



State Demonstrations Group

June 17, 2026

Adela Flores-Brennan
State Medicaid Director
Colorado Department of Health Care Policy and Financing
303 E. 17th Avenue, Suite 1100
Denver, CO 80203

Dear Director Flores-Brennan:

The Centers for Medicare & Medicaid Services (CMS) is approving the health-related social needs (HRSN) payment methodology document submitted May 1, 2025, in accordance with special term and condition (STC) 10.19 of the section 1115 demonstration entitled, “Colorado Expanding the Substance Use Disorder (SUD) Continuum of Care” (Project Numbers: 11-W-00336/8 and 21-W-00079/8). This document reflects the payment methodologies Colorado will use for the following services: case management for housing, pre-tenancy navigation services, one-time transition and moving costs other than rent, tenancy and sustaining services, utility assistance, short-term post-transition housing, first month’s rent, short-term rental assistance, nutrition counseling and instruction, home delivered meals/pantry stocking, and medically tailored meals.

This approval is conditioned upon compliance with the previously approved STCs, which set forth in detail the nature, character, and extent of anticipated federal involvement in the project.

CMS rescinded the November 2023 and December 2024 Center for Medicaid & CHIP Services (CMCS) Center Information Bulletins (CIB) related to coverage of certain services and supports to address “health-related social needs” while CMS evaluates policy options consistent with Medicaid and CHIP program requirements and objectives. Additional information is available on Medicaid.gov.¹

With this protocol approval, CMS would like to remind the state about program integrity obligations. States are responsible for following all applicable federal law and regulations when they claim and use federal Medicaid funds and must fully comply with all applicable Medicaid laws and regulations under a section 1115 demonstration, except where specific provisions have been expressly waived or identified as not applicable for that demonstration. This obligation includes all requirements in Title XIX of the Social Security Act and implementing regulations governing provider screening and enrollment activities, pre- and post-payment review claiming, payment methodologies and rate-setting, utilization controls, and program integrity including processes to identify, investigate, and refer suspected fraud, and methods to receive complaints and identify questionable practices. States must maintain effective systems and safeguards to

¹ CMCS Center Informational Bulletin: <https://www.medicaid.gov/federal-policy-guidance/downloads/cib03042025.pdf>

prevent, detect, and address any fraud, waste, or abuse (FWA) in the delivery of and payment for Medicaid services, including referrals to law enforcement when appropriate.

States should have heightened monitoring and oversight mechanisms in place featuring robust internal controls to identify and remediate all vulnerabilities (including, but not limited to, FWA and beneficiary access issues) inherent in service areas approved as part of a demonstration. At any time, CMS may request that the state provide a plan detailing the state's systems and safeguards to prevent, detect, and address any FWA relative to this demonstration. Failure to meet program integrity obligations under federal statutes and regulations or under the terms and conditions of this demonstration approval may result in compliance actions or other enforcement measures that could include requirements to develop and implement corrective action plans, withholdings, deferrals, disallowances, and termination of demonstration authority.

We look forward to our continued partnership on the Colorado Expanding the SUD Continuum of Care section 1115(a) demonstration. If you have any questions, please contact your CMS project officer, Laura Gray, at Laura.Gray@cms.hhs.gov.

Sincerely,

Lisa A.
Marunycz -S9

Digitally signed by
Lisa A. Marunycz -S9
Date: 2026.06.17
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CAPT Lisa Marunycz
Deputy Director
Division of System Reform Demonstrations

