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State/Territory Name: Colorado

State Plan Amendment (SPA) #: CO-26-0045

This file contains the following documents in the order listed:

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

July 23, 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:

Your title XXI Children's Health Insurance Program (CHIP) State Plan Amendment (SPA) CO-26-0045, submitted on May 20, 2026, has been approved. This SPA has an effective date of January 1, 2026.

Through CO-26-0045, Colorado establishes four additional Health Services Initiatives (HSIs):

- Home Visiting HSI: provides home visits and parental education for low-income families and pregnant teenagers.
- Safety Supplies HSI: provides low-income families with supplies to ensure child safety and wellbeing such as diapers, car seats, and portable cribs. Parents will also receive education on a variety of safety topics, including safe sleep practices and proper car seat installation.
- Reach Out and Read (ROR) HSI: implements the ROR program across Colorado with a particular emphasis on rural communities. ROR facilitates social and emotional development through promoting early literacy, early learning, and school readiness as a part of routine pediatric primary care.
- Food Pantries HSI: supports underfunded food pantries that serve low-income families experiencing food insecurity.

These HSI approvals are based on section 2105(a)(l)(D)(ii) of the Social Security Act (the Act) and 42 CFR §§ 457.10 and 457.618, which authorize use of title XXI administrative funding for HSIs that improve the health of children, including targeted low-income children and other low-income children. Consistent with section 2105(c)(6)(B) of the Act and 42 CFR § 457.626, title XXI funds used to support an HSI cannot supplant Medicaid or other sources of federal funding. The state's total title XXI administrative expenditures may not exceed 10 percent of its total annual title XXI computable expenditures.

The state shall ensure that the available title XXI administrative funding is sufficient to continue the proper administration of the CHIP program. If such funds become less than sufficient, the state agrees to redirect title XXI funds from the support of these HSIs to the administration of the CHIP state plan. The state shall report annually to CMS the expenditures funded by these HSIs for each federal fiscal year.

Your Project Officer is Kristin Pacek. She is available to answer your questions concerning this amendment and other CHIP-related matters 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/

Jessica Stephens
Acting Director

SPA CHP CO-26-0045 Impacted Pages

SPA #45
Date Amendment #45 Submitted: May 20, 2026
Date Amendment #45 Approved:
Date Amendment #45 Effective: January 1, 2026
Date Amendment #45 Implemented:

This SPA includes 4 community HSI programs to improve the lives of targeted low-income children in Colorado. Initiatives selected based on extensive stakeholder input include Home Visting, Safety Supplies, Food Pantries, and Reach out and Read to be implemented upon approval of the amendment.

Superseding Pages of MAGI CHIP State Plan Material

State of Colorado

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 ~~April 30~~May 29, 2025. A copy of the relevant page of the consultation log is attached.

2.2. **Health Services Initiatives-** Describe if the State will use the health services initiative option as allowed at 42 CFR 457.10. If so, describe what services or programs the State is proposing to cover with administrative funds, including the cost of each program, and how it is currently funded (if applicable), also update the budget accordingly. (Section 2105(a)(1)(D)(ii)); (42 CFR 457.10).

Postpartum Coverage

To be implemented January 1, 2025, Colorado will use CHIP funds, within the 10 percent federal administrative expenditures cap allowed for states, to support the 12-month postpartum period of members per Colorado House Bill 22-1289. This extension includes full comprehensive benefits provided to Health First Colorado (Colorado Medicaid) and CHP+ eligible members. Postpartum coverage through the HSI will be available to the birthing parent and will last through the last day of the twelfth month of the postpartum period regardless of any subsequent changes in household income. This initiative targets the health of children under 19 because a child benefits from the postpartum care provided to the parent. All FCEP birth parents should receive

comprehensive care during the postpartum period to assess their physical recovery from pregnancy and childbirth, address chronic conditions (such as diabetes or hypertension), address mental health issues (including postpartum depression), discuss reproductive health (including contraception and birth spacing), and ensure continuity of care. Newborns will be deemed eligible for continuous coverage as a Medicaid Needy Newborn or CHP+ Newborn at birth. Colorado plans to use an ex parte financial eligibility check at the time of entering the newborn into our eligibility system. The state is verifying newborn citizenship. Consistent with funding limitations under section 2105(c)(1) of the Social Security Act, the state will apply a proxy of 2% to HSI expenditures to account for individuals whose pregnancies do not end in a live birth that do not have other children in the home.

In Colorado the payment structure for Health First Colorado members includes managed care delivery for behavioral health care and fee-for-service delivery for medical health care. CHP+ members are in full risk managed care. FCEP members will use the same delivery system as Medicaid or CHIP based on the birthing parent's income. When the initial postpartum visit is rendered by the same provider or provider group as delivery, the provider or provider group bills with a comprehensive global code that includes all routine prenatal, delivery and postpartum care, or a partial global code for delivery and initial postpartum care, and all services are covered under the FCEP authority. Outside of the postpartum HSI, postpartum care is covered for FCEP only when care is rendered by the same provider or provider group and included in the global bill. Labor & Delivery for FCEP birth parents with a household income up to 195% FPL that is not billed as a part of the global bill will be covered via Emergency Medical Services (EMS). Labor & Delivery outside of the global bill for FCEP birth parents with a household income 196-260% FPL will be paid via FCEP.

