

Second Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 18-1181.01 Brita Darling x2241

HOUSE BILL 18-1330

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HOUSE SPONSORSHIP

**Young**, Hamner, Rankin

SENATE SPONSORSHIP

**Moreno**, Lambert, Lundberg

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**House Committees**  
Appropriations

**Senate Committees**

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A BILL FOR AN ACT

101      **CONCERNING A SUPPLEMENTAL STATE PAYMENT RELATING TO**  
102           **CERTAIN OFFICE-ADMINISTERED ONCOLOGY-RELATED DRUGS**  
103           **FOR QUALIFIED PROVIDERS UNDER THE MEDICAL ASSISTANCE**  
104           **PROGRAM WHO EXPERIENCED A REDUCTION IN REIMBURSEMENT**  
105           **PAYMENTS IN THE 2017-18 STATE FISCAL YEAR AS A RESULT OF**  
106           **THE IMPLEMENTATION OF THE FEDERAL FINAL RULES FOR**  
107           **COVERED OUTPATIENT DRUGS, AND, IN CONNECTION**  
108           **THEREWITH, MAKING AN APPROPRIATION.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at*

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
Capital letters or bold & italic numbers indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.

[http://leg.colorado.gov/.](http://leg.colorado.gov/))

**Joint Budget Committee.** The bill authorizes a supplemental payment of state-only money to providers under the medicaid program of certain office-administered drugs relating to oncology who experienced a decrease in aggregate reimbursements in the 2017-18 fiscal year as a result of the implementation of the federal department of health and human services final rule for covered outpatient drugs, 81 FR 5169, published in the federal register on February 1, 2016.

The bill directs the department of health care policy and financing (department) to distribute a supplemental payment to qualified providers, as defined in the bill, and includes provisions for determining the amount of each qualified provider's supplemental payment. The bill authorizes the medical services board to adopt rules as necessary.

The bill appropriates general fund money to the department for the supplemental payment to qualified providers.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** 25.5-4-419 as  
3 follows:

4 **25.5-4-419. Supplemental state payment to qualified providers**

5 **- office-administered drugs - no federal financial participation -**

6 **definition - rules - repeal.** (1) AS USED IN THIS SECTION, UNLESS THE

7 CONTEXT OTHERWISE REQUIRES, "QUALIFIED PROVIDER" MEANS AN ENTITY

8 THAT:

9 (a) WAS ENROLLED WITH THE STATE DEPARTMENT AS OF JULY 1,  
10 2017;

11 (b) PROVIDED OFFICE-ADMINISTERED DRUGS UNDER THE MEDICAL  
12 ASSISTANCE PROGRAM BETWEEN JULY 1, 2017, AND DECEMBER 31, 2017;

13 (c) HAS EXPERIENCED A REDUCTION IN AGGREGATE  
14 REIMBURSEMENT PAYMENTS FOR CERTAIN OFFICE-ADMINISTERED  
15 ONCOLOGY-RELATED DRUGS, AS DETERMINED BY THE STATE DEPARTMENT,  
16 PROVIDED FROM JULY 1, 2017, TO DECEMBER 31, 2017, AS A RESULT OF

1 THE FEDERAL DEPARTMENT OF HEALTH AND HUMAN SERVICES FINAL RULE  
2 FOR COVERED OUTPATIENT DRUGS, 81 FR 5169, PUBLISHED IN THE  
3 FEDERAL REGISTER ON FEBRUARY 1, 2016; AND

4 (d) SATISFIES ANY OTHER CRITERIA SPECIFIED BY RULE OF THE  
5 STATE BOARD.

6 (2) PURSUANT TO SUBSECTION (3) OF THIS SECTION, THE STATE  
7 DEPARTMENT SHALL DISTRIBUTE MONEY APPROPRIATED FOR  
8 SUPPLEMENTAL, STATE-ONLY PAYMENTS TO QUALIFIED PROVIDERS.

9 (3) (a) THE STATE DEPARTMENT SHALL ALLOCATE THE MONEY  
10 APPROPRIATED FOR SUPPLEMENTAL PAYMENTS IN AMOUNTS  
11 PROPORTIONATE TO THE REDUCTION IN REIMBURSEMENT PAYMENTS  
12 RECEIVED BY QUALIFIED PROVIDERS FOR OFFICE-ADMINISTERED DRUGS AS  
13 A RESULT OF THE FEDERAL DEPARTMENT OF HEALTH AND HUMAN  
14 SERVICES FINAL RULE FOR COVERED OUTPATIENT DRUGS, 81 FR 5169,  
15 PUBLISHED IN THE FEDERAL REGISTER ON FEBRUARY 1, 2016.

