

Title of Rule: Revision to the Medical Assistance Act Rule Concerning Inpatient Payment Rates for Opioid Antagonist, Section 8.300.5.D.
Rule Number: MSB 22-11-17-A
Division / Contact / Phone: Fee for Service Rates / Andrew Abalos / 2130

STATEMENT OF BASIS AND PURPOSE

1. Summary of the basis and purpose for the rule or rule change. (State what the rule says or does and explain why the rule or rule change is necessary).

House Bill 22-1326 appropriates funding allowing the Department of Health Care Policy and Financing to reimburse opioid antagonist drugs outside of its current reimbursement methodology. Currently, there is not distinct reimbursement for the opioid antagonist drug Naloxone in the payment bundles used for outpatient hospital payment calculation. This rule change will allow the Department to make payment outside of the payment bundles, creating greater incentive to inpatient hospitals to provide take-home Naloxone to patients at-risk for opioid overdoses.

2. An emergency rule-making is imperatively necessary

to comply with state or federal law or federal regulation and/or
 for the preservation of public health, safety and welfare.

Explain:

House Bill 22-1326 appropriates funding allowing the Department of Health Care Policy and Financing to reimburse opioid antagonist drugs outside of its current reimbursement methodology and assumes implementation within the 2023 state fiscal year.

3. Federal authority for the Rule, if any:

4. State Authority for the Rule:

Sections 25.5-1-301 through 25.5-1-303, C.R.S. (2022);
HB 22-1326

Initial Review
Proposed Effective Date

01/01/23

Final Adoption
Emergency Adoption

12/09/22
DOCUMENT #05

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REGULATORY ANALYSIS

1. Describe the classes of persons who will be affected by the proposed rule, including classes that will bear the costs of the proposed rule and classes that will benefit from the proposed rule.

Persons benefiting from the proposed rule are Health First Colorado patients at-risk for opioid overdoses, as the rule will increase access to an opioid antagonist drug. Inpatient hospitals may bear the cost of the proposed rule when providing Naloxone if the payment rate is less than the acquisition cost of the drug, but in general this will increase the reimbursement rates associated with this drug compared to inaction.

2. To the extent practicable, describe the probable quantitative and qualitative impact of the proposed rule, economic or otherwise, upon affected classes of persons.

Inpatient hospitals may bear the cost of the proposed rule when providing Naloxone if the payment rate is less than the acquisition cost of the drug, but in general this will increase reimbursement rates associated with this drug compared to inaction. The benefits of this rule are a probable reduction in deaths relating to opioid overdoses within the Health First Colorado population.

3. Discuss the probable costs to the Department and to any other agency of the implementation and enforcement of the proposed rule and any anticipated effect on state revenues.

The probable costs to the Department were considered in HB 22-1326. However, the Department is also seeking State Plan authority from Centers for Medicare and Medicaid Services for this modified payment method. This authority will allow for federal funding, thereby reducing the cost of this change to the State of Colorado.

4. Compare the probable costs and benefits of the proposed rule to the probable costs and benefits of inaction.

A probable benefit to the rule is wider distribution of a life-saving drug to the portion of the Health First Colorado population at-risk for opioid overdoses, in comparison to our current authority, which does not provide additional payment for take-home Naloxone.

5. Determine whether there are less costly methods or less intrusive methods for achieving the purpose of the proposed rule.

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There are no less or intrusive methods for achieving the purpose of the proposed rule.

6. Describe any alternative methods for achieving the purpose for the proposed rule that were seriously considered by the Department and the reasons why they were rejected in favor of the proposed rule.

The Department considered modification of its DRG payment bundles in order to better accommodate the cost

1 **8.300 HOSPITAL SERVICES**

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6 **8.300.5 Payment for Inpatient Hospital Services**

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10 **8.300.5.D ~~Long-Acting Reversible Contraceptives~~ APR-DRG Payment Methodology**

11 **Exclusions**

12 1. Long-acting reversible contraceptives (LARC) devices, inserted following a delivery, are
13 excluded from the DRG Relative Weight calculation and are paid according to the
14 Department's fee schedule.

15 2. Pursuant to § 25.5-5-509, C.R.S. opiate antagonists identified by the Department shall be
16 paid according to the Department's fee schedule when dispensed to a medical
17 assistance recipient upon discharge.

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