Enclosure

cc: Keri Rosenbloom, State Lead, Medicaid and CHIP Operations Group

Colorado Health Related Social Needs Fee Schedule

Service	Description	Procedure Code	Unit of service	Rate or Cap
Case Management	Case management for housing	T1017	per 15 minutes	Current rate of FFS fee schedule: \$27.29
		CAT: U1		
		PSH: U2		
		CFS: U3		
		Position 2 Modifier: U4		
Housing/Home Environment interventions without room and board	Pre-tenancy navigation services	H2014 (per 15 minutes)	per 15 minutes, per diem and per month	H2014: \$13.08 H0043: \$54.63 H0044: \$552.94
		H0043 (per diem)		
		H0044 (per month)		
		PSH: U2		
		CFS: U3		
		Position 2 Modifier: UA		
	Tenancy and sustaining services	H2014 (per 15 minutes)	per 15 minutes, per diem and per month	H2014: \$13.08 H0043: \$54.63 H0044: \$552.94
		H0043 (per diem)		
		H0044 (per month)		
		CAT: U1		
		PSH: U2		
		Position 2 Modifier: UB		
	One-time transition and moving costs <i>other than rent</i>	T2038	per item	T2038 with Modifier UC: 50% of the HUD-established FMR for the relevant county. Manually priced T2038: Consistent with the IDD Waiver Methodology as outlined in the Payment Methodology Template once per client per month regardless of the number of HRSN goods purchased
		PSH: U2		
		CFS: U3		
		Position 2 Modifier: UC		
		T2038		
		CAT: U1		
		PSH: U2		
		CFS: U3		
		Position 2 Modifier: V4		
	Utility assistance	T2038 CAT: U1 PSH: U2 CFS: U3 Position 2 Modifier: UD	Monthly/per item	T2038 with Modifier UD: Utility Assistance up to 6 months if rental assistance is also provided: Varies based on municipality. The Utility Allowance is established by Public Housing Authorities (PHAs) using information provided by the U.S. Department of Housing and Urban Development (HUD). Information on the Utility Allowance schedule utilized by the Colorado Department of Local Affairs, Division of Housing (DOLA/DOH) in its capacity as a statewide PHA is available online. T2038: Utility Cap: The gross rent for a unit (rent + utilities) cannot exceed 120% of the HUD Fair Market Rent (FMR). T2038: Consistent with the IDD Waiver Methodology as outlined in the Payment Methodology Template once per client per month regardless of the number of HRSN goods purchased
		T2038 CAT: U1 PSH: U2 CFS: U3 Position 2 Modifier: V4		
	Move-in Costs	A9900	One time move in cost up to \$2,000	Transition Services Manually priced up to the one-time transition limit (\$2,000, with an additional \$500 authorized when demonstrated as a necessary expense to ensure member's health, safety, and welfare in the CFC SPA)
Housing interventions with Room and Board (Episodic Interventions)	Short-term post-transition housing	T2032 CAT: U1 Position 2 Modifier: V1	Monthly/per item	T2032 with position modifier 2: Cap is calculated at 120% of the HUD-established FMR for relevant county up to 6 months The standard used each year and will be updated yearly: https://drive.google
		T2038 CAT: U1		

		CAT: U1 PSH: U2 CFS: U3 Position 2 Modifier: V4		yearly: https://drive.google.com/file/d/10Sg8TSN72q1ljbtLcOIIEAueS0J3ISuG/view T2038 with Modifier V4: Consistent with the IDD Waiver Methodology as outlined in the Payment Methodology Template once per client per month regardless of the number of HRSN goods purchased
Housing interventions with Room and Board (Rent Only Interventions)	First month's rent, as a transitional service	T2032 CAT: U1 PSH: U2 CFS: U3 Position 2 Modifier: V2	per item	T2032: Cap is calculated at 120% of the HUD-established RMR for the relevant county up to 6 months T2038: Consistent with the IDD Waiver Methodology as outlined in the Payment Methodology Template once per client per month regardless of the number of HRSN goods purchased
		T2038 CAT: U1 PSH: U2 CFS: U3 Position 2 Modifier: V4		
	Short-term rental assistance	T2032 CAT: U1 PSH: U2 CFS: U3 Position 2 Modifier: V3 T2038 CAT: U1 PSH: U2 CFS: U3 Position 2 Modifier: V4	Monthly	T2032: Short term rental assistance up to 6 months: Varies based on municipality. Vouchers follow Payment Standards calculated by Public Housing Authorities (PHAs) using Fair Market Rent (FMR) information provided by the U.S. Department of Housing and Urban Development. FMRs are designed to provide access to the bottom 30% of a local rental market. Information on the Payment Standards utilized by the Colorado Department of Local Affairs, Division of Housing (DOLA/DOH) in its capacity as a statewide PHA is available online The standard used each year and will be updated yearly: https://drive.google.com/file/d/10Sg8TSN72q1ljbtLcOIIEAueS0J3ISuG/view T2038: Consistent with the IDD Waiver Methodology as outlined in the Payment Methodology Template once per client per month regardless of the number of HRSN goods purchased
Nutrition Interventions without food	Nutrition counseling and instruction	S9452	S9452: Per Session	S9452: Consistent with the outlined methodology
		97802	97802: Per 15 minutes	97802: \$32.97
		97803	97803: Per 15 minutes	97803: \$28.08
		97804	97804: Per 30 minutes	97804: \$14.14
		G0447	G0447: Per 15 minutes	G0447: \$32.35
Nutrition interventions with food	Home Delivered meals/ Pantry Stocking	S5170 U1 modifier (Home Delivered Meals) S5170 U2 Modifier (Pantry Stocking)	per meal	Manually priced up to \$12.58 per meal. Capped at \$4,579.00 Cap = \$500 per person
	Medically Tailored Meals	S5170 U3 modifier	Per Meal up to 2-3 meals per day. Manually priced up to a cap estimated at \$20.50 per meal.	Up to 2-3 meals per day. Manually priced up to a cap estimated at \$20.50 per meal. Capped at \$7,380.