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State/Territory Name: Colorado

State Plan Amendment (SPA) #: CO-13-060

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Summary Form (with 179-like data)
- 3) Approved SPA Pages
- 4) Additional Attachments that are part of the state plan.

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



Region VIII

April 29, 2014

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

Re Colorado Title XIX, FMAP State Plan Amendment, Transmittal # 13-060

Dear Ms. Birch.

We have reviewed the proposed Federal Medical Assistance Payment (FMAP) State Plan Amendment (SPA), TN 13-060, which was submitted to the Centers for Medicare & Medicaid Services Denver Regional Office on December 9, 2013. This SPA describes the methodology used by the state for determining the appropriate FMAP rates, including the increased FMAP rates, available under the provisions of the Affordable Care Act applicable for the medical assistance expenditures under the Medicaid program associated with enrollees in the new adult group adopted by the state and described in 42 CFR 435.119.

Based on the information provided, the Medicaid SPA 13-060 is approved with an effective date of January 1, 2014. We are enclosing the approved Form CMS-179 and the Medicaid state plan pages.

If you have any additional questions or need further assistance, 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

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1 TRANSMITTAL NUMBER: 13-060
2 STATE: COLORADO
3 PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)
4 PROPOSED EFFECTIVE DATE: January 1, 2014

TO REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5 TYPE OF PLAN MATERIAL (Check One)

NEW STATE PLAN X AMENDMENT TO BE CONSIDERED AS A NEW PLAN AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION
42 U S C § 1396d(b)

7 FEDERAL BUDGET IMPACT
a. FFY 2013-14 \$0
b. FFY 2014-15 \$0

8 PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
• Supplement 18 to Attachment 2.6A

9 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
• NEW

10 SUBJECT OF AMENDMENT
Allows the state to claim the appropriate FMAP rate for individuals enrolled in the new adult group.

11 GOVERNOR'S REVIEW (Check One)

GOVERNOR'S OFFICE REPORTED NO COMMENT

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

13. TYPED NAME

Suzanne Brennan

Colorado Department of Health-Care Policy and Financing
1570 Grant Street
Denver, CO 80203-1818

Attn Barbara Prehmus

14 TITLE

Director, Medical & CHP+ Program Administration Office

15. DATE SUBMITTED

12/09/13

FOR REGIONAL OFFICE USE ONLY

17 DATE RECEIVED

12/09/13

18 DATE APPROVED

04/29/14

PLAN APPROVED - ONE COPY ATTACHED

19 EFFECTIVE DATE OF APPROVED MATERIAL

01/01/14

20 SIGNATURE OF REGIONAL OFFICIAL

/s/

21 TYPED NAME

Richard C Allen

22. TITLE

ARA, DMCHO

23. REMARKS

State Plan Under Title XIX of the Social Security ActState: COLORADO**METHODOLOGY FOR IDENTIFICATION OF APPLICABLE FMAP RATES**

The State will determine the appropriate FMAP rate for expenditures for individuals enrolled in the adult group described in 42 CFR 435.119 and receiving benefits in accordance with 42 CFR Part 440 Subpart C. The adult group FMAP methodology consists of two parts: an individual-based determination related to enrolled individuals, and as applicable, appropriate population-based adjustments.

Part 1 – Adult Group Individual Income-Based Determinations

For individuals eligible in the adult group, the state will make an individual income-based determination for purposes of the adult group FMAP methodology by comparing individual income to the relevant converted income eligibility standards in effect on December 1, 2009, and included in the MAGI Conversion Plan (Part 2) approved by CMS on 03/06/2014. In general, and subject to any adjustments described in this SPA, under the adult group FMAP methodology, the expenditures of individuals with incomes below the relevant converted income standards for the applicable subgroup are considered as those for which the newly eligible FMAP is not available. The relevant MAGI-converted standards for each population group in the new adult group are described in Table 1.

