



COLORADO

Department of Health Care
Policy & Financing

303 E. 17th Ave. Suite 1100
Denver, CO 80203

April 21, 2025

Policy Transmittal: CHP+ 25-01

RE: CHP+ Balance Billing

Dear Managed Care Organizations:

The CHP+ program, as a federally funded Separate CHIP block grant, adheres to the provisions of 42 CFR 457. Since Colorado's S-CHIP program operates through a managed care delivery system, CHP+ also aligns with 42 CFR 438 where applicable. CHIP regulations often cross-reference managed care provisions to ensure alignment.

Under [Section 1932\(b\)\(6\)](#) of the Social Security Act, CHP+ enrollees are protected from balance billing. This provision stipulates that members may not be held financially liable beyond what they would owe if services were provided directly by the managed care organization (MCO). The regulation applies to subcontractors and referral providers, regardless of network status, as long as the services are covered under the member's plan.

Federal references supporting this policy:

- [42 CFR 457.1233\(b\)](#): Specific to Separate CHIP, this provision refers to [42 CFR 438.230](#), ensuring compliance with Medicaid balance billing rules when managed care delivery systems are in place.
- [42 CFR 438.230\(c\)\(2\)](#): Details prohibitions on billing enrollees for covered services, whether provided directly or via referral.

This means that an out-of-network provider authorized to deliver covered services acts as a referral provider under the MCO contract and is therefore prohibited from balance billing members for amounts exceeding the allowed payment. (i.e., no balance billing by providers).¹

Exceptions to this rule include non-covered services or those deemed not medically necessary.

¹ [State Guide to CMS Criteria for Children's Health Insurance Program \(CHIP\) Managed Care Contract Review and Approval](#)



Payment Scenarios and Provider Responsibilities:

- Providers delivering covered services to CHP+ members under an MCO contract or referral arrangement cannot bill the member for any remaining balance not covered by the claim payment.
- For non-emergency or post-stabilization services, hospitals must be in-network to ensure full payment under the MCO contract when treating CHP+ members.

For questions regarding specific claims or cases, the prohibition on balance billing applies equally to in-network and authorized out-of-network providers under the MCO framework. This ensures consistency with Medicaid and aligns with federal standards for managed care contracts under CHIP.

As a reminder, the No Surprises Act prohibits balance billing for emergency services.

Please do not hesitate to reach out for further clarification.

Sincerely,

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Enclosure(s):

cc: Susanna Snyder, Director, Child and Family Health Division

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