

HEALTH WEALTH CAREER

COLORADO DEPARTMENT OF HEALTH CARE POLICY & FINANCING (HCPF)

PROFESSIONAL DISPENSING FEE SURVEY

April 6, 2018

Presenters

Tom Leahey, HCPF

Jim Cook, Mercer

Scott Banken, Mercer

Shawna Kittridge, Mercer



AGENDA

WHAT WE'LL COVER TODAY



COVERED OUTPATIENT DRUGS
FINAL RULE

PROFESSIONAL DISPENSING FEE
SURVEY

SUGGESTIONS — Q&A

PROFESSIONAL DISPENSING FEE SURVEY COVERED OUTPATIENT DRUGS FINAL RULE



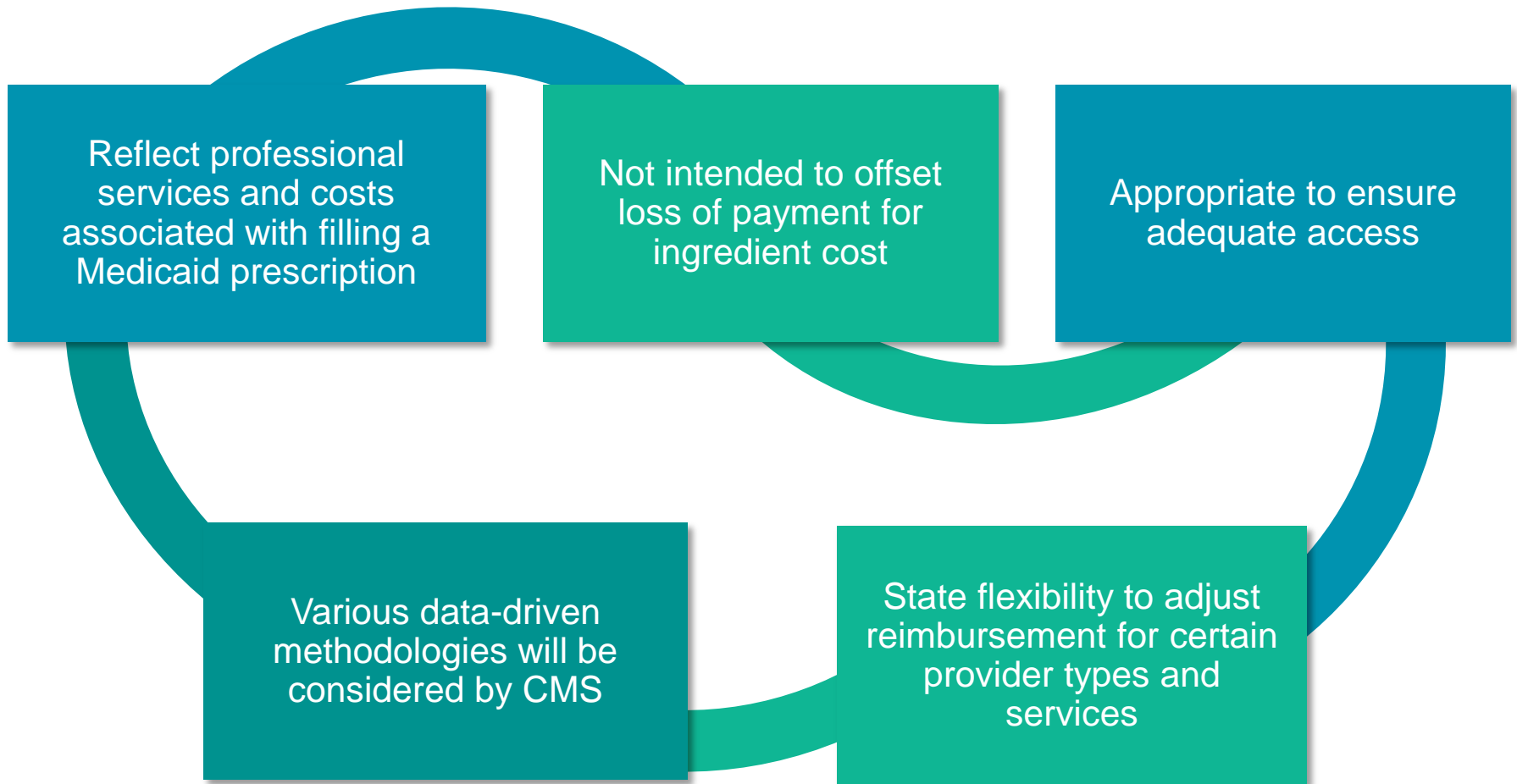
COLORADO'S AAC PROGRAM COMPLIANCE WITH THE COVERED OUTPATIENT DRUGS FINAL RULE

Colorado already meets the ingredient and professional dispensing fee requirements of the final rule

- HCPF reimburses pharmacies based on a state-specific AAC program for ingredient costs
- HCPF's approved State Plan requires a cost of dispensing fee survey every two state fiscal years
- HCPF contracted with Mercer to conduct a new professional dispensing fee survey

HCPF will use the results to review how the current dispensing fees compare to the current costs of dispensing

PROFESSIONAL DISPENSING FEES FINAL RULE REQUIREMENTS



