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**State/Territory Name: Colorado**

**State Plan Amendment (SPA) #: CO-13-057**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Additional Companion letter
- 3) 179
- 4) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
1600 Broadway, Suite 700  
Denver, CO 80202-4967



## **Region VIII**

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March 18, 2014

Susan E. Birch, MBA, BSN, RN, Executive Director  
Department of Health Care Policy & Financing  
303 East 17<sup>th</sup> Avenue, 7<sup>th</sup> Floor  
Denver, CO 80203

RE: Colorado #13-057

Dear Ms. Birch:

We have reviewed the proposed State Plan Amendment (SPA) submitted under transmittal number (TN) 13-057. This amendment applies to methods and standards for establishing payment rates for Mental Health and Substance Abuse Rehabilitation Services for Children reflecting the rate increases effective 10/1/13.

Please be informed that this State Plan Amendment was approved today with an effective date of October 1, 2013. We are enclosing the CMS-179 and the amended plan page(s).

In addition, we are enclosing a request for a companion SPA to CO-13-057 that will address a n issue that will require additional information and revisions to the State Plan.

If you have any questions concerning this amendment, please contact Curtis Volesky at (303) 844-7033.

Sincerely,

/s/

Richard C. Allen  
Associate Regional Administrator  
Division for Medicaid & Children's Health Operations

cc: Suzanne Brennan  
Pat Connally  
Barb Prehmus  
John Bartholomew  
Max Salazar

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
1600 Broadway, Suite 700  
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**Region VIII**

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March 18, 2014

Suzanne Brennan  
State Medicaid Director  
Department of Health Care Policy and Financing  
303 East 17<sup>th</sup> Avenue, 7<sup>th</sup> Floor  
Denver, CO 80203

Re: CO-13-057

Dear Ms. Brennan:

This letter is being sent as a companion to our approval of Colorado State plan amendment (SPA) 13-057, which identifies methods and standards for establishing payment rates for mental health and substance abuse rehabilitation services for children. During the review of this SPA, CMS performed a corresponding review of the approved coverage page, and determined that a revision to the coverage page is necessary. We welcome the opportunity to work with you and your staff to discuss options for resolving the concern outlined below.

Supplement to Attachment 3.1-A, 13.e. Mental Health and Substance Abuse Rehabilitation Services for children

The corresponding coverage pages of the state plan need to agree with the 4.19-B method and standards pages of the plan. Please submit revised pages coordinating the service limitations.

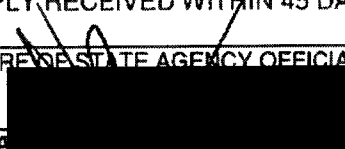
1. For both short and long Individual Psychotherapy, Supplement to Attachment 3.1-A indicates a maximum of 1 unit per day unless a physician orders more, and the newly approved 4.19-B page provides for 2 units per day.
2. Psychotherapy for Crisis Unit was added to the newly approved 4.19-B page, but has not yet been added to the coverage pages.

Please respond to this letter by June 16, 2014, with a state plan amendment or corrective action plan describing how the State will resolve the issue identified above. Failure to respond timely will result in our initiation of the formal compliance process. During the 90 days, we are willing to provide any required technical assistance. If you have any questions, please contact Curtis Volesky of my staff at either 303-844-7033 or by email at [curtis.volesky@cms.hhs.gov](mailto:curtis.volesky@cms.hhs.gov).

Sincerely,

/s/

Richard C. Allen  
Associate Regional Administrator  
Divisions of Medicaid & Children's Health Operations

