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**State/Territory Name: Colorado**

**State Plan Amendment (SPA) #: 18-0015**

This file contains the following documents in the order listed:

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

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Denver Regional Office  
1961 Stout Street, Room 08-148  
Denver, CO 80294



**REGION VIII - DENVER**

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May 17, 2018

Kim Bimestefer, Executive Director  
Department of Health Care Policy & Financing  
303 East 17<sup>th</sup> Avenue, 7<sup>th</sup> Floor  
Denver, CO 80203

Dear Ms. Bimestefer:

We have reviewed the proposed State Plan Amendment (SPA) submitted under transmittal number (TN) 18-0015. This Amendment changes the OPPS Enhanced Ambulatory Patient Grouping System 3406 drug discounting percentage.

Please be informed that this State Plan Amendment was approved today with an effective date of March 11, 2018. We are enclosing the CMS-179 and the amended plan page(s).

In order to track expenditures associated with this amendment, Colorado should follow the CMS-64 reporting instructions outlined in Section 2500 of the State Medicaid Manual (SMM). For those individuals whose expenditures qualify for the newly eligible federal medical assistance percentage report on the Form CMS-64.9 VIII and those not enrolled in the new adult group, claims should be reported on the Form CMS-64.9 Base.

This amendment would affect expenditures reported on Line 6A - Outpatient Hospital Services.

For those providers receiving supplemental payments, claims should be reported on the Form CMS- 64.9 Base.



This amendment would affect expenditures reported on Line 6B - Outpatient Hospital Services - Supplemental Payments

If you have any questions concerning this amendment, please contact Curtis Volesky at (303) 844-7033.

Sincerely,

Mary Marchioni  
Acting Associate Regional Administrator  
Division for Medicaid & Children's Health Operations

cc: Gretchen Hammer  
John Bartholomew  
David DeNovellis  
Russell Ziegler  
Whitney McOwen

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>		1. TRANSMITTAL NUMBER:  <b>18-0015</b>	2. STATE:  <b>COLORADO</b>
<b>FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>		3. PROGRAM IDENTIFICATION: <b>TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)</b>	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE:  <b>March 11, 2018</b>	
5. TYPE OF PLAN MATERIAL ( <i>Check One</i> ):  NEW STATE PLAN                      AMENDMENT TO BE CONSIDERED AS A NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT ( <i>Separate transmittal for each amendment</i> )			
6. FEDERAL STATUTE/REGULATION CITATION:  <b>Social Security Act Section 1902(a)(32)(A)(ii) / 42 CFR 440.20, 447.321</b>		7. FEDERAL BUDGET IMPACT:  a. FFY 2017-18: <b>\$4,076,928</b> b. FFY 2018-19: <b>\$16,307,712</b>	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  <b>Attachment 4.19-B: Methods and Standards for Establishing Payment Rates – Other Types of Care – Section 2a. Outpatient Hospital Services, Page 2c of 6</b>		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT ( <i>If Applicable</i> ):  <b>Attachment 4.19-B: Methods and Standards for Establishing Payment Rates – Other Types of Care – Section 2a. Outpatient Hospital Services, Page 2c of 6 (TN 17-0011)</b>	
10. SUBJECT OF AMENDMENT:  <b>Change the OPSS Enhanced Ambulatory Patient Grouping System 340B drug discounting percentage.</b>			
11. GOVERNOR'S REVIEW ( <i>Check One</i> ):  GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <b>Governor's letter dated 15 January, 2015</b> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO:  <b>Colorado Department of Health Care Policy and Financing 1570 Grant Street Denver, CO 80203-1818</b>  <b>Attn: David DeNovellis</b>	
13. TYPED NAME:  <b>Gretchen Hammer</b>			
14. TITLE:  <b>Medicaid Director</b>			
15. DATE SUBMITTED: <u>Original: March 31, 2018</u> <u>Update #1: April 23, 2018</u>			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED  <b>March 31, 2018</b>		18. DATE APPROVED  <b>May 17, 2018</b>	
<b>PLAN APPROVED – ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL  <b>March 11, 2018</b>		20. SIGNATURE OF REGIONAL OFFICIAL 	
21. TYPED NAME  <b>Mary Marchioni</b>		22. TITLE  <b>Acting ARA, DMCHO</b>	
23. REMARKS			

TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAM

STATE OF COLORADO

ATTACHMENT 4.19B

Page 2c of 6

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

2.a. OUTPATIENT HOSPITAL SERVICES (continued)

4. Terminated Procedures – 50%

- a. Payment for lines describing terminated procedures may be calculated using an EAPG Adjusted Relative Weight of 50% of that EAPG's Relative Weight. Terminated procedures cannot be considered bilateral procedures for the purpose of discounting. Terminated procedures are not subject to other types of discounting.

5. 340B Drug Discounting – 80%

- a. Payment for lines describing 340B drugs may be calculated using an EAPG Adjusted Relative Weight of 80% of that EAPG's Relative Weight.
  - ii. Uses the EAPG software to determine if multiple visits are present on the claim. Visits are differentiated based on the date of service of each line item. Claims with revenue codes describing emergency room or specialty services may be considered single visits.
- b. Outpatient physical therapy services shall be reimbursed under the EAPG methodology.
- c. Outpatient occupational therapy services shall be reimbursed under the EAPG methodology.
- d. Outpatient speech/language therapy services shall be reimbursed under the EAPG methodology.
- e. Outpatient laboratory/pathology services shall be reimbursed under the EAPG methodology.
- f. Outpatient radiology services shall be reimbursed under the EAPG methodology.