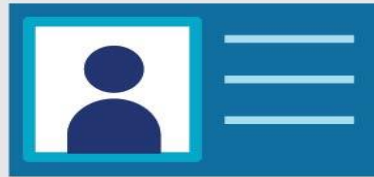
PROFESSIONAL DISPENSING FEE SURVEY

WHY



HCPF is conducting a Professional Dispensing Fee survey

WHO



All Colorado Medicaid FFS participating pharmacies

HOW




Mercer will:

- Collect provider input
- Administer survey
- Conduct statistical analysis
- Produce report for HCPF


PROFESSIONAL DISPENSING FEE SURVEY SURVEY WEBSITE

Mercer's website
for HCPF
survey activities



<https://ghscapps.mercer.com/COpharmacy/>

Questions and
survey support



CODSurvey@mercer.com

PROFESSIONAL DISPENSING FEE SURVEY CHECKLIST — WHAT YOU'LL NEED

PREPARING FOR THE SURVEY — RESOURCES NEEDED



Financial statements or tax returns

From last completed fiscal year
(12 months)



Demographic information

Pharmacy contact information and
pharmacy type



Prescription counts

For same time period as financial
statements or tax returns



Floor plans

Showing square footage or
measurements of the pharmacy
(prescription) area and the non-
pharmacy (retail) area



Certification

Signature required (electronic or printed
and scanned)

