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State/Territory Name: Colorado

State Plan Amendment (SPA) #: CO-25-0044

This file contains the following documents in the order listed:

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DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-01-16
Baltimore, MD 21244-1850



Children and Adults Health Programs Group

April 6, 2026

Adela Flores-Brennan
Medicaid Director
Colorado Department of Health Care Policy and Financing
Medicaid & Child Health Plan Plus (CHP+)
303 E. 17th Avenue, Suite 1100
Denver, CO 80203-1818

Dear Director Adela Flores-Brennan:

Your title XXI Children's Health Insurance Program (CHIP) State Plan Amendment (SPA) CO-25-0044, submitted June 16, 2025, with additional information received on March 19, 2026, has been approved. The effective date for this SPA is January 1, 2025.

Through CO-25-0044, Colorado demonstrates compliance with section 5121 of the Consolidated Appropriations Act, 2023 (CAA, 2023) by modifying CHIP eligibility requirements for the treatment of incarcerated youth and providing pre-release services to eligible juveniles. Additionally, it clarifies policies related to cost sharing, the delivery system for pre-release services, and the availability of targeted case management (TCM) services. Colorado will utilize its approved re-entry 1115 demonstration to provide TCM services. Any screening and diagnostic services will be provided upon release through the CHIP state plan.

Approval of SPA CO-25-0044 will sunset on December 31, 2026, as Colorado is not in full compliance with section 5121 of CAA, 2023. The corresponding companion letter identifies the actions that the state must complete by the sunset date.

Your Project Officer is Kristin Pacek. She is available to answer your questions concerning this amendment and other CHIP-related matters and can be reached at kristin.pacek@cms.hhs.gov.

If you have additional questions, please contact Mary Beth Hance, Director, Division of State Coverage Programs, at (410) 786-4299. We look forward to continuing to work with you and your staff.

Sincerely,
/Signed by Jessica Stephens/

Acting Director



Children and Adults Health Programs Group

April 6, 2026

Adela Flores-Brennan
Medicaid Director
Colorado Department of Health Care Policy and Financing
Medicaid & Child Health Plan Plus (CHP+)
1570 Grant Street
Denver, CO 80203-1818

Dear Director Adela Flores-Brennan:

This letter is being sent as a companion to the Centers for Medicare & Medicaid Services (CMS) approval of state plan amendment (SPA), CO-25-0044, approved on April 6, 2026, with an effective date of January 1, 2025. Through this SPA, the state provides coverage of screenings, diagnostic services, and case management services (“pre-release services”) otherwise available under the CHIP state plan to targeted low-income children who are within a 30-day period prior to their release from a carceral facility. Additionally, Colorado modifies the state’s treatment of children who are inmates of a public institution when determining CHIP eligibility. The approval under this SPA, CO-25-0044, to provide pre-release services will sunset on December 31, 2026, because Colorado needs to complete the outstanding actions listed below in order to be in full compliance with section 2102(d) of the Social Security Act (the Act). We appreciate the state’s efforts to undertake these actions to comply with section 2102(d) of the Act.

1. **Carceral Facility Readiness:** Colorado expects all facilities to standardize eligibility-related practices across facilities to support suspension and reinstatement of benefits. The state will also complete readiness assessments for the provision of pre-release services with all carceral facilities. Colorado expects state carceral facilities to be ready before county facilities.
2. **System Updates:** The state is completing system updates to its Medicaid Management Information System (MMIS) to create a limited benefit plan. Individuals who are determined eligible for Medicaid or CHIP during incarceration will be placed on the limited benefit plan, and Colorado will add the allowable reentry services to the limited benefit plan. Incarcerated members will remain on this plan until release through the state’s approved reentry 1115 demonstration, to ensure that only the allowable set of services is provided during incarceration. Providers will be able to bill for pre-release services beginning on the date each facility passes their readiness assessment.
3. **Development of Partner and Public Education Materials:** The state will work with its managed care entities and community providers to make educational materials available to members and ensure that partners understand program requirements and benefits. Colorado will leverage a broad range of communication strategies to ensure outreach to community-based providers and other stakeholders that have not traditionally provided or billed for CHIP services. Colorado will work with key stakeholders to refine messaging and communication protocols to improve engagement

with incarcerated members regarding CHIP coverage and services.

Once these outstanding actions have been completed, the state should submit a SPA to remove the sunset date for the pre-release services provisions from the CHIP state plan. CMS is available to provide technical assistance through this process to achieve timely completion of these remaining actions and to ensure compliance with section 2102(d) of the Act.

