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State/Territory Name: CO

State Plan Amendment (SPA) #: 24-0039

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
230 South Dearborn
Chicago, Illinois 60604



Financial Management Group/ Division of Reimbursement Review

July 9, 2025

Adela Flores-Brennan,
State Medicaid Director
Colorado Department of Health Care Policy and Financing
303 E. 17th Avenue, Suite 1100
Denver, CO 80203-1818

Dear Director Flores-Brennan,

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Colorado State Plan Amendment (SPA) to Attachment 4.19-B TN: #24-0039, which was submitted to CMS on September 30, 2025. This plan amendment revises Community Mental Health Centers and adds Comprehensive Community Behavioral Health Providers and Essential Behavioral Health Safety Net Providers.

We reviewed your SPA submission for compliance with statutory requirements including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2), of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the State, we have approved the amendment with an effective date of September 11, 2024. We are enclosing the approved CMS-179 and a copy of the new state plan pages.



If you have any additional questions or need further assistance, please contact Matthew Klein at 214-767-4625 or matthew.klein@cms.hhs.gov

Sincerely,

A solid black rectangular box used to redact the signature of Todd McMillion.

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER <u>2</u> <u>4</u> — <u>0</u> <u>0</u> <u>3</u> <u>9</u>	2. STATE <u>CO</u>
		3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	
TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE <u>9/11/2024</u>	
5. FEDERAL STATUTE/REGULATION CITATION <u>Social Security Act, Section 1905(a)(13) / 42 CFR 440.130(d)</u>		6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2025</u> \$ <u>0</u> b. FFY <u>2026</u> \$ <u>0</u>	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT <u>Attachment 4.19-B-Methods and Standards for Establishing Payment Rates- Rehabilitative Services: Behavioral Health Services- Pages 1-3; Attachment 4.19-B-Introduction- Methods and Standards for Establishing Payment Rates- Other Types of Care, Page 2 of 3</u>		8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) <u>Attachment 4.19-B-Methods and Standards for Establishing Payment Rates- Rehabilitative Services: Behavioral Health Services- Pages 1-3; Attachment 4.19-B-Introduction- Methods and Standards for Establishing Payment Rates- Other Types of Care, Page 2 of 3</u>	
9. SUBJECT OF AMENDMENT <u>This State Plan Amendment creates Comprehensive Community Behavioral Health Providers and Essential Behavioral Health Safety Net Providers in accordance Colorado House Bill 22-1278. These providers are eligible for cost-informed reimbursement as reflected in the State Plan Amendment.</u>			
10. GOVERNOR'S REVIEW (Check One) <input type="radio"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="radio"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="radio"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL <input checked="" type="radio"/> OTHER, AS SPECIFIED:			
11. SIGNATURE OF STATE AGENCY OFFICIAL 		15. RETURN TO Colorado Department of Health Care Policy and Financing 303 E. 17th Avenue, Suite 1100 Denver, CO 80203 Attn: Jessica Farnen	
12. TYPED NAME Bettina Schneider			
13. TITLE Chief Financial Officer			
14. DATE SUBMITTED 9-30-2024			
FOR CMS USE ONLY			
16. DATE RECEIVED 09/30/2024		17. DATE APPROVED July 9, 2025	
PLAN APPROVED - ONE COPY ATTACHED			
18. EFFECTIVE DATE OF APPROVED MATERIAL 09/11/2024		19. SIGNATURE OF APPROVING OFFICIAL 	
20. TYPED NAME OF APPROVING OFFICIAL Todd McMillion		21. TITLE OF APPROVING OFFICIAL Director, Division of Reimbursement Review	
22. REMARKS <u>UPDATE 4/8/2025: Per communications with CMS via email, Department updated Budget Figures Box 6 FFY to \$0 for both 2025 and 2026. Per CMS' request, on boxes 7 and 8 the Department revised the pages numbers for these items to include all pages 1-3 for the pages provided within the 4.19B pages for Attachment 4.19-B-Methods and Standards for Establishing Payment Rates- Rehabilitative Services: Behavioral Health Services.</u>			

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MEDICAL ASSISTANCE PROGRAM

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Attachment 4.19-B
Introduction
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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES-
OTHER TYPES OF CARE

Effective Dates for Reimbursement Rates for Specified Services

Service	Attachment	Effective Date
9. Clinic Services	Attachment 4.19-B, Page 1-3 of 4	July 1, 2024
10. Dental Services	Attachment 4.19-B, Page 1 of 3	July 1, 2024
11. Physical Therapy, Occupational Therapy, Speech Therapy, and Audiology Services	Attachment 4.19-B	July 1, 2024
12.b. Dentures	Attachment 4.19-B	July 1, 2024
12.c. Prosthetics	Attachment 4.19-B	July 1, 2024
12.d. Eyeglasses and Contact Lenses	Attachment 4.19-B	July 1, 2024
13.c. Preventive Services - Screening, Brief Intervention, and Referral to Treatment (SBIRT)	Attachment 4.19-B	July 1, 2024
13.d. Rehabilitative Services: Substance Use Disorder Treatment	Attachment 4.19-B	July 1, 2024
13.d. Rehabilitative Services: Behavioral Health Services	Attachment 4.19-B	September 11, 2024
13.d. Rehabilitative Services: Mental Health and Substance Abuse Rehabilitation Services for Children	Attachment 4.19-B, Page 1-2 of 2	July 1, 2024
13.d. Rehabilitative Services: Partial Hospitalization Program Behavioral Health Services	Attachment 4.19-B, Page 1-2 of 2	July 1, 2024
19. Targeted Case Management: Persons with a Developmental Disability	Attachment 4.19-B, Page 1-2 of 2	July 1, 2024
19.a. Targeted Case Management: Outpatient Substance Use Disorder Treatment	Attachment 4.19-B, Page 1 of 2	July 1, 2024

