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State/Territory Name: CO

State Plan Amendment (SPA) CO: 23-0013

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
Center for Medicaid & CHIP Services
233 North Michigan Ave., Suite 600
Chicago, Illinois 60601



Financial Management Group

May 31, 2023

Adela Flores-Brennan, Medicaid Director
Attn: Alex Lyons
Colorado Department of Health Care Policy and Financing
1570 Grant Street
Denver, CO 80203-1818

RE: Colorado State Plan Amendment (SPA) Transmittal Number 23-0013

Dear Ms. Adela Flores-Brennan:

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 March 6, 2023. This plan amendment intends to make the 90% reimbursement of net invoice for outpatient hospital physician-administered drugs permanent.

Based upon the information provided by the State, we have approved the amendment with an effective date of one day after the end of the PHE, or May 12, 2023. 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,

A solid black rectangular box redacting the signature of Todd McMillion.

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

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

1. TRANSMITTAL NUMBER

2 3 — 0 0 1 3

2. STATE

CO

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT

XIX XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

~~End of PHE~~ **May 12, 2023**

5. FEDERAL STATUTE/REGULATION CITATION

Social Security Act, Section 1905(a)(2)(A) / 42 CFR 440.20

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2023 \$ 0
b. FFY 2024 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-B: Methods and Standards for Establishing Payment Rates -- Other Types of Care -- 2a. Outpatient Hospital Services - Page 1 of 1 **Page 2d of 6**

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)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 -- 2a. Outpatient Hospital Services -- Page 2d of 6 (TN # CO-22-0033)

9. SUBJECT OF AMENDMENT

This amendment will make the 90% reimbursement of net invoice for outpatient hospital physician administered drugs permanent.

10. GOVERNOR'S REVIEW (Check One)

- GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL

[REDACTED]

15. RETURN TO

12. TYPED NAME

Adela Flores-Brennan

13. TITLE

Medicaid Director

14. DATE SUBMITTED

~~[FILL IN ON DATE OF SUBMITTAL]~~ **03/06/2023**

FOR CMS USE ONLY

16. DATE RECEIVED

03/06/2023

17. DATE APPROVED

May 31, 2023

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

May 12, 2023

19. SIGNATURE OF APPROVING OFFICIAL

[REDACTED]

20. TYPED NAME OF APPROVING OFFICIAL

Todd McMillion

21. TITLE OF APPROVING OFFICIAL

Director, Division of Reimbursement Review

22. REMARKS

Pen and Ink change authorized by state for box 4 to change effective date to reflect May 12, 2023, which is the Day after the End of the PHE

Pen and Ink authorized by state for box 14 to note Date Submitted as 03/06/2023

TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

STATE OF COLORADO

ATTACHMENT 4.19B
Page 2d of 6

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

2a. OUTPATIENT HOSPITAL SERVICES (continued)

- a. Outpatient nuclear medicine/computerized tomography scans shall be reimbursed under the EAPG methodology.
 - b. Any service not listed here is reimbursed under the existing state plan methodology elsewhere in this section.
2. Effective August 11, 2018, for services meeting the criteria of selected Outpatient Hospital Physician Administered Drugs, as defined by the list of drugs included in the Colorado Department of Health Care Policy and Financing's billing manual accessed through the Department's web site, that would have otherwise been compensated through the EAPGE methodology, a hospital must submit a request for authorization to the Department prior to administration of the drug. If the request is approved and the drug is administered to the patient, then the hospital must submit an invoice showing the actual acquisition cost of the drug before payment will be rendered by the Department. The Department will pay the provider 90% of the net invoice cost.
 3. Effective July 8, 2022, payments for select Outpatient Hospital Opioid Antagonist Drugs that would have otherwise been compensated through the EAPG methodology are reimbursed at either the lower of billed charges or the fee schedule rate posted on the Department's website at <https://hcpf.colorado.gov/provider-rates-fee-schedule>.

4-6. These sections are reserved for future use.

TN No. 23-0013

Approval Date May 31, 2023

Supersedes TN No. 21-0033

Effective Date: 5/12/2023