If you have questions about this letter, please contact Kristin Pacek, your CHIP Project Officer, at 410-786-5480 or kristin.pacek@cms.hhs.gov. She will also be reaching out to the state for a status update on these action items prior to this SPA's sunset date.

Sincerely,

/Signed by Mary Beth Hance/

Mary Beth Hance
Director
Division of State Coverage Programs

SPA #44

Date Amendment #44 Submitted: June 16, 2025

Date Amendment #44 Approved:

Date Amendment #44 Effective: January 1, 2025

Date Amendment #44 Implemented:

Adds mandatory coverage, reimbursement, and attestations, for juveniles in a carceral setting, in accordance with Section 5121 of the Consolidated Appropriations Act of 2023.

1.4- TC Tribal Consultation (Section 2107(e)(1)(C)) Describe the consultation process that occurred specifically for the development and submission of this State Plan Amendment, when it occurred and who was involved.

The State included consultation on this SPA in the tribal consultation log dated ~~July 18, 2024~~April 30, 2025. A copy of the relevant page of the consultation log is attached.

[INSERTED AFTER TITLE “Superseding Pages of MAGI CHIP State Plan Material State: Colorado” at the end of fourth page of the table, which begins on page 24 of the full CHIP State Plan]

Transmittal Number	SPA Group	PDF #	Description	Superseded Plan Section(s)
July 1, 2015				
CO-16-0025 Approval Date: 09/06/17 Effective Date: January 1, 2016	Eligibility Processing	CS24	Eligibility Process	Supersedes the current section 4.3 and 4.4
CO-17-0026 Approval Date: 10/05/17 Effective Date: July 1, 2017	Non-Financial Eligibility	CS15	MAGI-Based Income Methodologies	Section 4.3: Supersede information on income eligibility and methods in CO- 13-0015.

CO-24-0040-0002 Approval Date: 11/15/25 Effective Date: January 1, 2025	Separate Child Health Insurance Program Eligibility and General Eligibility	CS9 CS27	Separate Child Health Insurance Program Eligibility – Coverage From Conception to Birth Separate Child Health Insurance Program General Eligibility – Continuous Eligibility	Supersedes Section 4.1.2.1-PC and 4.19 Supersedes version approved in SPA 22-0039.
<u>CO-25-0044</u> <u>Approval Date:</u> <u>Effective Date:</u> <u>January 1, 2025</u>	<u>Incarcerated CHIP Beneficiaries</u>	<u>CS31</u>	<u>Targeted Low-Income Children Who Become Incarcerated</u> <u>Children Determined Eligible for CHIP While Incarcerated</u>	

3.1.1.1

Does the State use a managed care delivery system for its CHIP populations? Managed care entities include MCOs, PIHPs, PAHPs, PCCM entities and PCCMs as defined in 42 CFR 457.10. Please check the box and answer the questions below that apply to your State.

- No, the State does not use a managed care delivery system for any CHIP populations.
- Yes, the State uses a managed care delivery system for all CHIP populations.
- Yes, the State uses a managed care delivery system; however, only some of the CHIP population is included in the managed care delivery system and some of the CHIP population is included in a fee-for-service system.

If the State uses a managed care delivery system for only some of its CHIP populations and a fee-for-service system for some of its CHIP populations, please describe which populations are, and which are not, included in the State’s managed care delivery system for CHIP. States will be asked to specify which managed care entities are used by the State in its managed care delivery system below in Section 3.1.2.

Effective January 1, 2025, Colorado’s From Conception to End of Pregnancy (FCEP) authority provides coverage for uninsured pregnant people with income up to and including 260% of the federal poverty level who are not otherwise eligible for Health First Colorado or CHP+. The FCEP population will receive the same

services through managed care and fee-for-service as Health First Colorado (Colorado Medicaid) and CHP+ members.

Additionally, current and new enrollees in CHP+ who are incarcerated are excluded from managed care until the date of discharge from the carceral facility.

Guidance: Utilization control systems are those administrative mechanisms that are designed to ensure that enrollees receiving health care services under the State plan receive only appropriate and medically necessary health care consistent with the benefit package.

