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State/Territory Name: CO

State Plan Amendment (SPA) CO: 21-0001

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
233 North Michigan Ave., Suite 600
Chicago, Illinois 60601

Financial Management Group

November 21, 2022

Tracy Johnson, Medicaid Director
Attn: Amy Winterfeld
Colorado Department of Health Care Policy and Financing
1570 Grant Street
Denver, CO 80203-1818

RE: **Colorado State Plan Amendment (SPA) Transmittal Number 21-0001**

Dear Director Johnson:

We have reviewed the proposed Colorado State Plan Amendment (SPA) to Attachment 4.19-B of your state plan, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on September 30, 2021. This plan amendment authorizes tribal Federally Qualified Health Centers (FQHC) to bill Colorado Medicaid for covered services on a per-visit basis under contract to the tribal FQHC.

Based upon the information provided by the State, we have approved the amendment with an effective date of October 01, 2021. 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 LaJoshica (Josh) Smith via 214-767-6453 or lajoshica.smith@cms.hhs.gov.

Sincerely,

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

DEPARTMENT OF HEALTH AND HUMAN 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: **21-0001**

2. STATE: **COLORADO**

3. PROGRAM IDENTIFICATION: **TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)**

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE: **October 1, 2021**

5. TYPE OF PLAN MATERIAL *(Check One)*:

NEW STATE PLAN | AMENDMENT TO BE CONSIDERED AS A NEW PLAN | **X AMENDMENT**

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT *(Separate transmittal for each amendment)*

6. FEDERAL STATUTE/REGULATION CITATION:

SOCIAL SECURITY ACT Section 1905(a)(29) (2)(C)

7. FEDERAL BUDGET IMPACT:

a. FFY 2021: $0
b. FFY 2022: $0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B – Methods and Standards for Establishing Payment Rates – Indian Health Services – Page 1-2 of 2

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*:

Attachment 4.19-B – Methods and Standards for Establishing Payment Rates – Indian Health Services – Page 1 of 1 (TN 12-028)

10. SUBJECT OF AMENDMENT:

Authorizes tribal Federally Qualified Health Centers (FQHC) to bill Colorado Medicaid for covered services on a per-visit basis whether those services are furnished at the facility, outside the facility, or provided by off-site providers, whether the providers are tribal or non-tribal, under contract to the tribal FQHC.

11. GOVERNOR'S REVIEW *(Check One)*:

GOVERNOR'S OFFICE REPORTED NO COMMENT | **X OTHER, AS SPECIFIED**

COMMENTS OF GOVERNOR'S OFFICE ENCLOSED | **Governor's letter dated 14 July 2021**

NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:
Tracy Johnson

14. TITLE:
Medicaid Director

15. DATE SUBMITTED:

16. RETURN TO:

Colorado Department of Health Care Policy and Financing
1570 Grant Street
Denver, CO 80203-1818

Attn: Amy Winterfeld

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED
09/30/21

18. DATE APPROVED
November 21, 2022

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL
10/01/21

20. SIGNATURE OF REGIONAL OFFICIAL

21. TYPED NAME
Todd McMillion

22. TITLE
Director, Division of Reimbursement Review

23. REMARKS State authorized P&I change to block # 6 to amend citation

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – INDIAN HEALTH CARE SERVICES

Payments to Indian health facilities that are federally recognized and either tribally-operated or operated by the Indian Health Service (IHS), which includes health facilities operated by a tribe or tribal organization under the Indian Self-Determination Act (Public Law 93–638, 25 U.S.C. 5321 et seq.), shall be made according to the following categories of service:

A. Outpatient Hospital, Clinic, Independent Laboratory, Outpatient Pharmacy and EPSDT Categories of Service –
Payments to Indian health facilities under these categories of service shall be per visit/encounter and based upon the approved rates published each year in the Federal Register by the U.S. Department of Health and Human Services, Indian Health Service, under the authority of Sections 321(a) and 322(b) of the Public Health Service Act (42 U.S.C. 248 and 249(b)), Public Law 83-568 (42 U.S.C. 200l(a)), and the Indian Health Care Improvement Act (25 U.S.C. 1601 et seq.). The Department shall accept submission of and make payments for multiple visit/encounter claims for different types of service provided to a client on the same date of service by the same Indian health facility only if the services provided are different or are for different diagnosis codes with the exception of pharmacy claims. A maximum of one encounter payment per client per date of service will be provided for pharmacy claims. The pharmacy encounter rate includes reimbursement for the dispensing fee, ingredient cost, and any necessary counseling by the pharmacist. Different types of service under these categories of service may include but shall not be limited to general practitioner services, mental health services, podiatry services, optometry services, radiology services, laboratory services, and dental services.

B. Inpatient Hospital Category of Service –
Payments to Indian health facilities under this category of service shall be per date of inpatient stay and based upon the approved rates published each year in the Federal Register by the U.S. Department of Health and Human Services, Indian Health Service, under the authority of Sections 321(a) and 322(b) of the Public Health Service Act (42 U.S.C. 248 and 249(b)). Public Law 83-568 (42 U.S.C. 2001(a)), and the Indian Health Care Improvement Act (25 U.S.C. 1601 et seq.). The Department shall make only one payment per date of service per client.

C. Tribal Federally Qualified Health Center Payment Methodology –
Under section 1905(l)(2)(B) of the Social Security Act (42 U.S.C. 1396d) and the Indian Self-Determination Act (Public Law 93-638), facilities operated by a tribe or tribal organization for the provision of primary health services are, by definition, Federally

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – INDIAN HEALTH CARE SERVICES

Qualified Health Centers (tribal FQHC). A tribal FQHC may bill Colorado Medicaid (Health First Colorado) for covered services on a per-visit basis whether those services are furnished at the facility, outside the facility, or provided by off-site providers, whether tribal or non-tribal providers, under contract to the tribal FQHC. Tribal FQHCs are responsible for contracting the care of their tribal clients with the non-tribal provider.

1. Under the authority of section 1902(bb)(6) of the Social Security Act, tribal facilities that are enrolled with Colorado Medicaid (Health First Colorado) as a tribal FQHC that have agreed through tribal consultation to be paid for FQHC services using an Alternative Payment Methodology (APM) will be paid the Indian Health Service all-inclusive rate (AIR) published annually in the Federal Register. Urban Indian organizations operated FQHCs are ineligible for this payment. Tribal FQHCs may bill the appropriate number of payable daily encounters based on the services that clients receive.

2. Colorado Medicaid (Health First Colorado) will establish a Prospective Payment System (PPS) methodology for the tribal FQHC so that the agency can determine on an annual basis that the published, Indian Health Service all-inclusive rate (AIR) is higher than the PPS rate. The PPS rate will be established by reference to payments to one or more other FQHCs in the same or adjacent areas with similar caseloads. If such an FQHC is not available, the PPS rate will be established by reference to payments to one or more other FQHCs in the same or adjacent areas with a similar scope of services. If there is no FQHC in the same or adjacent area with similar caseloads or similar scope of services, the PPS rate will be based on an average rate of other FQHCs throughout the state. Each year the PPS rate will be compared to the AIR to ensure that the all-inclusive rate is at least equal to the PPS.