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> <b>FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>		1. TRANSMITTAL NUMBER:  <b>13-057</b>	2. STATE:  <b>COLORADO</b>
		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  <b>October 1, 2013</b>	
5. TYPE OF PLAN MATERIAL (Check One):			
<input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS A NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION 42 CFR §§ 441.150-182, 42 CFR §§ 483.350-376		7. FEDERAL BUDGET IMPACT a. FFY 2013-14: \$70,441 b. FFY 2014-15: \$70,441	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT <b>Attachment 4.19-B Methods and Standards for Establishing Payment Rates – Mental Health and Substance Abuse Rehabilitation Services for Children</b>		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  <b>Attachment 4.19-B Methods and Standards for Establishing Payment Rates – Mental Health and Substance Abuse Rehabilitation Services for Children (TN – 06-009)</b>	
10. SUBJECT OF AMENDMENT <b>Methods and standards for establishing payment rates for Mental Health and Substance Abuse Rehabilitation Services for Children.</b>			
11. GOVERNOR'S REVIEW (Check One)			
<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED Governor's letter dated 01 September 2011 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED 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: Barbara Prehmus	
13. TYPED NAME  <b>Suzanne Brennan</b>			
14. TITLE  <b>Medicaid Director</b>			
15. DATE SUBMITTED <b>12/19/2013</b>			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED  <b>12/19/13</b>		18. DATE APPROVED  <b>03/18/14</b>	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL  <b>10/01/13</b>		20. SIGNATURE OF REGIONAL OFFICIAL  <b>/s/</b>	
21. TYPED NAME  <b>Richard C. Allen</b>		22. TITLE  <b>ARA, DMCHO</b>	
23. REMARKS			

TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAM

State of Colorado

Attachment 4.19-B  
(Page 1 of 2)

13e. METHODS AND STANDARDS FOR ESTABLISHING  
PAYMENT  
RATES-MENTAL HEALTH AND SUBSTANCE ABUSE REHABILITATION SERVICES  
FOR CHILDREN

Mental Health and Substance Abuse Rehabilitation Services for Children are reimbursed on a fee-for-service basis per units of service per practitioner. Rates for services include only Medicaid allowable costs. These services are available for all Medicaid clients for whom the services are found to be medically necessary. Rates do not include the cost of any room and board. Applicable practitioner provider salaries were considered in developing payment fee schedules. Rates for these services were compared with rates for similar services provided by Community Mental Health Centers under cost-based payment methodologies to ensure that rates for mental health rehabilitative services are not greater than the estimated costs of providing services. Also, rates for these services were compared with Medicare rates for similar service. Rates for these services are less than that for comparable Medicare and cost-based services, thereby ensuring an economical and efficient fee schedule.

Mental Health Services units of service are as follows:

- A. Psychiatric diagnostic examination unit of service shall be 1 hour per date of service.
- B. Individual psychotherapy (brief) unit of service shall be 16 – 37 minutes, face-to-face, per unit, up to 2 units per date of service.
- C. Individual psychotherapy (long) unit of service shall be 38 – 60 minutes, face-to-face, per unit, up to 2 units per date of service.
- D. Psychotherapy for Crisis unit of service shall be 30 – 74 minutes, face to face per unit, 1 unit per date of service, if additional psychotherapy for crisis is needed, additional unit of service shall be 30 minutes, up to 2 units per date of service.
- E. Family psychotherapy unit of service shall be 1 hour per date of service.
- F. Group psychotherapy unit of service shall be 15 minutes, up to 8 units per date of service.
- G. Psychological testing (professional) unit of service shall be 1 hour, face-to-face, interpreting or preparing report.
- H. Psychological testing (technician) unit of service shall be 1 hour, face-to-face.

TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAM

State of Colorado

Attachment 4.19-B  
(Page 2 of 2)

- I. Interactive group psychotherapy unit of service shall be 15 minutes, up to 8 units per date of service.
- J. Pharmacologic management unit of service shall be 1 hour per date of service, which is to be completed in conjunction with an individual psychotherapy unit.

The mental health services fee schedule is reviewed annually and published in the provider billing manual accessed through the Department's fiscal agent's web site.

Reimbursement for services shall be the lower of:

- 1. Submitted charges;
- 2. Fee schedule as determined by the Department of Health Care Policy and Financing

Except as otherwise noted in the State Plan, state-developed fee schedule rates are the same for both governmental and private providers. The reimbursement rates were set as of October 1, 2013 and are effective for services provided on or after that date. All rates can be found on the official Web site of the Department of Health Care Policy and Financing at [www.colorado.gov/hcpf](http://www.colorado.gov/hcpf).