Title of Rule:	Revision to the Pharmaceutical Rule to Implement HB 05-1131, Redispensing Unused Medication
Rule Number:	MSB 06-01-26-A
Division / Contact / Phone:	Rates and Data / Jed Ziegenhagen / 3200

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).

   The purpose of the rule is to implement HB 05-1131 allowing a pharmacist to resdispense unused medications provided to Medicaid clients

2. An emergency rule-making is imperatively necessary

   ☒ to comply with state or federal regulation and/or

   ☐ for the preservation of public health, safety and welfare.

   Explain:

   This rule making is imperatively necessary to comply with HB 05-1131 which requires pharmacists to reimburse the Department for the Medicaid allowable reimbursement charge that the Department has paid to the pharmacist if medications are returned to a pharmacist and the medications are available to be dispensed to another person.

3. Federal authority for the Rule, if any:

4. State Authority for the Rule:

   25.5-1-301 through 25.5-1-303, C.R.S. (2005);
   HB 05-1131, as codified in 26-4-406.3, C.R.S. (2005)

Initial Review		Final Adoption	**03/10/06**
Proposed Effective Date	**02/10/06**	Emergency Adoption	**02/10/06**

DOCUMENT # 1

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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.

   Pharmacists participating in the Medicaid program who choose to accept unused medication from a hospital, hospital unit, hospice, nursing care facility, or assisted living residence that is required to be licensed pursuant to section 25-3-101, C.R.S., or a licensed health care provider for the purpose of dispensing the medication to another person will be affected by the proposed rule.

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

   Participating pharmacists will be affected by the proposed rule because they must reimburse the Department for the Medicaid allowable reimbursement charge (cost of medication and dispensing fee) that the Department has paid to the participating pharmacist if medications are returned to a participating pharmacist and the medications are available to be dispensed to another person. There is no additional fee for restocking or reimbursement to the participating pharmacist related to this proposed rule.

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.

   There is no system cost to the Department related to the proposed rule. A process already exists in the Medicaid Management information System (MMIS) for pharmacist to credit back the unused drugs, so no system changes are necessary. HB 05-1131 reduced the Medical Service Premium line item within the Department's FY 05-06 budget by $733,970 in anticipated savings from enacting this rule.

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

   Inaction would mean that the Department is out of compliance with HB 05-1131. HB 05-1131 reduced the Medical Service Premium line item within the Department's FY 05-06 budget by $733,970 in anticipated savings from enacting this rule. If there were inaction, these anticipated savings would not be realized.

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

   No alternative methods for achieving the purpose of the proposed rule were considered.

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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.

   No alternative methods for achieving the purpose of the proposed rule were considered.

8.880 REIMBURSEMENT FROM PHARMACISTS REDISPENSING UNUSED MEDICATION

A. A pharmacist participating in the medical assistance program may accept unused medication from a hospital, hospital unit, hospice, nursing care facility, or assisted living residence that is required to be licensed pursuant to section 25-3-101, C.R.S., or a licensed health care provider for the purpose of dispensing the medication to another person.

B. A pharmacist shall reimburse the Department for the Medicaid allowable reimbursement charge that the Department has paid to the pharmacist if medications are returned to a pharmacist and the medications are available to be dispensed to another person.