Table 1: Adult Group Eligibility Standards and FMAP Methodology Features

Population Group	Covered Populations Within New Adult Group	Relevant Population Group Income Standard	Applicable Population Adjustment				
			Resource Proxy	Enrollment Cap	Special Circumstances	Other Adjustments	
A		<p>For each population group, indicate the lower of:</p> <ul style="list-style-type: none"> The reference in the MAGI Conversion Plan (Part 2) to the relevant income standard and the appropriate cross-reference, or 133% FPL. <p>If a population group was not covered as of 12/1/09, enter "Not covered"</p>	C	D	E	F	
Parents/Caretaker Relatives		Attachment A, Column C, Line 1 of Part 2 of the CMS approved MAGI Conversion Plan, including any subsequent CMS approved modifications to the MAGI Conversion Plan.	No	No	No	No	
Disabled Persons, non-institutionalized		Attachment A, Column C, Line 2 of Part 2 of the CMS approved MAGI Conversion Plan, including any subsequent CMS approved modifications to the MAGI Conversion Plan.	No	No	No	No	
Disabled Persons, institutionalized		Attachment A, Column C, Line 3 of Part 2 of the CMS approved MAGI Conversion Plan, including any subsequent CMS approved modifications to the MAGI Conversion Plan.	N/A	N/A	N/A	N/A	
Children Age 19 or 20		Not covered	N/A	N/A	N/A	N/A	
Childless Adults		Not covered	N/A	N/A	N/A	N/A	

Part 2 – Population-based Adjustments to the Newly Eligible Population Based on Resource Test, Enrollment Cap or Special Circumstances

A. Optional Resource Criteria Proxy Adjustment (42 CFR 433.206(d))

1 The state

Applies a resource proxy adjustment to a population group(s) that was subject to a resource test that was applicable on December 1, 2009

Does NOT apply a resource proxy adjustment (Skip items 2 through 3 and go to Section B)

Table 1 indicates the group or groups for which the state applies a resource proxy adjustment to the expenditures applicable for individuals eligible and enrolled under 42 CFR 435.119. A resource proxy adjustment is only permitted for a population group(s) that was subject to a resource test that was applicable on December 1, 2009.

The effective date(s) for application of the resource proxy adjustment is specified and described in Attachment B.

2 Data source used for resource proxy adjustments.

The state

Applies existing state data from periods before January 1, 2014

Applies data obtained through a post-eligibility statistically valid sample of individuals.

Data used in resource proxy adjustments is described in Attachment B.

3 Resource Proxy Methodology: Attachment B describes the sampling approach or other methodology used for calculating the adjustment.

B. Enrollment Cap Adjustment (42 CFR 433.206(e))

1. An enrollment cap adjustment is applied by the state (complete items 2 through 4)

An enrollment cap adjustment is not applied by the state (skip items 2 through 4 and go to Section C)

- 2 Attachment C describes any enrollment caps authorized in section 1115 demonstrations as of December 1, 2009 that are applicable to populations that the state covers in the eligibility group described at 42 CFR 435.119 and received full benefits, benchmark benefits, or benchmark equivalent benefits as determined by CMS. The enrollment cap or caps are as specified in the applicable section 1115 demonstration special terms and conditions as confirmed by CMS, or in alternative authorized cap or caps as confirmed by CMS. Attach CMS correspondence confirming the applicable enrollment cap(s)
- 3 The state applies a combined enrollment cap adjustment for purposes of claiming FMAP in the adult group
- Yes. The combined enrollment cap adjustment is described in Attachment C
- No
- 4 Enrollment Cap Methodology: Attachment C describes the methodology for calculating the enrollment cap adjustment, including the use of combined enrollment caps, if applicable

C. Special Circumstances (42 CFR 433.206(g)) and Other Adjustments to the Adult Group FMAP Methodology

- 1 The state
- Applies a special circumstances adjustment(s)
- Does not apply a special circumstances adjustment
- 2 The state
- Applies additional adjustment(s) to the adult group FMAP methodology (complete item 3)
- Does not apply any additional adjustment(s) to the adult group FMAP methodology (skip item 3 and go to Part 3)
- 3 Attachment D describes the special circumstances and other proxy adjustment(s) that are applied, including the population groups to which the adjustments apply and the methodology for calculating the adjustments

Part 3 – One-Time Transitions of Previously Covered Populations into the New Adult Group

A. Transitioning Previous Section 1115 and State Plan Populations to the New Adult Group

- Individuals previously eligible for Medicaid coverage through a section 1115 demonstration program or a mandatory or optional state plan eligibility category will be transitioned to the new adult group described in 42 CFR 435.119 in accordance with a CMS-approved transition plan and/or a section 1902(e)(14)(A) waiver. For purposes of claiming federal funding at the appropriate FMAP for the populations transitioned to new adult group, the adult group FMAP methodology is applied pursuant to and as described in Attachment E, and where applicable, is subject to any special circumstances or other adjustments described in Attachment D
- The state does not have any relevant populations requiring such transitions

Part 4 - Applicability of Special FMAP Rates

A. Expansion State Designation

The state

- Does NOT meet the definition of expansion state in 42 CFR 433.204(b) (Skip section B and go to Part 5)
- Meets the definition of expansion state as defined in 42 CFR 433.204(b), determined in accordance with the CMS letter confirming expansion state status, dated _____

B. Qualification for Temporary 2.2 Percentage Point Increase in FMAP.

The state

- Does NOT qualify for temporary 2.2 percentage point increase in FMAP under 42 CFR 433.10(c)(7)
- Qualifies for temporary 2.2 percentage point increase in FMAP under 42 CFR 433.10(c)(7), determined in accordance with the CMS letter confirming eligibility for the temporary FMAP increase, dated _____. The state will not claim any federal funding for individuals determined eligible under 42 CFR 435.119 at the FMAP rate described in 42 CFR 433.10(c)(6)

5.