The State of Colorado assures that funding under this HSI will not supplant or match CHIP federal funds with other federal funds, nor will it allow other federal funds to supplant or match CHIP federal funds. The state will document the initiative's progress on performance and outcomes, reporting regularly on the same metrics reported for Health First Colorado and CHP+ members. Colorado will report these metrics in the CHIP annual CARTS report.

- Items or services funded: comprehensive benefit package identical to services available to Health First Colorado and CHP+ eligible members.
- Target population and eligibility criteria: from-conception-to-end-of-pregnancy children of families with a household income up to 260% FPL who are not otherwise eligible for Health First Colorado or CHP+.
- Geographic area: All 64 counties in the state of Colorado
- Approximate estimated low-income children impacted: 7000

Home Visting

Colorado will use CHIP funds via a competitive grant program, within the 10 percent federal administrative expenditures cap allowed for states, for funding community organizations to provide neonatal and postnatal parenting education and home visiting and connecting low-income families to needed services in their communities. This initiative targets the health of children under 19 by providing education and support to targeted low-income families with children. Some home visiting programs receive other funding for Medicaid services, so HSI funds will be braided, only allowing services that are not targeted case management as defined in the Medicaid State Plan that are only allowable for Medicaid members. The state will ensure HSI funds are not supplanting or matching other federal funds by contracting with another state agency via interagency agreement to braid federal funding and ensuring funded training and parent education do not duplicate services reimbursed by Medicaid or CHP+. The state will also require grantees to assure HSI funds are not supplanting or matching other federal funds.

The state will document the initiative's progress on performance and outcomes, reporting in the CHIP Annual CARTS Report on the following metrics: number of families visited, number of visits, healthy pregnancy outcomes where possible.

- Items or services funded: supplies for home visiting (safety, feeding, menstrual, brain development, oral health), training or personnel for visiting staff,
- Target population: families with at-risk newborns, pregnant teens under 20 years of age,
- Eligibility criteria: Low-income (household income is less than 200% FPL) birthing parents and families, who do not have to be first time pregnant person or Medicaid member.
- Geographic area: Statewide, to include urban, rural, and frontier counties in Colorado.
- Estimated low-income children impacted: 5,650. 100% of these families are estimated to be low income.

Reach out and Read

Colorado will expand and improve the delivery of an AAP-endorsed, evidence-based model to promote early literacy, early learning and school readiness as part of routine pediatric primary care visits for children, birth to age 5. This initiative will contribute to transforming the standard of pediatric care for young children in Colorado to sharpen the focus on activities that support social and emotional development.

This program targets the health of low-income children because starting in infancy, the AAP recommends that pediatric providers advise parents about the importance of reading aloud with their children and counseling them on developmentally appropriate shared-reading activities and the value of providing developmentally appropriate books at health supervision visits for children in low-income families. The state will ensure HSI funds are not supplanting or matching other federal funds because there are no state plan services that provide books and promote literacy. Reach out and Read Colorado does not receive any Medicaid or CHP+ funding and no services would be funded in duplicate.

The state will document the initiative's progress on performance and outcomes, reporting in the CHIP Annual CARTS Report on the following metrics: the # of children served; the # of children in low-income families served; the # of providers completing core training on the Reach Out and Read model; the # of providers trained to deliver the Reach Out and Read model from birth to 6 months of age; the # of new clinic sites launched; and the % of clinics achieving the highest quality rating (12/14 quality standards met.)

- Items or services funded: books and literacy training for pediatric primary care providers.
- Target population: underserved and low-income families in Colorado
- Eligibility criteria: Reach out and Read will conduct active outreach to pediatric clinics in rural underserved areas that provide primary care to children, from infancy through 5 years.
- Geographic area: Statewide, with a focus on rural Colorado counties.
- Estimated low-income children impacted: 100,000. 100% of these families are estimated to be low income.
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Safety Supplies

Colorado will use CHIP funds via a competitive grant program, within the 10 percent federal administrative expenditures cap allowed for states, to meet the needs for families struggling to provide necessary resources for their children by funding hygiene and safety supplies for infants and children utilizing existing Colorado networks. This includes community centers and events that are already engaging with low-income families. This initiative targets the health of low-income children because one in three American families suffer from diaper need, defined as a lack of sufficient supply of diapers to keep a child clean, dry, and healthy. Providing supplies and education for safe sleep has decreased SIDS by 50% since the campaign began in 1994. Funding child safety seats, installation, inspection, and education for targeted low-income children will decrease the ticketing and number of improperly restrained

children, or those transitioning out of the proper seat too young. The supplies provided support positive health outcomes for children and families. The state will ensure HSI funds are not supplanting or matching other federal funds by only funding supplies that do not fall in the scope of Medicaid or CHP+ reimbursed services. The state will also require grantees to assure HSI funds are not supplanting or matching other federal funds.