Examples of utilization control systems include but are not limited to: requirements for referrals to specialty care; requirements that clinicians use clinical practice guidelines; or demand management systems (e.g., use of an 800 number for after-hours and urgent care). In addition, the State should describe its plans for review, coordination, and implementation of utilization controls, addressing both procedures and State developed standards for review, in order to assure that necessary care is delivered in a cost-effective and efficient manner. (42 CFR 457.490(b))

If the State does not use a managed care delivery system for any or some of its CHIP populations, describe the methods of delivery of the child health assistance using Title XXI funds to targeted low-income children. Include a description of:

- The methods for assuring delivery of the insurance products and delivery of health care services covered by such products to the enrollees, including any variations. (Section 2102(a)(4); 42 CFR 457.490(a))
- The utilization control systems designed to ensure that enrollees receiving health care services under the State plan receive only appropriate and medically necessary health care consistent with the benefit package described in the approved State plan. (Section 2102(a)(4); 42 CFR 457.490(b))

Guidance: Only States that use a managed care delivery system for all or some CHIP populations need to answer the remaining questions under Section 3 (starting with 3.1.1.2). If the State uses a managed care delivery system for only some of its CHIP population, the State's responses to the following questions will only apply to those populations.

8.2.3 Coinsurance or copayments:

American Indian/Alaska Natives are exempt from co-payment and annual

enrollment fees.

The following copayments shall be due for enrollees at the time of service:

- A. For families with income, at the time of eligibility determination, less than 101% of the federal poverty level, all copayments shall be waived, except for emergency and urgent/after hours care, which shall be three dollars per use (co-pay is waived if client is admitted to the hospital).
- B. For families with income, at the time of eligibility determination, between 101% and 155% of the federal poverty level, the copayment is:
 - 1. Two dollars per office visit;
 - 2. **Two dollars per outpatient mental health or substance abuse visit;**
 - 3. One dollar per prescription;
 - 4. Two dollars per physical therapy, occupational therapy or speech therapy visit;
 - 5. Two dollars per vision visit;
 - 6. Three dollars per use of emergency care and urgent/after hours care. (Co-pay is waived if client is admitted to the hospital.)
 - 7. Two dollars per trip for emergency transport/ambulance.
 - 8. Two dollars per inpatient hospital visit.
 - 9. Two dollars per inpatient hospital stay, for physician services in the hospital.
 - 10. Two dollars per outpatient hospital or ambulatory surgery center visit.
- C. For families with income, at the time of eligibility determination, between 156% and 212% of federal poverty level, the copayment is:
 - 1. Five dollars per office visit;
 - 2. Five dollars per outpatient mental health or substance abuse visit;
 - 3. Three dollars per generic prescription;
 - 4. Ten dollars per brand name prescription;
 - 5. Five dollars per physical therapy, occupational therapy or speech therapy visit;
 - 6. Five dollars per vision visit;
 - 7. Twenty dollars per use of urgent/after hours care.
 - 8. Thirty dollars per use of emergency care (co-pay is waived if client is admitted to the hospital.)
 - 9. Fifteen dollars per trip for emergency transport/ambulance.
 - 10. Twenty dollars per inpatient hospital visit.
 - 11. Five dollars per inpatient hospital stay for physician services in the hospital.
 - 12. Five dollars per outpatient hospital or ambulatory surgery center visit.
 - 13. Five dollars per date of service for laboratory and imaging services.
- D. For families with income, at the time of eligibility determination, between 213% and 259% of federal poverty level, the copayment is:
 - 1. Ten dollars per office visit;
 - 2. Ten dollars per outpatient mental health or substance abuse visit;
 - 3. Five dollars per generic prescription;
 - 4. Fifteen dollars per brand name prescription;

5. Ten dollars per physical therapy, occupational therapy or speech therapy visit;
6. Ten dollars per vision visit;
7. Thirty dollars per use of urgent/after hours care.
8. Fifty dollars per use of emergency care (co-pay is waived if client is admitted to the hospital.)
9. Twenty-five dollars per trip for emergency transport/ambulance.
10. Fifty dollars per inpatient hospital visit.
11. Ten dollars per inpatient hospital stay for physician services in the hospital.
12. Ten dollars per outpatient hospital or ambulatory surgery center visit.
13. Ten dollars per date of service for laboratory and imaging services.

During a state or federally-declared disaster and at the state's discretion, the state may waive copayments for CHIP beneficiaries who reside and/or work in state or federally-declared disaster areas.

Effective March 11, 2021 and through the last day of the first calendar quarter that begins one year after the last day of the COVID-19 emergency period described in section 1135(g)(1)(B) of the Act, and for all populations covered in the CHIP state child health plan, the state assures the following:

COVID-19 Vaccine:

- The state provides coverage of COVID-19 vaccines and their administration without cost sharing, in accordance with the requirements of section 2103(c)(11)(A) and 2103(e)(2) of the Act.

