



Department of Health Care Policy and Financing

PUBLIC NOTICE

December 10, 2012

Pharmacy Reimbursement

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

The Department is also updating the reimbursement for costs associated with dispensing a drug based on a Cost of Dispensing (COD) survey completed by Colorado pharmacies. A pharmacy's reimbursement for dispensing costs will now be one of four separate dispensing fees based on the pharmacy's total annual prescription volume.

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 reimbursement methodology to the Department's Medical Services Board meeting for final adoption on December 14, 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. Written comments may be addressed to: Director, Clinical Services Office, Department of Health Care Policy and Financing, 1570 Grant Street, Denver, CO 80203.

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demonstrating sound stewardship of financial resources.
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