

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-25-26  
Baltimore, MD 21244-1850



**State Demonstrations Group**

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September 2, 2025

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

Dear Director Flores-Brennan:

The Centers for Medicare & Medicaid Services (CMS) has completed its review of the Serious Mental Illness/Serious Emotional Disturbance (SMI/SED) Implementation Plan, inclusive of the SMI/SED Health Information Technology (Health IT) Plan, for Colorado's section 1115(a) demonstration entitled "Colorado Expanding the Substance Use Disorder (SUD) Continuum of Care" (Project Numbers 11-W-00336/8 and 21-W-00079/8). We have determined the SMI/SED Implementation Plan, inclusive of the SMI/SED Health IT Plan, is consistent with the requirements outlined in the demonstration special terms and conditions (STCs) and are therefore approving it. With this approval, the state may begin receiving federal financial participation as of the date of this letter, for the provision of Medicaid state plan services furnished to otherwise eligible individuals who are primarily receiving treatment for an SMI or SED who are short-term residents in facilities that meet the definition of an institution for mental diseases. A copy of the approved SMI/SED Implementation Plan is enclosed and will be incorporated into the STCs as Attachment F.

We look forward to our continued partnership on the Colorado Expanding the Substance Use Disorder Continuum of Care section 1115(a) demonstration. If you have any questions, please contact your project officer, Kathleen O'Malley, at [Kathleen.OMalley@cms.hhs.gov](mailto:Kathleen.OMalley@cms.hhs.gov).

Sincerely,

Lisa Marunycz Deputy Director, signing for  
Angela D. Garner  
Director  
Division of System Reform Demonstrations

Enclosure

cc: Ronna Bach, State Monitoring Lead, Medicaid and CHIP Operations Group