is also felt in Colorado’s Eastern Plains. Craig Loveless, CEO at Prowers Medical Center “Here in our community, Prowers Medical Center provided care during 5,555 visits in its Emergency Department in 2014, delivered 168 babies, performed 650 surgical procedures and treated 888 inpatients. The Hospital Provider Fee has brought more than \$17.7 million to Prowers Medical Center since its creation, funding that is crucial for our daily functions and helping to keep our community healthy.”

Similarly in Yuma, Colorado, the fee has allowed the hospital to remain viable in the face of recent healthcare transformation. The hospital provider fee has had a profound impact on the access to care for the residents served by Yuma District Hospital. “With the Medicaid expansion, our Medicaid patient volume double, which equated to a reduction of patients who we treated and never received payment for the care provided. This takes the pressure off of us to raise our prices to offset the losses associated with uncompensated care,” said John Gardner, CEO at Yuma District Hospital. He went on to add, “The funding gained from the Provider Fee has been a vehicle to help us improve the quality of care that we provide to all of our patients. We have been able to invest in systems and staff that can educate and coach our patients with the goal of improving their health status. Without this funding we would not be able to offer these programs.”

Southern Colorado, with the highest rates of public insurance enrollment in the state, will arguably be most affected by a reduction in the Hospital Provider Fee. Kelly Gallegos, Administrator at Conejos County Hospital, commented about the challenges of providing care in the San Luis Valley, noting “We serve a very rural and economically challenged service area in Colorado. Our hospital's mission is to serve all patients needing healthcare, regardless of their

ability to pay. This does not come without its challenges, however. More than 33% of the patients we serve have Medicaid coverage.” She went on to comment about the significance of the HPF in the financial viability of the hospital and the community as a whole. “In 2009, before the provider fee was put in place, our hospital was receiving only 54 cents on the dollar for what it actually cost to provide those services”. We were operating at a loss and unable to invest in new services and equipment needed to preserve healthcare in Conejos County. That year, the Provider Fee was established which increased hospitals reimbursement to 72 cents on the dollar. Although we are still uncompensated for some of the care we provide, we have rebounded financially and sustained access to healthcare for our community. We have also been able to remain one of the largest employers in our area and contribute positively to the local economy.”

[Click here for more on the Hospital Provider Fee from our CEO, Michelle Mills.](#)

About The Colorado Rural Health Center

The Colorado Rural Health Center was established in 1991 as Colorado's State Office of Rural Health. As a 501(c)(3) nonprofit corporation, CRHC serves dual roles as the State Office of Rural Health with the mission of assisting rural communities in addressing healthcare issues; and as the State Rural Health Association, advocating for policy change to ensure that rural Coloradans have access to comprehensive, affordable healthcare services of the highest quality. For more information visit www.coruralhealth.org, call 303-832-7493, or call toll free 800-851-6782 from rural Colorado.

###