PROFESSIONAL DISPENSING FEE SURVEY CONSIDERATIONS FOR TYPES OF COSTS

CONSIDERATIONS FOR TYPES OF COSTS

Direct pharmacy
costs

Indirect pharmacy
costs

Direct non-pharmacy
costs

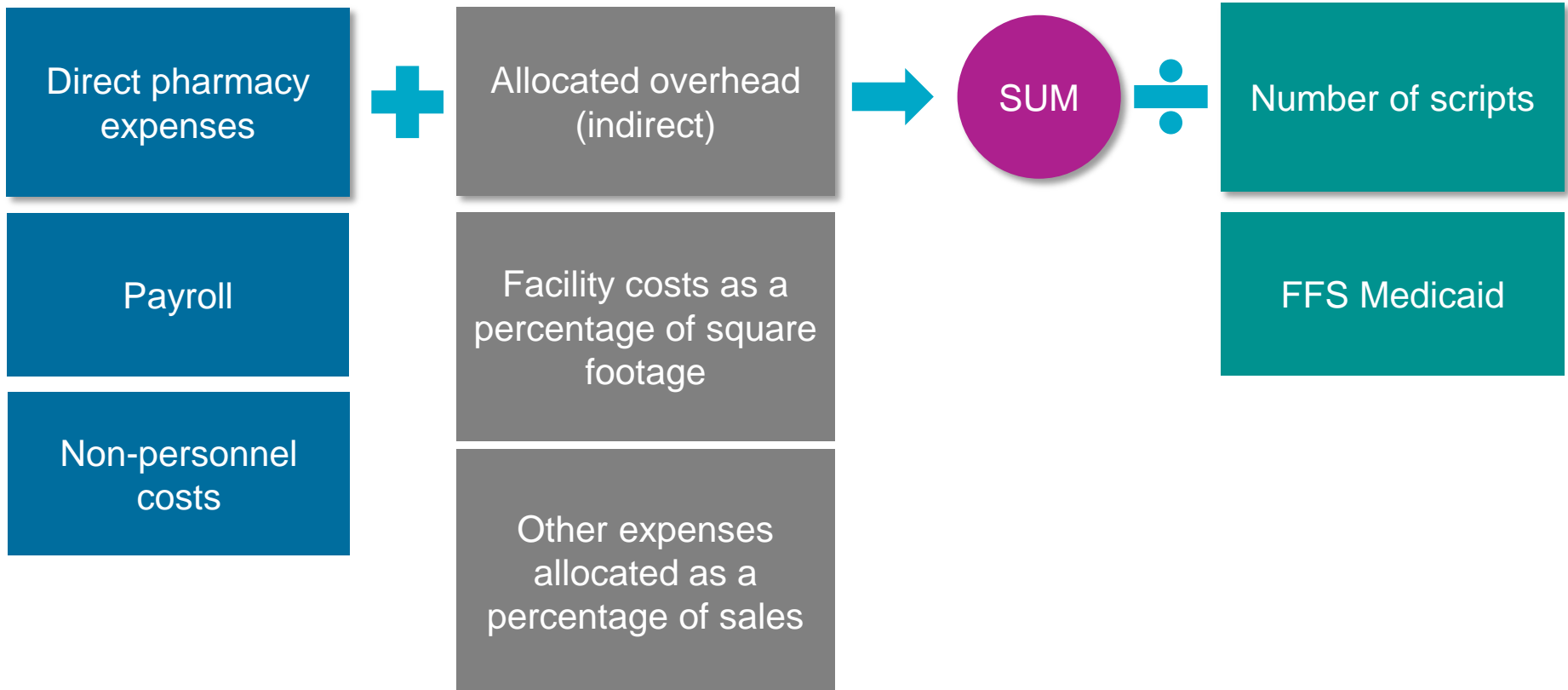
Unallowable costs
based on
Code of Federal
Regulations
(2CFR200.400-475)

Facility costs
Other administrative
costs

Lobbying
Advertising
Bad debt
Income tax

PROFESSIONAL DISPENSING FEE SURVEY

TOTAL CALCULATION



PROFESSIONAL DISPENSING FEE SURVEY

ENTERING DATA

PROFILE INFORMATION

For identification and explanation of certain costs

For comparison groups and to identify statistically significant causes in varying rates

- Was there a change in pharmacy ownership during the reporting period?
- Was the pharmacy open the entire year?
- Is one or more of the pharmacists who fill prescriptions at this location also an owner of the store or chain?
- How many hours per week is the pharmacy department open? (maximum of 168 hours)

PROFESSIONAL DISPENSING FEE SURVEY

ENTERING DATA

PRESCRIPTION STATISTICS

How many were filled by this pharmacy during the reporting period?

- How many FFS Medicaid prescriptions were filled during the reporting period?

How many were compounded?

- How many FFS Medicaid prescriptions were compounded?

How many were delivered?

- How many FFS Medicaid prescriptions were delivered to members?

PROFESSIONAL DISPENSING FEE SURVEY

ENTERING DATA

SALES AND COST OF GOODS SOLD

Sales (Pharmacy)

- Prescription sales other than Over-the-Counter (OTC) dispensed by a pharmacist
- OTC sales dispensed by pharmacy department with a prescription

Sales (Non-Pharmacy)

- OTC sales by staff not in pharmacy department
- Portion of federal grants attributable to pharmacy, if any
- Other sales such as retail sales and HCPCS billed services

