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State/Territory Name: Colorado

State Plan Amendment (SPA)#: CO-25-0023

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

CENTERS FOR MEDICARE & MEDICAID SERVICES
CENTER FOR MEDICAID & CHIP SERVICES

Center for Medicaid and CHIP Services

Medical Benefits Health Programs Group

October 21, 2025

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

re: Colorado State Plan Amendment (SPA) 25-0023

Dear Director Flores-Brennan:

The CMS Division of Pharmacy team has reviewed Colorado State Plan Amendment (SPA) 25-0023 received in the CMS Medicaid Services OneMAC application on July 25, 2025. This SPA proposes to implement a supplemental, compounded professional dispensing fee for parenteral nutrition.

Based on the information provided and consistent with the regulations at 42 CFR 430.20, we are pleased to inform you that SPA 25-0023 is approved with an effective date of January 1, 2026. Our review was limited to the materials necessary to evaluate the SPA under applicable federal laws and regulations.

We are attaching a copy of the updated, signed CMS-179 form, as well as the page approved for incorporation into Colorado's state plan. If you have any questions regarding this amendment, please contact Porscha Brink at (202) 260-4025 or porscha.brink@cms.hhs.gov.

Sincerely,

[redacted]

Catherine A. Traugott, R.Ph., J.D.
Acting Director
Division of Pharmacy

cc: Russ Zigler, JD, Compliance and Policy Advisor, CO Health Policy Office
Ronna, Colorado State Lead, Medicaid and CHIP Operations Group, CMS

DEPARTMENT OF HEALTH ANDHUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 25-0023

2. STATE: CO

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT: (•) XIX ( ) XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
January 1, 2026

5. FEDERAL STATUTE/REGULATION CITATION
Social Security Act, Section 1905(a)(12) / 42 CFR 440.120(a)

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2025 $ 0
b. FFY 2026 $ 85,674

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19-B -- Methods and Standards for Establishing Payment Rates -- 12.a. -- Pharmaceutical Services, Page 4 of 4

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
Attachment 4.19-B -- Methods and Standards for Establishing Payment Rates -- 12.a. -- Pharmaceutical Services, Page 4 of 4 (TN CO-23-0043

9. SUBJECT OF AMENDMENT
Implements an enhanced professional dispensing fee for parenteral nutrition products.

10. GOVERNOR'S REVIEW *(Check One)*
( ) GOVERNOR'S OFFICE REPORTED NO COMMENT
( ) COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
( ) NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
(•) OTHER, AS SPECIFIED: Governor's letter dated 5 April 2023

[redacted]
Adela Flores-Brennan

13. TITLE
Medicaid Director

14. DATE SUBMITTED
July 25, 2025

15. RETURN TO
Colorado Department of Health Care Policy and Financing
303 E. 17th Avenue, Suite 1100
Denver, CO 80203

Attn: Jessica Farmen

FOR CMS USE ONLY

16. DATE RECEIVED
July 25, 2025

17. DATE APPROVED
October 21, 2025

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
January 1, 2026

19. SI[redacted]

20. TYPED NAME OF APPROVING OFFICIAL
Catherine A. Traugott, R.Ph., J.D.

21. TITLE OF APPROVING OFFICIAL
Acting Director, Division of Pharmacy

22. REMARKS

Update 9/15/25: Per Department responses to informal questions from CMS, the effective date was updated from 7/1/25 to 1/1/26, the budget figures were updated in box 6, and the subject of the amendment was updated in box 9. Please see written responses submitted to CMS on 9/15/25 for explanation of all the changes.; Update 10/20/25: Updated budget figures in box 6 to reflect the proposed update of the enhanced professional dispensing fee for parenteral nutrition products from $70.76 to $73.21 (FFY2027 updated from $82,248 to $85,674; FFY2026 remains $0).

Instructions on Back

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

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 O, which shall instead be reimbursed a $14.14 professional dispensing fee.

R. The enhanced professional dispensing fee for clotting factor drugs shall be $0.03 per unit.

S. Effective January 1, 2026, the enhanced professional dispensing fee for parenteral nutrition products shall be $73.21.