TN – 13-060

Approval Date – 4/29/14

Effective Date – 01/01/2014

Part 5 - State Attestations

The State attests to the following:

- A. The application of the adult group FMAP methodology will not affect the timing or approval of any individual's eligibility for Medicaid
- B. The application of the adult group FMAP methodology will not be biased in such a manner as to inappropriately establish the numbers of, or medical assistance expenditures for, individuals determined to be newly or not newly eligible

ATTACHMENTS

Not all of the attachments indicated below will apply to all states, some attachments may describe methodologies for multiple population groups within the new adult group. Indicate those of the following attachments which are included with this SPA.

- Attachment A – Conversion Plan Standards Referenced in Table 1
- Attachment B – Resource Criteria Proxy Methodology
- Attachment C – Enrollment Cap Methodology
- Attachment D – Special Circumstances Adjustment and Other Adjustments to the Adult Group FMAP Methodology
- Attachment E – Transition Methodologies

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 4 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.

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



REGION VIII - DENVER

DECISION MEMO

Date April 25, 2014

To Richard Allen, Associate Regional Administrator
Divisions of Medicaid & Children's Health Operations

From Curtis Volesky
Divisions of Medicaid & Children's Health Operations

Subject. Colorado SPA 13-060 – FMAP SPA

Background.

Colorado submitted SPA 13-060 on December 9, 2013. As required by 42 CFR 433.206(h), States adopting the new adult group described in 42 CFR 435.119 that wish to claim federal funding at the increased federal medical assistance percentages (FMAPs) made available under the Affordable Care Act, for the medical assistance expenditures under the Medicaid program associated with enrollees in the new adult group, must submit a State Plan Amendment to CMS describing the methodology for determining which expenditures may be claimed at the higher FMAP rates.

Tribal consultation is not federally required for FMAP SPAs

The effective date of this SPA is January 1, 2014

Since expenditures of individuals enrolled under 42 CFR 435.119 are considered to result from states' adoption of the new adult group, the Budget Impact is specified in the eligibility SPAs submitted by the states adopting such group. As a result, the Budget Impact for the FMAP SPAs submitted by states is \$0. Therefore, the Proposed Budget Impact indicated by states for each of the FFYs indicated in Block 7 of the Form CMS-179 for the FMAP SPAs is \$0.

Issues Identified During Review

When the SPA was originally submitted, the state indicated that it did not cover disabled institutionalized individuals as of 12/9/2009. After discussion with the state they made the correction. It was then determined that there were potential errors in the state's conversion plan, so further review was needed and conversion plan approvals issued. The state had also indicated that they would not be applying a resource proxy to the disabled populations. Further discussion with the state was needed to ensure they understood the resource proxy option and how it could affect the state. The state eventually decided that they would not pursue a resource proxy.

Coverage Issues Identified During Review

None identified.

179 Pen and Ink Changes

No pen and ink changes required.

RAI:

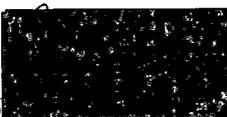
An RAI was issued on March 6, 2014 for the state to provide final conversion plan documents and statuses, corrections to the SPA pages, a determination on whether the state wanted to pursue a resource proxy, and an explanation regarding the state's mechanisms to identify and claim the correct FMAP for the adult group. The state responded to the RAI on April 14, 2014. The final conversion plan documents and statuses were provided, the corrections to the SPA pages were made, the state decided not to pursue a resource proxy, and an explanation regarding the state's mechanisms to identify and claim the correct FMAP for the adult group were provided.

Recommendation

I recommend approval of this State Plan Amendment.

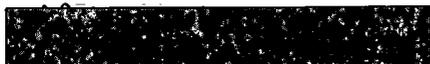
Yes No

(Provide rationale)


Curtis Volesky
Health Insurance Specialist

Program Manager: Concur/Approve

Yes No (Provide rationale)


Manager, Program manager

