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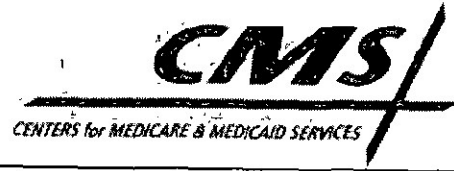
State/Territory Name: Colorado

State Plan Amendment (SPA) #: CO-12-028

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
1600 Broadway, Suite 700
Denver, CO 80202-4967



Region VIII

February 13, 2013

Susan E. Birch, MBA, BSN, RN, Executive Director
Department of Health Care Policy & Financing
1570 Grant Street
Denver, CO 80203-1818

RE: Colorado #12-028

Dear Ms. Birch:

We have reviewed the proposed State Plan Amendment (SPA) submitted under transmittal number (TN) 12-028. Currently, the Department reimburses IHS/638 providers for non-pharmacy Medicaid-covered medical services based on an encounter rate that is set annually by the U.S. Department of Health and Human Services. The new pharmacy reimbursement methodology will reimburse IHS/638 providers an encounter rate once per client, per date of service. Any subsequent claims for the same client on the same date of service will be paid at \$0.00.

Please be informed that this State Plan Amendment was approved today with an effective date of January 1, 2013. We are enclosing the CMS-179 and the amended plan page(s).

If you have any questions concerning this amendment, please contact Cindy Smith at (303) 844-7041.

Sincerely,

/s/

Richard C. Allen
Associate Regional Administrator
Division for Medicaid & Children's Health Operations

cc: Suzanne Brennan
Pat Connally
Barb Prehmus
John Bartholomew
Sharon Parga

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

1. TRANSMITTAL NUMBER
-12-028

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
January 1, 2013

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN

AMENDMENT TO BE CONSIDERED AS A NEW PLAN

AMENDMENT

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

6. FEDERAL STATUTE/REGULATION CITATION

Sections 321(a) & 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)), & Indian Health Care Improvement Act (25 U.S.C. 1601 et seq.)

7. FEDERAL BUDGET IMPACT

a. FFY 12-13 \$ 326,758
b. FFY 13-14 \$ 435,677

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-B, Methods and Standards for Establishing Payment Rates – Indian Health Services

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 (TN 10-013)

10. SUBJECT OF AMENDMENT

Currently, the Department reimburses IHS/638 providers for non-pharmacy Medicaid-covered medical services based on an encounter rate that is set annually by the U.S. Dept of HHS. The new pharmacy reimbursement methodology will reimburse IHS/638 providers an encounter rate once per client per date of service. Any subsequent claims for the same client on the same date of service will be paid \$0.00.

11. GOVERNOR'S REVIEW (Check One)

GOVERNOR'S OFFICE REPORTED NO COMMENT

OTHER, AS SPECIFIED

Governor's letter dated 01 September 2011

COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL.

12. SIGNATURE OF STATE AGENCY OFFICIAL

16. RETURN TO

13. TYPED NAME

Robert C. Douglas

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

Attn: Barbara Prehmus

14. TITLE

Director, Legal Division

15. DATE SUBMITTED

12/31/12

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED

12/31/12

18. DATE APPROVED

2/13/13

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL

1/1/13

20. SIGNATURE OF REGIONAL OFFICIAL

21. TYPED NAME

RICHARD C. ALLEN

22. TITLE

ARA, DMCHO

23. REMARKS

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

STATE OF COLORADO

Attachment 4.19-B

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES –
INDIAN HEALTH SERVICES

Payments to Indian health facilities that are federally recognized and either tribally-operated or operated by the Indian Health Service 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. 2001(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 shall include but 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.

TN No. 12-028
Supersedes TN No. 10-013

Approval Date 2/13/13
Effective Date 1/1/13