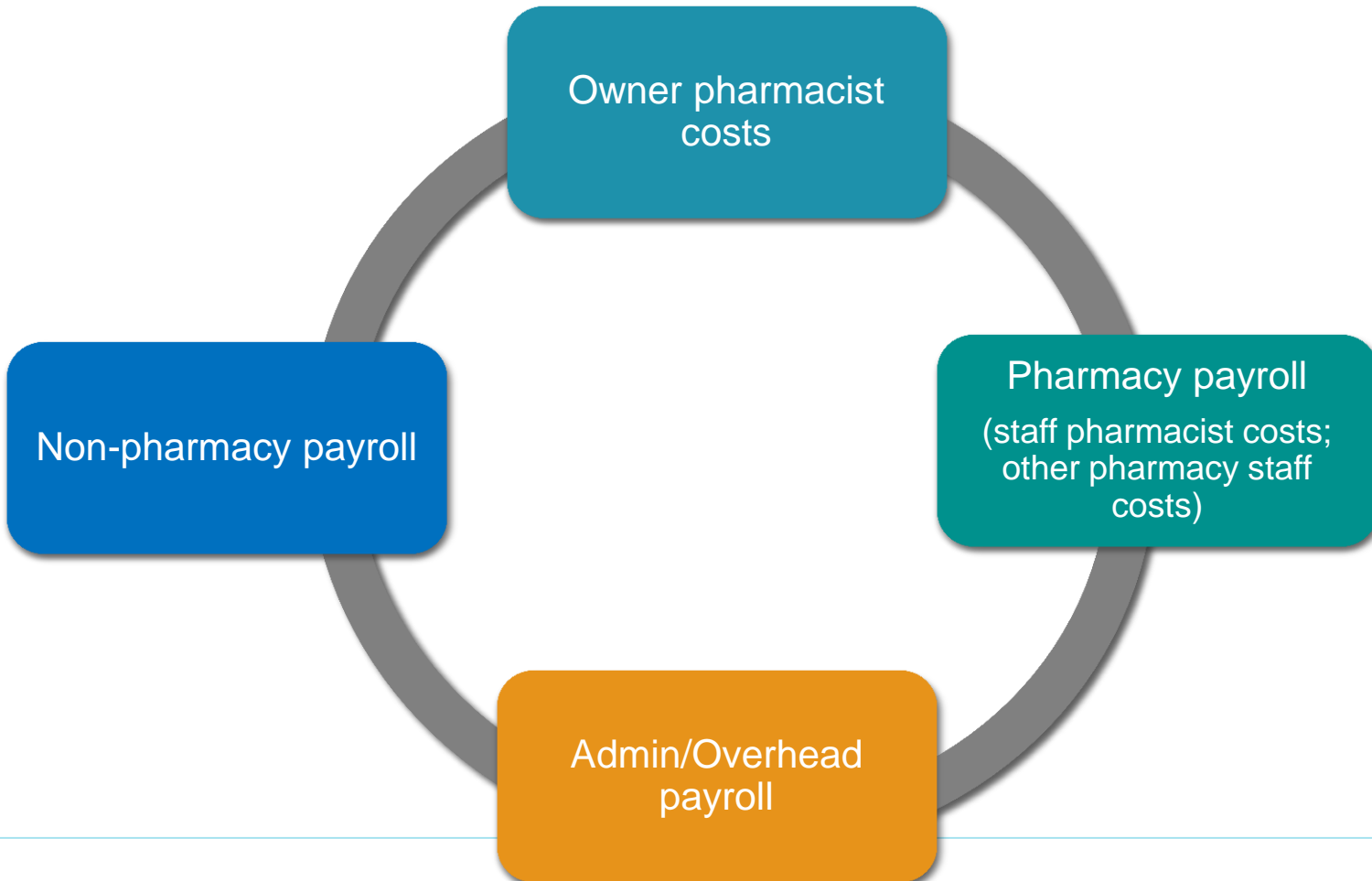
Cost of Goods Sold (COGS)

- Pharmaceuticals
Note: This will not be included in the dispensing fee calculation
- Non-pharmacy COGS

