



## Department of Health Care Policy and Financing

### PUBLIC NOTICE

**October 10, 2012**

#### **Pharmacy Reimbursement**

The Colorado Department of Health Care Policy and Financing is implementing a new methodology to reimburse pharmacies that dispense pharmaceutical products to Medicaid clients. Effective January 1, 2013, the Department will start reimbursing pharmacies using the average acquisition cost (AAC) of a given pharmaceutical product using invoice data collected from Colorado pharmacies. If the Department cannot price pharmaceutical products using AAC, the Department will reimburse a pharmacy using Wholesale Acquisition Cost (WAC).

The Department is transitioning to this new reimbursement methodology to better align Medicaid reimbursement to actual acquisition costs incurred by Colorado pharmacies and to increase the transparency of pharmacy reimbursement to the Medicaid provider community.

The Department expects a five and one-half percent (5.5%) reduction in annual aggregate reimbursement to pharmacies with the change in reimbursement methodologies.

#### **General Information**

The Department will present the new reimbursement methodology to the Department's Medical Services Board meeting on October 12, 2012 and November 9, 2012. The Medical Services Board meeting is open to the public and public comment is permissible. Information on the Medical Services Board can be found at the following address:

<http://www.colorado.gov/cs/Satellite/HCPF/HCPF/1214386651332>.

More information on the change in reimbursement methodologies is also posted on the Department's Web site, [Colorado.gov/hcpf](http://Colorado.gov/hcpf). Written comments may be addressed to: Director, Medical and CHP+ Program Administration Office, Department of Health Care Policy and Financing, 1570 Grant Street, Denver, CO 82023.