COVID-19 Testing:

- The state provides coverage of COVID-19 testing without cost sharing, in accordance with the requirements of section 2103(c)(11)(B) and 2103(e)(2) of the Act.

COVID-19 Treatment:

- The state provides coverage of COVID-19-related treatments without cost sharing, in accordance with the requirements of section 2103(c)(11)(B) and 2103(e)(2) of the Act.

Coverage for a Condition That May Seriously Complicate the Treatment of COVID-19:

- The state provides coverage for treatment of a condition that may seriously complicate COVID-19 treatment without cost sharing, during the period when a beneficiary is diagnosed with or is presumed to have COVID-19, in accordance with the requirements of section 2103(c)(11)(B) and 2103(e)(2) of the Act. This coverage includes items and services, including drugs, that were covered by the state as of March 11, 2021.

For eligible incarcerated youth, copays are not required for pre-release services provided consistent with section 2102(d)(2) of the Act.

6.2.20. Case management services (Section 2110(a)(20))

- Targeted Case Management (TCM) services are available for eligible juveniles who are inmates of a public institution, as defined in sections 2102(d) and 2110(b)(7) of the Act, who are within 90 days of their scheduled date of release from a public institution, and for 30 days following release. Colorado has an approved Section 1115 waiver to offer reentry services within 90 days of release that meet the minimum requirements of Section 5121 of the Consolidated Appropriations Act of 2023. Inmates of a public institution who are not incarcerated at a facility participating in the approved Section 1115 demonstration, will receive these services within 30 days prior to their release.



CHIP Eligibility

State Name:

OMB Control Number: 0938-1148

Transmittal Number: CO - 25 - 0044

Incarcerated CHIP Beneficiaries **CS31**

2102(d) and 2110(b)(7) of the SSA

Targeted Low-Income Children Who Become Incarcerated

The state assures that it does not terminate eligibility for children enrolled in a separate CHIP because the child is an inmate of a public institution.

States may either suspend CHIP coverage or continue to provide CHIP state plan (or waiver of such plan) services otherwise not covered by the carceral facility to children who are incarcerated. States that elect to suspend CHIP coverage for the duration of a child's incarceration may implement a benefits or eligibility suspension.

The state elects to suspend CHIP coverage for the duration of a child's incarceration

If yes, then check an option below:

- Benefits suspension
- Eligibility suspension

The state assures that it redetermines eligibility for any child prior to their release if it has been longer than 12 months since the child's last redetermination and restores coverage for child health assistance to eligible children upon their release.

Within the 30 days prior to release (or within one week of release, or as soon as practicable after release), the state assures that it provides eligible children with any screenings, diagnostic services, or case management services that would otherwise be available to children under the CHIP state plan (or waiver of such plan).

Additional information regarding implementation of mandatory provisions of section 5121 of the Consolidated Appropriations Act, 2023 (CAA, 2023), including providing screenings, diagnostic services, or case management services:

The state may determine that it is not feasible to provide the required services during the prerelease period in certain carceral facilities (e.g., identified local jails, youth correctional facilities, and state prisons) and/or certain circumstances (e.g., unexpected release or short-term stays). The state will maintain clear documentation in its internal operational plan regarding each facility and/or circumstances where the state determines that it is not +

Under section 5122 of the CAA, 2023, states may consider otherwise eligible children who are inmates pending disposition of charges as eligible for CHIP and provide all services covered under the CHIP state plan.

The state elects to provide all CHIP state plan benefits (or waiver of such plan) to eligible children who are inmates pending disposition of charges.

PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148. The time required to complete this information collection is estimated to average 50 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.



CHIP Eligibility

Children Determined Eligible for CHIP While Incarcerated

Generally, children who apply for CHIP when they are in a carceral facility are not eligible because of the eligibility exclusion for inmates of a public institution under section 2110(b) of the Act. However, section 2110(b)(7) of the Act provides an exception to this eligibility exclusion for children who are within 30 days prior to their release.

- The state assures that they will process any application submitted on behalf of a child and make an eligibility determination for child health assistance upon their release from the institution.
- Children who apply and are found eligible within 30 days prior to their release will be provided screening and diagnostic services, and case management services that are otherwise available under the CHIP state plan (or waiver of such plan).

PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148. The time required to complete this information collection is estimated to average 50 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

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