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**State/Territory Name: Colorado**

**State Plan Amendment (SPA) #: 19-0025**

This file contains the following documents in the order listed:

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

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, MD 21244-1850



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**Financial Management Group**

December 17, 2019

Tracy Johnson  
Medicaid Director  
Colorado Department of Health Care  
Policy and Financing  
1570 Grant Street  
Denver, Co 80203-1818

Re: Colorado: 19-0025

Dear Ms. Johnson:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 19-0025. Effective for services on or after January 1, 2020, this amendment modifies the reimbursement methodology for long-acting reversible contraceptive (LARC) devices, inserted following delivery, in an inpatient hospital setting.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a) and 1923 of the Social Security Act (the Act) and the regulations at 42 CFR 447 Subpart C. We are pleased to inform you that Medicaid State plan amendment TN 19-0025 is approved effective January 1, 2020. The CMS-179 and the plan page are attached.

If you have any questions, please contact Christine Storey at (303) 844-7044.

Sincerely,



Kristin Fan  
Director

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>  <b>FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>		1. TRANSMITTAL NUMBER:  19-0025	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, 2020	
5. TYPE OF PLAN MATERIAL (Check One):  <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS A NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION:  42 CFR 447.253		7. FEDERAL BUDGET IMPACT:  a. FFY 2019-20: \$0 b. FFY 2020-21: \$0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  Attachment 4.19A – I. Methods and Standards for Establishing Prospective Payment Rates – Inpatient Hospital Services – Page 8 of 64		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  Attachment 4.19A – I. Methods and Standards for Establishing Prospective Payment Rates – Inpatient Hospital Services – Page 8 of 64 (TN 10 –012)	
10. SUBJECT OF AMENDMENT:  Exclude long-acting reversible contraceptive (LARC) devices, inserted following delivery, from the Diagnosis Related Group relative weight calculation.			
11. GOVERNOR'S REVIEW (Check One):  <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED      Governor's letter dated 29 March, 2018 <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL:  		16. RETURN TO:  Colorado Department of Health Care Policy and Financing 1570 Grant Street Denver, CO 80203-1818  Attn: Lauren Reveley	
13. TYPED NAME:  Tracy Johnson			
14. TITLE:  Medicaid Director			
15. DATE SUBMITTED: September 30, 2019			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED		18. DATE APPROVED  DEC 17 2019	
<b>PLAN APPROVED – ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL  01/01/2020		20. SIGNATURE OF REGIONAL OFFICIAL  	
21. TYPED NAME  Kristin Fan		22. TITLE  Director, FMG	
23. REMARKS			

TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAM

ATTACHMENT 4.19-A

State of Colorado

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- f. Effective July 1, 2003 all adjustments outlined in number 2. of this section (Adjustments To The Payment Formula) are suspended.
3. Effective January 1, 2020, long-acting reversible contraceptive (LARC) devices, inserted following a delivery, will be excluded from the DRG relative weight calculation and will be paid according to Fee Schedule as determined by the Department of Health Care Policy and Financing. All rates can be found on the official website [www.colorado.gov/hcpf](http://www.colorado.gov/hcpf).

E. Adjustments For Exempt Providers

1. Exempt hospitals will receive annual modifications to per diem rates based on inflationary adjustments as determined by the Medicare Economic Index. In no case shall the per diem rate granted to an exempt hospital exceed the facility's allowable Medicaid cost per day.
2. Effective October 1, 2001, government-owned mental health institutes shall receive annual modifications to the per diem rates. The rates shall be established to cover 100 percent of the total allowable cost to treat Medicaid clients. Payments are calculated using interim rates and later adjusted to a final rate, as described below:
  - a. Interim Rates. The Colorado Department of Human Services (CDHS) files by November 30 of each year (5 months before the end of the fiscal year) the Medicare cost report for the state mental health institutes. CDHS calculates the interim per diem rates using a 9-month cost report that is identical to the first portion of the Medicare cost report. CDHS divides the total allowable costs (contained in the report) by the number of patient days for each unit in the mental health institutes. Once the CDHS Director of Hospital Services approves this report, the rates are sent to the Department, where the educational component of the rate is "carved out" and the resulting interim rates are put into the MMIS with an effective date of July 1.
  - b. Final Rates and Reconciliation. A Medicare audit is initiated after the Medicare cost report is submitted. Once the Medicare audit is complete, CDHS files the Medicaid cost report, a state-developed report based on the 2552 with some minor adjustments. The state mental health institutes must file the Medicaid cost report four months after the Medicare audit is finalized. The Department initiates the Medicaid audit once the Medicaid cost report has been filed and the Department has access to the necessary expenditure summary data from the MMIS. After the Medicaid audit has been completed, the Department calculates retroactive per diem rates for each of the units in the mental health institutes. These are the state's final rates and are used to complete the cost settlements.
3. Exempt hospitals are eligible for the Major Teaching Hospital and Disproportionate Share Payments.

TN No. 19-0025

Approval Date **DEC 17 2019** Effective Date 1/1/2020

Supersedes TN No. 10-012