PROFESSIONAL DISPENSING FEE SURVEY

ENTERING DATA

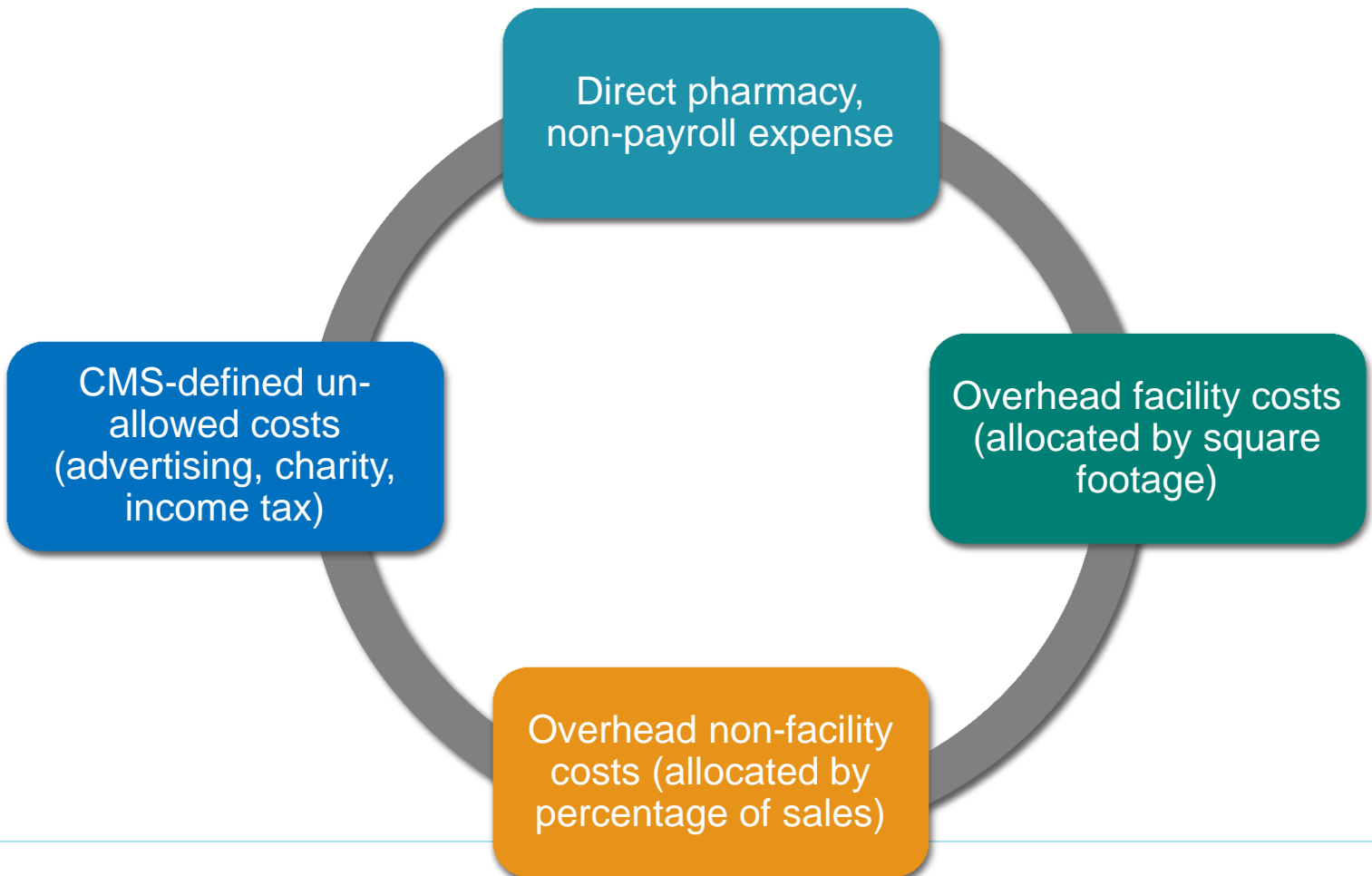
PAYROLL EXPENSES



