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State/Territory Name: Colorado

State Plan Amendment (SPA) #: 19-0033

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
7500 Security Boulevard, Mail Stop S2-14-26
Baltimore, Maryland 21244-1850



Center for Medicaid and CHIP Services

Disabled and Elderly Health Programs Group

March 18, 2020

Mr. John Bartholomew, Chief Financial Officer
Colorado Department of Health Care Policy & Financing
1570 Grant St
Denver, CO 80203-1818

Dear Mr. Bartholomew:

We have reviewed Colorado State Plan Amendment (SPA) 19-0033 received in the Centers for Medicare & Medicaid Services (CMS) Division of Program Operations North Branch on December 23, 2019. This SPA proposes to increase the reimbursement rate for injectable opioid antagonists to average sales price plus 2.2% to reflect the cost of the drug and to maintain access to the drug for Health First Colorado (Colorado Medicaid) clients.

Based on the information provided and consistent with the regulations at 42 CFR 430.20, we are pleased to inform you that SPA 19-0033 is approved with an effective date of November 26, 2019. 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 Division of Program Operations North Branch.

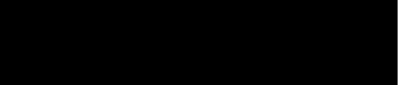

If you have any questions regarding this request, please contact Justin Aplin at (410) 786-6901 or Justin.Aplin@cms.hhs.gov.

Sincerely,

/s/

Cynthia R. Denemark, R.Ph.
Deputy Director
Division of Pharmacy
DEHPG/CMCS/CMS

cc: Tracy Johnson, Medicaid Director Colorado DHCPF
Lauren Reveley Colorado DHCPF
Russ Zigler Colorado DHCPF
James G. Scott, Director Division of Program Operations
Curtis Volesky Division of Program Operations North Branch

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER: 19 - 0033	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: November 26, 2019	
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 Sections 1902(a)(12), 1903(a) / 42 CFR 447 (Subpart I)		7. FEDERAL BUDGET IMPACT: a. FFY 2019-20: \$ <u>178,858</u> b. FFY 2020-21: \$ <u>211,378</u>	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B – Methods and Standards for Establishing Payment Rates – Other Types of Care – Item 12.a. Pharmaceutical Services (Page 2 of 3)		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-B – Methods and Standards for Establishing Payment Rates – Other Types of Care – Item 12.a. Pharmaceutical Services (Page 2 of 3) (TN-18-0003)	
10. SUBJECT OF AMENDMENT: Increase the reimbursement rate for injectable opioid antagonists (Vivitrol) to average sales price plus 2.2% to reflect the cost of the drug and to maintain access to the drug for Health First One (Colorado Medicaid) clients.			
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 29 March, 2018 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: John Bartholomew			
14. TITLE: Chief Financial Officer			
15. DATE SUBMITTED: December 23, 2019			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED December 23, 2019		18. DATE APPROVED March 18, 2020	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL November 26, 2019		20. SIGNATURE OF REGIONAL OFFICIAL  Digitally signed by James G. Scott -S Date: 2020.04.06 11:13:20 -05'00'	
21. TYPED NAME James G. Scott		22. TITLE Director, Division of Program Operations	
23. REMARKS			

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

STATE OF COLORADO

Attachment 4.19-B

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
OTHER TYPES OF CARE

- H. Drugs dispensed by Covered Entities (as defined in the Social Security Act, Section 1927(a)(5)(B)) not purchased through the 340B Pricing Program shall be reimbursed as defined in A.
- I. Drugs acquired through the federal 340B drug pricing program and dispensed by 340B contract pharmacies are not covered.
- J. Physician-administered drugs are reimbursed at the published Medicare Average Sales Price (ASP) Drug Pricing File minus 3.3 percent for drugs included in that file. Physician administered drugs that are not included in the Medicare ASP Drug Pricing File will be reimbursed at Wholesale Acquisition Cost (WAC). Covered entities using drugs purchased at the prices authorized under Section 340B of the Public Health Services Act for Medicaid members must bill Medicaid the 340B purchase price. No professional dispensing fee is applied.
 - 1. Effective November 26, 2019, injectable opioid antagonists are reimbursed at the published Medicare ASP Drug Pricing File plus 2.2%.
- K. Clotting factor dispensed by specialty pharmacies or Hemophilia Treatment Centers shall be reimbursed the lesser of the provider's usual and customary charge to the general-public, or the submitted ingredient cost plus the professional dispensing fee, or the wholesale acquisition cost plus the professional dispensing fee.
- L. Experimental or investigational drugs will not be allowed for reimbursement, except for Stiripentol. Stiripentol may be covered if the coverage has been ordered by the member's physician, has been deemed medically necessary by the Department, and has been authorized for the specific member's use by the U.S. Food & Drug Administration. Investigational drugs are reimbursed at invoice pricing which includes the cost of the drug, and the international regulatory, shipping and handling fees.
- M. Any pharmacy, except a mail order pharmacy, that is the only pharmacy enrolled with the Medical Assistance Program within a twenty-mile radius, may submit a written request to the Department requesting the designation of a rural pharmacy.
- N. In the aggregate, the Medical Assistance Program expenditures for outpatient drugs shall be in compliance with the federal upper limits as set forth in 42 CFR §§447.512 and 447.514.