The state will document the initiative's progress on performance and outcomes, reporting in the CHIP Annual CARTS Report on the following metrics: number of distribution events, number of goods distributed, number of children served, and average total value of supplies provided.

- Items or services funded: car seats, strollers, cribs, pack n plays, diapers, safety gates, , and staff development.
- Target population: underserved and under-resourced communities with low-income families
- Eligibility criteria: low-income children ages 0-5 identified by grant funded community organizations.
- Geographic area: Colorado statewide with a focus on urban, frontier, and rural counties
- Estimated low-income children impacted: 125,250. 100% of these families are estimated to be low-income.

Food Pantries

Colorado will use CHIP funds, within the 10 percent federal administrative expenditures cap allowed for states, for a network of food pantries that provides fresh or frozen meat and produce and appliances to store food as well as transportation to deliver food for low-income families. This initiative targets the health of children under 19 because insufficient food and nutrition can significantly harm a child's physical, mental, and behavioral health and development. This initiative will target families experiencing high instances of generational poverty, limited access to resources, or homelessness. HSI funding for food pantries and supplies will not supplant USDA The Emergency Food Assistance Program (TEFAP) funding. The state HSI and TEFAP will continue to coordinate to ensure funding is not supplanted. The state plans to limit funding to food pantries to those that receive federal funds for less than 10% of their operating expenses. As a commitment to ensuring funds are not supplanted, grantee contracts will have an annual deliverable outlining funding source and how funding is braided and not supplanted. The state will ensure HSI funds are not supplanting or matching other federal funds by providing food to low-income families with food insecurity, which is not a reimbursable service under the Medicaid or CHIP state plan. The food pantries are not designed to replace or replicate medically necessary guidance or services.

The state will document the initiative's progress on performance and outcomes, reporting on the following metrics depending on the evidence-based model of

the site: number of pantry sites supplied, number of appliances purchased, families enrolled or registered in programs requiring enrollment, events attended.

- Items or services funded: food, food storage appliances, facilitator training program,
- Target population: children and families with low and very low household food security
- Eligibility criteria: families with children
- Geographic area: Select Colorado urban, frontier, and rural counties

—Estimated low-income children impacted: 25,000 per year. Over 51% of the children are estimated to be low-income.

9.10 Provide a 1-year projected budget (Section 2107(d)) (42CFR 457.140)

CHIP Budget Plan Template

State: Colorado **SPA Number: CHIP CO-26-0045** **Federal Fiscal Year (FFY): 2026**	**Federal Fiscal Year Costs**	**Net Change Due to Amendment**
FMAP rate:	**65.00%**	**65.00%**
Benefit Costs		
Managed care	$283,764,359	$0
Fee for Service	$143,120,532	$0
Premium Assistance Insurance Payments	$0	$0
Other	$0	$0
Total Benefit Costs	$426,884,891	$0
Offsetting beneficiary cost sharing payments	$0	$0
Net Benefit Costs	**$426,884,891**	**$0**
Administration Costs		
Personnel	$789,173	$0
General administration	$2,345,559	$0
Contractors/Brokers (e.g., enrollment contractors)	$4,146,720	$0
Claims Processing	$3,803,153	$0
Outreach/marketing costs	$3,786,212	$0
Health Services Initiative		
Home Visiting		$4,540,000
Food Pantries		$1,180,000
Baby Safety Supplies		$1,780,000
Reach out and Read		$500,000
Postpartum Care	$3,510,500	
Other	$543,425	$0
Total Administration Costs	$18,924,742	$8,000,000
10% Administrative Cost Ceiling (net benefit costs / 9)	$47,431,655	$0

Federal Share (multiplied by E-FMAP rate)	$289,776,261	$5,200,000
State Share	$156,033,372	$2,800,000
TOTAL PROGRAM COSTS	**$445,809,633**	**$8,000,000**

Note: The Federal Fiscal Year (FFY) runs from October 1st through September 30th.

Budget Assumptions:

~~**Note: The Federal Fiscal Year (FFY) runs from October 1st through September 30th.**~~

~~**Budget Assumptions:**~~

~~**FFY: 2025**~~	~~**# of eligibles**~~	~~**$ PMPM**~~
~~**Managed Care**~~	~~**92,942**~~	~~**$229.38**~~
~~**Fee for Service**~~	~~**63,756**~~	~~**$209.76**~~
~~**Total PMPM**~~		~~**$221.40**~~

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Source(s) of non-federal funding used for state match: General Fund

~~**Other Assumptions:**~~