

Gary R. Feldman, MD, FACR
President

March 15, 2023

Madelaine A. Feldman, MD, FACR
VP, Advocacy & Government Affairs

Senate Commerce and Consumer Protection Committee
200 E Colfax Ave
Denver, CO 80203

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HEADQUARTER OFFICE

Ann Marie Moss
Executive Director

Re: HB 1225

The Coalition of State Rheumatology Organizations (CSRO) is a national organization composed of over 30 state and regional professional rheumatology societies, including our member organization in Colorado. CSRO was formed by physicians to ensure excellence and access to the highest quality care for patients with rheumatologic, autoimmune, and musculoskeletal disease. It is with this in mind that we write to you regarding HB 1225.

As you consider HB 1225, CSRO would like to reiterate the importance of ensuring that the bill does not impede the viability of furnishing provider administered drugs on an outpatient basis. In 2021, CSRO shared the below questions related to this issue, and is continuing to seek clarification on this issue as the legislature considers HB 1225 CSRO encourages the legislature to consider how reimbursement for provider administered drugs could be amended to accommodate the associated costs of administration.

Practices that engage in the administration of provider administered drugs on an outpatient basis are engaged in a practice known as “buy and bill.” These practices pre-purchase drugs and bill a payer for reimbursement once they are administered to a patient. Margins for practices engaged in buy and bill are thin. In order to maintain the viability of administering drugs in this setting, reimbursement must account for overhead costs such as intake and storage, equipment and preparation, staff, facilities, and spoilage insurance. Reimbursement rates that do not consider these costs risks practices being unable to furnish these services. As a result, any upper payment limit set by the Affordability Review Board established by HB 1225 must consider such costs.

Indeed, the application of the upper payment limit under existing law appears to suggest that there will be one rate for both purchase and reimbursement of the drug. In order to appropriately account for the aforementioned costs there should in fact be a spread between the purchasable rate ceiling and the reimbursable rate ceiling that covers provider overhead costs. If the upper payment limit set by the board does not account for this, the viability of furnishing provider administered drugs in our care setting will be severely hampered. This will not only reduce access for your constituents, but will likely push the administration of provider administered drugs into higher cost setting of care.

Gary R. Feldman, MD, FACR
President

We appreciate your consideration of our comments.

Madelaine A. Feldman, MD, FACR
VP, Advocacy & Government Affairs

Respectfully,

Michael Saitta, MD, MBA
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