



COLORADO

Department of Health Care
Policy & Financing

Medical Services Board

MARCH 2018 EMERGENCY JUSTIFICATION FOR MEDICAL ASSISTANCE RULES ADOPTED AT THE MARCH 9, 2018 MEDICAL SERVICES BOARD MEETING

MSB 18-02-12-D - Update to 340B Drug Discount in EAPG and EAPG Rate Maintenance, 10 CCR 2505-10, Section 8.300

For the preservation of public health, safety and welfare

Emergency rule-making is imperatively necessary. Current levels of reimbursement to outpatient hospitals for drugs purchased through the 340B Drug Discount Program are below cost, in some cases significantly, such that client access and subsequent safety is at risk. The Department of Health Care Policy and Financing implemented a prospective payment system for outpatient hospitals on October 31, 2016 but did not have adequate data to forecast the financial impact to hospitals this change would cause. Reducing the discount rate utilized in the payment calculation for 340B drugs will maintain access to care similar to the previously used reimbursement methodology.

HCPF has publicized the change to stakeholders with implementation of 3/11/2018. Stakeholders, including the Colorado Hospital Association and its 340B hospital providers agree that the change is necessary.

This rule change is crucial for the preservation of public health, safety, and welfare.

