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State/Territory Name: Colorado

State Plan Amendment (SPA)#: CO-25-0029

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



Center for Medicaid and CHIP Services

Medical Benefits Health Programs Group

October 27, 2025

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

Dear Adela Flores-Brennan,

The CMS Division of Pharmacy team has reviewed Colorado State Plan Amendment (SPA) 25-0029 received in the CMS Medicaid Services OneMAC application on September 8, 2025. This SPA proposes to revise the Supplemental Rebate Agreement/Value-Based Purchasing agreement dates.

Based on the information provided and consistent with the regulations at 42 CFR 430.20, we are pleased to inform you that SPA 25-0029 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 revised, signed CMS-179 form, as well as the pages 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,

A large black rectangular box redacting the signature of Catherine A. Traugott.

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 Bach, CO State Lead, Medicaid and CHIP Operations Group, CMS

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

1. TRANSMITTAL NUMBER

2 5 — 0 0 2 9

2. STATE

CO

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL

SECURITY ACT



XIX



XXI

4. PROPOSED EFFECTIVE DATE

January 1, 2026

TO: CENTER DIRECTOR

CENTERS FOR MEDICAID & CHIP SERVICES

DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR 447.502

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2026\$ 0b. FFY 2027\$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Supplement to Attachment 3.1-A: Limitations to Care and
Services -- Item 12.a Prescribed Drugs – Pages 3-3a of 58. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable)Supplement to Attachment 3.1-A: Limitations to Care and
Services -- Item 12.a Prescribed Drugs – Pages 3-3a of 5
(TN CO-24-0015)

9. SUBJECT OF AMENDMENT

Updates the dates on the State Plan pages for the state's revised supplemental rebate agreement/ Value Based Purchasing
agreement

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

11. SIGNATURE OF STATE AGENCY OFFICIAL



12. TYPED NAME

Adela Flores-Brennan

13. TITLE

Medicaid Director

14. DATE SUBMITTED

September 8, 2025

15. RETURN TO

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

Attn: Jessica Farnen

FOR CMS USE ONLY

16. DATE RECEIVED

September 8, 2025

17. DATE APPROVED

October 27, 2025

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

January 1, 2026

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 9/29/25: Updated effective date in box 4 from April 1, 2026 to January 1, 2026.; Update 10/17/25: Updated box 9 to read
"Updates the dates on the State Plan pages for the state's revised supplemental rebate agreement/ Value Based Purchasing
agreement" instead of "Updates the submit date to CMS for revised supplemental rebate agreement, and value-based
supplemental agreement, templates for CMS review".

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM**

State of Colorado

Services**Limitations**

12.a Prescribed Drugs

8. Pursuant to 42 U.S.C. Section 1396r-8, the Department is establishing a Preferred Drug List which indicates the Preferred and Non-preferred Drugs in selected therapeutic drug classes. Those products within a selected therapeutic drug class that are designated Non-preferred will require prior authorization. All drugs covered by the National Drug Rebate Agreements remain available to Medical Assistance Program clients, though some drugs may require prior authorization. The prior authorization process for covered outpatient drugs will conform to the provisions of section 1927(d)(5) of the Social Security Act. The Department will appoint a Pharmacy and Therapeutics Committee and utilize the Drug Utilization Review Board in accordance with Federal Law.
9. CMS has authorized the state of Colorado to enter into the Colorado Medicaid Supplemental Drug Rebate Agreement for drugs provided to the Medical Assistance Program. The Department may collect supplemental rebates from drug manufacturers for Preferred Drugs. Supplemental rebates received by the Department in excess of those required under the National Drug Rebate Program will be shared with the Federal government on the same percentage basis as applied under the National Drug Rebate Agreement. All drugs covered by the Medical Assistance Program, irrespective of a supplemental rebate agreement, will comply with the provisions of the National Drug Rebate Agreement. The unit rebate amount is confidential and cannot be disclosed except in accordance with Section 1927(b)(3)(D) of the Social Security Act.

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM**

State of Colorado

Services

Limitations

12.a Prescribed Drugs

10. CMS has authorized the State of Colorado to also enter into Medicaid Value-Based Supplemental Drug Agreements with Manufacturers on a voluntary basis. These contracts will be executed on a model agreement entitled “Value-Based Supplemental Agreement”.