16 (b) SUBJECT TO SUBSECTION (1)(a) OF THIS SECTION, THE STATE  
17 DEPARTMENT SHALL DETERMINE THE SUPPLEMENTAL PAYMENT FOR EACH  
18 QUALIFIED PROVIDER BASED ON THE FOLLOWING FACTORS:

19 (I) THE DIFFERENCE BETWEEN THE AMOUNT THAT THE QUALIFIED  
20 PROVIDER WOULD HAVE RECEIVED UNDER THE COLORADO MEDICAID FEE  
21 SCHEDULE, EFFECTIVE JUNE 1, 2017, PRIOR TO THE IMPLEMENTATION OF  
22 THE FEDERAL DEPARTMENT OF HEALTH AND HUMAN SERVICES FINAL RULE  
23 FOR COVERED OUTPATIENT DRUGS, 81 FR 5169, PUBLISHED IN THE  
24 FEDERAL REGISTER ON FEBRUARY 1, 2016, AND THE AMOUNT THE  
25 QUALIFIED PROVIDER RECEIVED UNDER THE COLORADO MEDICAID FEE  
26 SCHEDULE, EFFECTIVE JULY 1, 2017, FOR OFFICE-ADMINISTERED DRUGS  
27 PROVIDED BETWEEN JULY 1, 2017, AND DECEMBER 31, 2017;

1           (II) THE SERVICES ACTUALLY PROVIDED BY EACH QUALIFIED  
2 PROVIDER UNDER THE MEDICAL ASSISTANCE PROGRAM FROM JULY 1, 2017,  
3 TO DECEMBER 31, 2017; AND

4           (III) AVAILABLE APPROPRIATIONS.

5           (4) (a) ONCE THE STATE DEPARTMENT HAS DETERMINED THE  
6 AMOUNT OF THE SUPPLEMENTAL PAYMENTS, THE STATE DEPARTMENT  
7 SHALL ALLOW QUALIFIED PROVIDERS TO EXAMINE THE CALCULATION OF  
8 THE PAYMENTS PRIOR TO FINALIZING THE DISTRIBUTION OF FUNDING AND  
9 SHALL CONSIDER FEEDBACK FROM QUALIFIED PROVIDERS PRIOR TO  
10 FINALIZING THE DISTRIBUTION. A QUALIFIED PROVIDER MAY REQUEST  
11 THAT THE STATE DEPARTMENT RECALCULATE THE SUPPLEMENTAL  
12 PAYMENT AMOUNT WITHIN THIRTY DAYS AFTER NOTIFICATION OF THE  
13 SUPPLEMENTAL PAYMENT AMOUNT.

14           (b) THE STATE DEPARTMENT SHALL DISTRIBUTE THE  
15 SUPPLEMENTAL PAYMENTS TO QUALIFIED PROVIDERS NO LATER THAN  
16 DECEMBER 31, 2018. ONCE PAYMENTS HAVE BEEN DISTRIBUTED, THE  
17 STATE DEPARTMENT SHALL NOT RECALCULATE OR RE-ESTIMATE THE  
18 PAYMENTS FOR THE PURPOSE OF CHANGING THE DISTRIBUTION. THE STATE  
19 DEPARTMENT MAY RECOVER PAYMENTS MADE TO A QUALIFIED PROVIDER  
20 PURSUANT TO THIS SECTION IF THE STATE DEPARTMENT DETERMINES THAT  
21 THE PAYMENTS WERE MATERIALLY AFFECTED BY FRAUDULENT CLAIMS  
22 SUBMISSIONS MADE BY THAT QUALIFIED PROVIDER UNDER THE MEDICAL  
23 ASSISTANCE PROGRAM.

24           (5) THE STATE BOARD SHALL ADOPT ANY RULES NECESSARY TO  
25 IMPLEMENT THIS SECTION.

26           (6) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2019.

27           **SECTION 2. Appropriation.** For the 2017-18 state fiscal year,

1 \$754,000 is appropriated to the department of health care policy and  
2 financing. This appropriation is from the general fund. To implement this  
3 act, the department may use this appropriation for supplemental payments  
4 to qualified providers pursuant to section 25.5-4-419, C.R.S. Any money  
5 appropriated in this section that is not expended prior to July 1, 2018, is  
6 further appropriated to the department for the 2018-19 state fiscal year for  
7 the same purpose.

8 **SECTION 3. Safety clause.** The general assembly hereby finds,  
9 determines, and declares that this act is necessary for the immediate  
10 preservation of the public peace, health, and safety.