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State/Territory Name: Colorado

State Plan Amendment (SPA) #: 18-0044

This file contains the following documents in the order listed:

1) Approval Letter
2) 179
3) Approved SPA Pages

TN: CO-18-0044 Approval Date: 02/25/2019 Effective Date: 10/01/2018
February 25, 2019

Ms. Laurel Karabatsos
Interim Medicaid Director
Colorado Department of Health Care Policy and Financing
1570 Grant Street
Denver, CO 80203-1818

Dear Ms. Karabatsos:

We have reviewed Colorado’s State Plan Amendment (SPA) 18-0044 received in the Denver Regional Office on December 4, 2018. This amendment proposes to revise the Colorado state plan to incorporate language that authorizes the state to enter into value-based contract arrangement with drug manufacturers through supplemental rebate agreements.

Based on the information provided and consistent with the regulations at 42 CFR 430.20, we are pleased to inform you that SPA 18-0044 is approved with an effective date of October 1, 2018. A copy of the signed CMS-179 form, as well as the pages approved for incorporation into Colorado’s state plan will be forwarded by the Denver Regional Office.

If you have any questions regarding this amendment, please contact Terry Simananda at (410) 786-8144 or Terry.Simananda@cms.hhs.gov.

Sincerely,

/s/

John M. Coster, Ph.D., R.Ph.
Director
Division of Pharmacy

CC: Mary Marchioni, Acting ARA, CMS, Denver Regional Office
    Curtis Volosky, CMS, Denver Regional Office
    David DeNovellis, State of Colorado
# Transmittal and Notice of Approval of State Plan Material

**For:** Centers for Medicare & Medicaid Services  
**To:** Regional Administrator  
Centers for Medicare & Medicaid Services  
Department of Health and Human Services

<table>
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<tr>
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<tbody>
<tr>
<td>1.</td>
<td>Transmittal Number: 18-0044</td>
</tr>
<tr>
<td>2.</td>
<td>State: Colorado</td>
</tr>
<tr>
<td>3.</td>
<td>Program Identification: Title XIX of the Social Security Act (Medicaid)</td>
</tr>
<tr>
<td>4.</td>
<td>Proposed Effective Date: October 1, 2018</td>
</tr>
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</table>
| 5. | Type of Plan Material (Check One):  
NEW STATE PLAN  
AMENDMENT TO BE CONSIDERED AS A NEW PLAN  
**X** AMENDMENT |
| 6. | Federal Statute/Regulation Citation:  
Title XIX of the Social Security Act, Section 1927 |
| 7. | Federal Budget Impact:  
a. FFY 2017-18: $0  
b. FFY 2018-19: $0 |
| 8. | Page Number of the Plan Section or Attachment:  
Supplement to Attachment 3.1-A – Limitations to Care and Services – 12.a. Prescribed Drugs, Page 3a |
| 9. | Page Number of the Superseded Plan Section or Attachment (If Applicable):  
Not applicable |
| 10. | Subject of Amendment:  
This Amendment would revise the state plan to allow for outcome-based supplemental drug rebates for certain drugs. |
| 11. | Governor’s Review (Check One):  
GOVERNOR’S OFFICE REPORTED NO COMMENT  
X OTHER, AS SPECIFIED  
COMMENTS OF GOVERNOR’S OFFICE ENCLOSED  
NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL |
| 12. | Signature of State Agency Official:  
[Signature]  
[Name: Laurel Karabatsos]  
[Title: Interim Medicaid Director] |
| 13. | Typed Name:  
[Typed Name: Laurel Karabatsos] |
| 14. | Title:  
Interim Medicaid Director |
| 15. | Date Submitted: Initial: December 4, 2018  
1st Update: January 16, 2019 |

**For Regional Office Use Only**

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</table>
| 16. | Return To:  
Colorado Department of Health Care Policy and Financing  
1570 Grant Street  
Denver, CO 80203-1818  
Attn: David DeNovellis |
| 17. | Date Received: December 4, 2018 |
| 18. | Date Approved: February 25, 2019 |
| 19. | Effective Date of Approved Material: October 1, 2018 |
| 20. | Signature of Regional Official:  
[Signature]  
[Typed Name: Mary Marchioni]  
[Title: Acting Deputy Director, WROG] |
| 21. | Remarks:  
[Remarks] |

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

State of Colorado

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<tr>
<td>12.a Prescribed Drugs</td>
<td>8. 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” submitted to CMS on December 4, 2018 with an effective date of October 1, 2018.</td>
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TN No. 18-0044

Supersedes TN No. **NEW**

Approval Date **February 25, 2019**

Effective Date **October 1, 2018**