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State/Territory Name: CO

State Plan Amendment (SPA) #: 25-0035

This file contains the following documents in the order listed:

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 7, 2026

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

RE: TN 25-0035

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: #25-0035, which was submitted to CMS on October 27, 2025. This plan amendment updates the fee schedule rates for 1915k services.

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 anadequate 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 October 1, 2025. 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,

[redacted]

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

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: 25-0035

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
October 1, 2025

5. FEDERAL STATUTE/REGULATION CITATION
2401 of ACA/42 CFR 441 subpart K 42 CFS Part 430 Subpart B

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2026 $ (7,150,173)
b. FFY 2027 $ (7,150,173)

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19-B – Attachment 4.19-B – Methods and Standards for Establishing Payment Rates – Pages 1, 2, 3, 4

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
Supersedes 24-0035; Attachment 4.19-B – Methods and Standards for Establishing Payment Rates – Pages 1, 2, 3, 4

9. SUBJECT OF AMENDMENT
Amending to update the fee schedule rates. A new rate will be effective October 1, 2025 with a 1.6% rate decrease

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
[redacted]

12. TYPED NAME
Adela Flores-Brennan

13. TITLE
Medicaid Director

14. DATE SUBMITTED
September 26, 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
October 27, 2025

17. DATE APPROVED
July 7, 2026

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
October 1, 2025

19. SIGNATURE OF APPROVING OFFICIAL
[redacted]

20. TYPED NAME OF APPROVING OFFICIAL
Todd McMillion

21. TITLE OF APPROVING OFFICIAL
Director, Division of Reimbursement Review

22. REMARKS

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

29. Community First Choice (CFC)

Payment for Colorado's Community First Choice (CFC) services is based on state developed fee schedule rates, except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of these services. The fee schedule and any annual/periodic adjustments to the fee schedule and its effective dates are included in the fee schedule. The agency's fee schedule rate was set as of 10/01/2025 and is effective for services provided on or after that date. Fee for Service (FFS) rates and fee schedules can be accessed here: https://hcpf.colorado.gov/provider-rates-fee-schedule

The Department utilizes three different rate methodologies for select services included in Colorado's CFC Benefit. These three methodologies include: a Cost-Based Rate Methodology, a Market Price Rate Methodology and a Contracted Services Rate Methodology.

1. Cost-Based Rate Methodology:

The Cost-Based Rate methodology is calculated from the following factors:

- Salary expenses account for direct and indirect care workers' time for service delivery based on the Colorado mean wage for each position as established by the Bureau of Labor Statistics.
- Facility expenses incorporate costs associated with the facility type via property records listing square footage and actual costs and include estimated repair and maintenance costs, utility expenses, phone, and internet expenses.
- Administrative expenses incorporate computer, software, office supply costs, and the total number of employees to determine administrative and operating costs per employee.
- Capital expenses account for additional capital expenses such as medical equipment, supplies, and IT equipment directly related to service provision.
- The state accounts for variances in minimum wage requirements as directed by the State Legislation or local ordinances to acknowledge unique geographical considerations impacting access to care.
- The state accounts for variances in provider qualifications, administrative requirements such as payroll, and recertification requirements to acknowledge unique financial considerations impacting access to control over care.

- Effective for services provided on or after October 1, 2025, after the implementation of the rate, only legislative increases or decreases are applied. These legislative rate changes are often annual and reflect inflationary increases or decreases.
- The Department hosts stakeholder feedback meetings in which the rates and rate determination factors are presented to external stakeholders such as providers, members, and member advocacy groups.

Each of the following CFC Services utilize Cost-Based Rate Methodology to develop individual rates unique to the service:

- Personal Attendant Services
  - Services provided to an eligible member to meet the member's physical, maintenance, and supportive needs through hands-on assistance, supervision and/or cueing.
- Homemaker
  - General household activities provided by a provider in a member's home to maintain a healthy and safe environment for the member through hands-on assistance, supervision and/or cueing.
- Health Maintenance
  - Activities include routine and repetitive health related tasks furnished to an eligible member in the community or in the member's home, which is necessary for health and normal bodily functioning that a person with a disability is physically unable to carry out.
- Home Delivered Meals
  - Nutritional Meal Plan which is tailored to the member's individual needs (including nutritional counseling, if desired by the member), selected meal types, and instructions for meal preparation and delivery.
- Transition Setup
  - Covers the purchase of one-time, non-recurring expenses up to 30 days post-transition necessary for a member to establish a basic household as they transition from an institutional setting to a community setting, including security deposits required to obtain a lease on an apartment or home.

Fee schedules can be accessed here: https://hcpf.colorado.gov/provider-rates-fee-schedule

2. Market Price Rate Methodology:

The Market Price Rate Methodology is calculated from the following factors:

- Case managers coordinate with providers and determine a market price that incorporates the member's needs, the products required, and frequency of use. The Department reviews and approves the market price determined and authorized by the case manager.

The following CFC Services utilize a Market Price Methodology:

- Personal Emergency Response Systems (PERS)
  - Ongoing remote monitoring through a device designed to signal trained alarm monitoring personnel in an emergency situation.
- Medication Reminder
  - Devices, controls, or appliances that remind or signal the member to take actions related to medications.
- Remote Supports Technology
  - Live two-way support from a remote location that increases the member's independence and substitutes for human assistance.

3. Contracted Services Rate Methodology

The Contracted Rate methodology is calculated from the following factors:

- Salary expenses account for direct and indirect staff time for performance of contract obligations based on the Occupational and Wage Statistics for each position as established by the Bureau of Labor Statistics.
- Facility expenses incorporate costs associated with the facility type via property records listing square footage and actual costs and include estimated repair and maintenance costs, utility expenses, phone, and internet expenses.
- Administrative expenses incorporate computer, software, office supply costs, and the total number of employees to determine administrative and operating costs per employee.
- Capital expenses account for additional capital expenses such as secure file transfer protocol and customer management/relationship systems, supplies, and IT equipment directly related to service provision.
- The state accounts for variances in provider qualifications, administrative requirements such as payroll, and certification requirements to acknowledge unique financial considerations impacting provision of services.

- For Financial Management Services (FMS), vendors are paid a per-member-per-month (PMPM) rate for their fiscal and administrative services provided to Consumer-Directed Attendant Support Services (CDASS) members.
- The Department uses a request for proposal solicitation process to procure FMS.
- The PMPM rate is based on the costs associated with the scope of work and national averages for FMS using a Fiscal/Employer Agent (F/EA) model.

The following CFC Services utilize a Contracted Services Rate Methodology:

- Financial Management Services
    - Administrative and financial services including but not limited to recording, monitoring, and reporting budget allocations and utilization; calculating employer and employee taxes and filing applicable returns; processing attendant timesheets; paying attendants; running attendant background checks; and providing compliant EVV systems for member and/or attendant use.

Rates Community First Choice (CFC) services do not include payment for room and board.