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State/Territory Name: **Colorado**

State Plan Amendment (SPA)#: 21-0008

This file contains the following documents in the order listed

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-14-26
Baltimore, Maryland 21244-1850



Center for Medicaid and CHIP Services

Disabled and Elderly Health Programs Group

May 21, 2021

Ms. Tracy Johnson
Medicaid Director
Colorado Department of Health Care Policy and Financing
1570 Grant St
Denver, CO 80203-1818

Dear Ms. Johnson:

We have reviewed Colorado State Plan Amendment (SPA) 21-0008 received in the Centers for Medicare & Medicaid Services (CMS) Division of Program Operations North Branch on April 7, 2021. This SPA proposes to revise the frequency of the state's cost of dispensing survey from specifying that it will occur every two years to noting that it will occur periodically.

Based on the information provided and consistent with the regulations at 42 CFR 430.20, we are pleased to inform you that SPA 21-0008 is approved with an effective date of July 30, 2021. A copy of the signed CMS-179 form, as well as the pages approved for incorporation into Colorado's state plan will be forwarded by the Division of Program Operations North Branch.

If you have any questions regarding this request, please contact Justin Aplin at (410) 786-6901 or Justin.Aplin@cms.hhs.gov.

Sincerely,

Digitally signed by John
M. Coster -S
Date: 2021.05.27
14:02:20 -04'00'

John M. Coster, PhD, R.Ph.
Director, Division of Pharmacy
DEHPG/CMCS/CMS

cc: Amy Winterfeld
Whitney McOwen
James G. Scott, Director
Curtis Volesky

Colorado DHCPF
Colorado DHCPF
Division of Program Operations
Division of Program Operations North Branch

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER: 21-0008	2. STATE: COLORADO		
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)			
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE: July 30, 2021			
5. TYPE OF PLAN MATERIAL (<i>Check One</i>): NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS A NEW PLAN X AMENDMENT					
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (<i>Separate transmittal for each amendment</i>)					
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447.518(d)		7. FEDERAL BUDGET IMPACT: a. FFY 2021: \$0 b. FFY 2022: \$0			
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B – Methods and Standards for Establishing Payment Rates – 12.a. – Pharmaceutical Services – Page 3 of 3		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.19-B – Methods and Standards for Establishing Payment Rates – 12.a. – Pharmaceutical Services – Page 3 of 3 (TN 20-0013)			
10. SUBJECT OF AMENDMENT: This SPA amends the frequency with which the Department conducts the cost of dispensing survey. It will change the statement from specifying it's conducted every 2 years to noting that it will be conducted periodically.					
11. GOVERNOR'S REVIEW (<i>Check One</i>): GOVERNOR'S OFFICE REPORTED NO COMMENT X OTHER, AS SPECIFIED COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Governor's letter dated 11 October, 2019 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL					
12. SIGNATURE OF STATE AGENCY OFFICIAL:		16. RETURN TO: Colorado Department of Health Care Policy and Financing 1570 Grant Street Denver, CO 80203-1818 Attn: Amy Winterfeld			
13. TYPED NAME: Tracy Johnson					
14. TITLE: Medicaid Director					
15. DATE SUBMITTED: April 7, 2021					
FOR REGIONAL OFFICE USE ONLY					
17. DATE RECEIVED 04/07/2021		18. DATE APPROVED 05/21/2021			
PLAN APPROVED – ONE COPY ATTACHED					
19. EFFECTIVE DATE OF APPROVED MATERIAL 07/30/2021		20. SIGNATURE OF REGIONAL OFFICIAL <small>Digitally signed by John M. Coster -S Date: 2021.05.27 14:29:19 -04'00'</small>			
21. TYPED NAME John M. Coster, PhD, RPh		22. TITLE Director, Division of Pharmacy, DEHPG/CMCS/CMS			
23. REMARKS					

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

STATE OF COLORADO

Attachment 4.19-B
Page 3 of 3

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES-
OTHER TYPES OF CARE

- M. Any pharmacy, except a mail order pharmacy, that is the only pharmacy enrolled with the Medical Assistance Program within a twenty-mile radius, may submit a written request to the Department requesting the designation of a rural pharmacy.
- N. In the aggregate, the Medical Assistance Program expenditures for outpatient drugs shall be in compliance with the federal upper limits as set forth in 42 CFR §§447.512 and 447.514.
- O. Professional dispensing fees shall be established based upon reported dispensing costs provided through the Medical Assistance Program's Cost of Dispensing (COD) survey. The professional dispensing fees for all pharmacies except government and rural pharmacies shall be tiered based upon annual total prescription volume. The professional dispensing fees shall be tiered at:
- Less than 60,000 total prescriptions filled per year = \$13.40
 - Between 60,000 and 90,000 total prescriptions filled per year = \$11.49
 - Between 90,000 and 110,000 total prescriptions filled per year = \$10.25
 - Greater than 110,000 total prescriptions filled per year = \$9.31

The determination of total prescription volume shall be completed by surveying pharmacies on an annual basis. Pharmacies failing to respond to the survey shall be reimbursed the \$9.31 professional dispensing fee.

The tiered professional dispensing fee shall not apply to government pharmacies which shall instead be reimbursed a \$0.00 professional dispensing fee.

The tiered professional dispensing fee shall not apply to rural pharmacies, as defined in M, which shall instead be reimbursed a \$14.14 professional dispensing fee.