TN No. 24-0039

Supersedes TN No. 24-0026

Approval Date: July 9, 2025

Effective Date: September 11, 2024

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

13d. Rehabilitative Services: Behavioral Health Services

- a. Reimbursement for Services Provided by a Comprehensive Community Behavioral Health Provider, previously known as a Community Mental Health Center. For the purposes of calculating reimbursement, historical utilization and cost data incurred by a Community Mental Health Center shall be considered as if it were incurred by a Comprehensive Community Behavioral Health Provider.

For the services listed below, reimbursement shall be made on the basis of prospective cost-based rates set for each participating Comprehensive Community Behavioral Health Provider. On the basis of audited unit cost worksheets submitted annually by the Comprehensive Community Behavioral Health Providers, prospective rates shall be calculated by the Colorado Department of Health Care Policy and Financing.

For the purposes of setting those rates, allowable costs will be determined in accordance with 2 C.F.R. 200 and 45 C.F.R. 75 Medicare Principles of Cost Reimbursement.

The reimbursement rates for behavioral health residential services shall be the projected cost of such services as determined by the Department of Health Care Policy and Financing through review and audit of prior year's unit costs submitted annually by each Comprehensive Community Behavioral Health Provider. Only costs incurred for the purpose of delivering residential behavioral health services shall be allowed and considered in rate setting. Room and Board is excluded from all cost considerations. Those allowed costs shall be divided by the number of days of residential services during the cost reporting period to calculate a historical cost per day of residential services. That historical cost per day shall be trended into the future rate effective period to calculate the prospective cost based residential rate. That trend shall be applied from the cost reporting period to the rate effective period by using an annualized trend rate of 3.75% until rate effective periods starting in 2025, where the most recently available Medicare Economic Index shall be used. The prior year's cost report will be used for setting the prospective rates for the year following the current year.

The reimbursement rates for emergency and crisis behavioral health services; mental health and substance use outpatient services; behavioral health high-intensity outpatient services; care management; outreach, education and engagement services; mental health

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and substance use recovery supports; outpatient competency restoration; and screening, assessment, and diagnosis, including risk assessment, crisis planning, and monitoring key health indicators shall be the projected cost of such services as determined by the Department of Health Care Policy and Financing through review and audit of prior year's unit costs submitted annually by each Comprehensive Community Behavioral Health Provider. Only costs incurred for the purpose of delivering the particular behavioral health services as listed in this paragraph shall be allowed and considered in rate setting. Those allowed costs shall be divided by the number of days any of the services were delivered to a recipient during the cost reporting period to calculate a historical cost for each day one or more of these services was delivered to a recipient of services. That historical daily cost of service delivery, regardless whether only one or more than one of these services was provided, shall be a flat rate and shall be trended into the future rate effective period to calculate the prospective cost based service rate, which may be sometimes described as a prospective payment system rate. That trend shall be applied from the cost reporting period to the rate effective period by using an annualized trend rate of 3.75% until rate effective periods starting in 2025, where the most recently available Medicare Economic Index shall be used. The prior year's cost report will be used for setting the prospective rates for the year following the current year.

For services other than behavioral health residential services; emergency and crisis behavioral health services; mental health and substance use outpatient services; behavioral health high-intensity outpatient services; care management; outreach, education and engagement services; mental health and substance use recovery supports; outpatient competency restoration; and screening, assessment, and diagnosis, including risk assessment, crisis planning, and monitoring key health indicators, reimbursement shall be the lower of the following:

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

Except as otherwise noted in the State Plan, state-developed fee schedule rates are the same for both governmental and private providers. The rates are effective for services on or after the date listed on the Attachment 4.19-B Introduction Page. All rates can be found on the official web site of the Department of Health Care Policy and Financing at www.colorado.gov/hcpf.

b. Reimbursement for Services Provided by Qualified Mental Health Professionals

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Services provided by qualified mental health professionals shall be reimbursed at the lower of the following:

1. Submitted charges or
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 rates are effective for services on or after the date listed on the Attachment 4.19-B Introduction Page. All rates can be found on the official web site of the Department of Health Care Policy and Financing at www.colorado.gov/hcpf.

c. Reimbursement for Services Provided by Essential Behavioral Health Safety Net Providers

Services as listed in the Essential Services fee schedule, when delivered by providers recognized as Essential Behavioral Health Safety Net Providers, via approval by the Colorado Behavioral Health Authority, shall be reimbursed at the lower of the following:

1. Submitted charges or
2. Essential Services fee schedule as determined by the Department of Health Care Policy and Financing,

The Essential Behavioral Health Safety Net Provider approval is an add on credential and does not qualify a provider for reimbursement in the Medicaid program unless paired with a license recognized in this state plan.

Except as otherwise noted in the State Plan, state-developed fee schedule rates are the same for both governmental and private providers. The rates are effective for services on or after the date listed on the Attachment 4.19-B Introduction Page. All rates can be found on the official web site of the Department of Health Care Policy and Financing at www.colorado.gov/hcpf.