



Dear Physician Practice Owner or Hospital Administrator,

If drug purchase records have already been sent, we thank you for your participation with this project and ask that you please disregard this email.

Myers and Stauffer LC, a national certified public accounting (CPA) and consulting firm, has been contracted to study the average acquisition costs (AAC) of physician administered drugs (PAD) and drugs administered or dispensed by hospitals for outpatient services.

The drug purchase information obtained from this survey will be used to evaluate and compare the current Health First Colorado fee-for-service drug reimbursement models PADs and drugs administered or dispensed by hospitals for outpatient services to one that is based on the providers' acquisition cost of drugs. The current reimbursement models being utilized are the Enhanced Ambulatory Patient Grouping (EAPG) system for drugs used for outpatient services and a Colorado-specific fee schedule for PADs.

It is ensured that the market conditions facing your facility are included in the analysis of AAC reimbursement rates by submitting invoices and participating in the survey. The information provided is vital to the Department of Health Care Policy & Financing goal of successfully evaluating and considering alternative reimbursement methodologies for all parties. **We are asking your facility to provide the following information by January 31, 2021:**

Copies of records such as invoices, reflecting all (brand and generic) drug purchases for PADs or drugs administered or dispensed for outpatient services that were transacted with all wholesale suppliers, distributors or drug manufacturers between **October 1, 2020 - October 31, 2020**.

These records are to be limited to drug ingredient costs only. All costs that are not drug ingredient costs, such as those for shipping, storage, or other administrative costs are **not to be included** with these records.

Information can be submitted in printed or electronic format and should include the following information:

- National Drug Code (NDC)
- Purchase price of drug (drug ingredient cost only)
- Quantity purchased
- Purchase date for each product
- "Item number"-to-NDC crosswalk, if item numbers or other proprietary nomenclature is used on your invoices

Instead of manually submitting invoice records, you may contact your supplier and request that the supplier forward a copy of your purchasing history (as described above) for the requested period directly to Myers and Stauffer.

Information should be mailed, faxed *or* emailed immediately, but **no later than January 31, 2021:**

**Myers and Stauffer LC  
Attention: CO PAD & Outpatient Drugs AAC Study  
800 E 96th Street  
Suite 200  
Indianapolis, IN 46240**

**Fax - 317-566-3203**

**Notes:**

- Indicate "CO PAD & Outpatient Drugs AAC Study" in the subject line.
- Information submitted will not be returned. Copies or electronic files of records are preferred.
- All purchase price information submitted for this project will remain confidential.

Thank you for your participation in this survey. Participation ensures that rates are accurately reflected for the marketplace in Colorado.

Contact Darold Barnes, RPh or Susan Parr, CPhT at 1-800-591-1183 with any questions.

Thank you,

Department of Health Care Policy & Financing

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*Please do not reply to this email; this address is not monitored.*

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