



**Legislative
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FISCAL NOTE

Drafting Number: LLS 18-1181
Prime Sponsors: Rep. Young
 Sen. Moreno

Date: March 26, 2018
Bill Status: House Appropriations
Fiscal Analyst: Ryan Long | 303-866-2066
 RyanC.Long@state.co.us

Bill Topic: SUPPLEMENTAL PAYMENT OFFICE-ADMINISTERED DRUGS MEDICAID

**Summary of
Fiscal Impact:**

- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

This bill authorizes HCPF to make supplemental payments to qualified providers that experienced a reduction in reimbursement payments for certain oncology-related drugs. It increases state expenditures in the current FY 2017-18 only.

**Appropriation
Summary:**

For the current FY 2017-18, the bill requires and includes an appropriation of \$754,000 to the Department of Health Care Policy and Financing.

**Fiscal Note
Status:**

The fiscal note reflects the introduced bill. This bill was recommended by the Joint Budget Committee, and is part of its FY2018-19 budget package.

**Table 1
State Fiscal Impacts Under HB 18-1330**

		FY 2017-18	FY 2018-19
Revenue		-	-
Expenditures	General Fund	\$754,000	-
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

This bill authorizes the Department of Health Care Policy and Financing (HCPF) to make supplemental payments to qualified providers who were enrolled with HCPF as of July 1, 2017, provided office-administered drugs under Medicaid between July 1, 2017, and December 31, 2017, and experienced a reduction in reimbursement payments for certain oncology-related drugs as a result of federal rules.

Background

The General Assembly authorized a rebalancing of physician-administered drug rates to average sales price plus 2.5 percent, effective January 1, 2018. To comply with a federal rule regarding covered outpatient drugs, the federal Centers for Medicare and Medicaid Services (CMS) required HCPF to implement this change retroactively to July 1, 2017.

State Expenditures

For the current FY 2017-18, General Fund expenditures will increase for HCPF by \$754,000 to make supplemental payments to qualified providers. The actual distribution of funds will be determined by HCPF based on services provided and the amount of funding lost due to federal rule making.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For the current FY 2017-18, the bill requires and includes an appropriation of \$754,000 General Fund to the Department of Health Care Policy and Financing.

State and Local Government Contacts

Health Care Policy and Financing

Information Technology