PROFESSIONAL DISPENSING FEE SURVEY

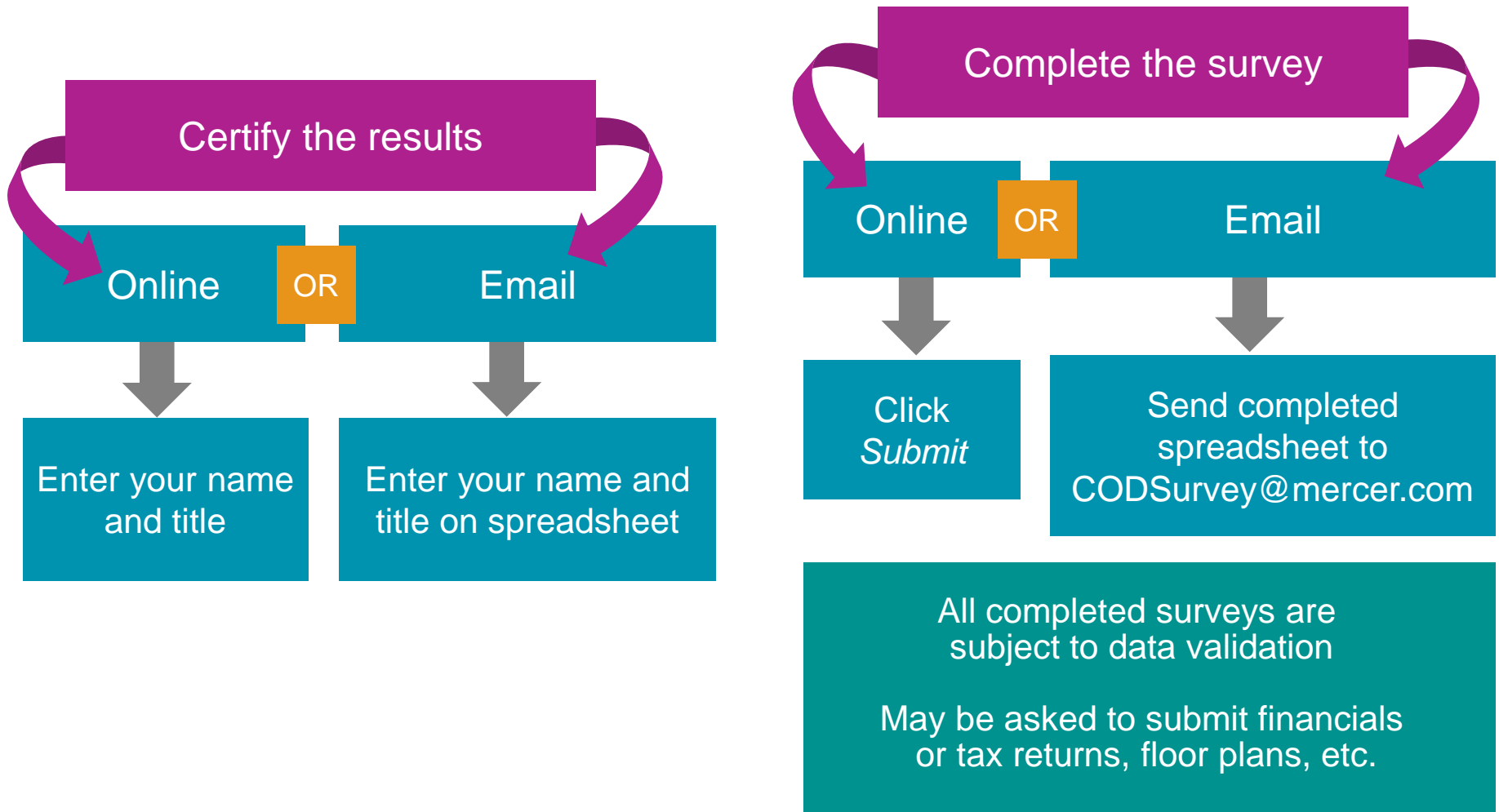
ENTERING DATA

NON-PAYROLL EXPENSES AND UNALLOWED COSTS



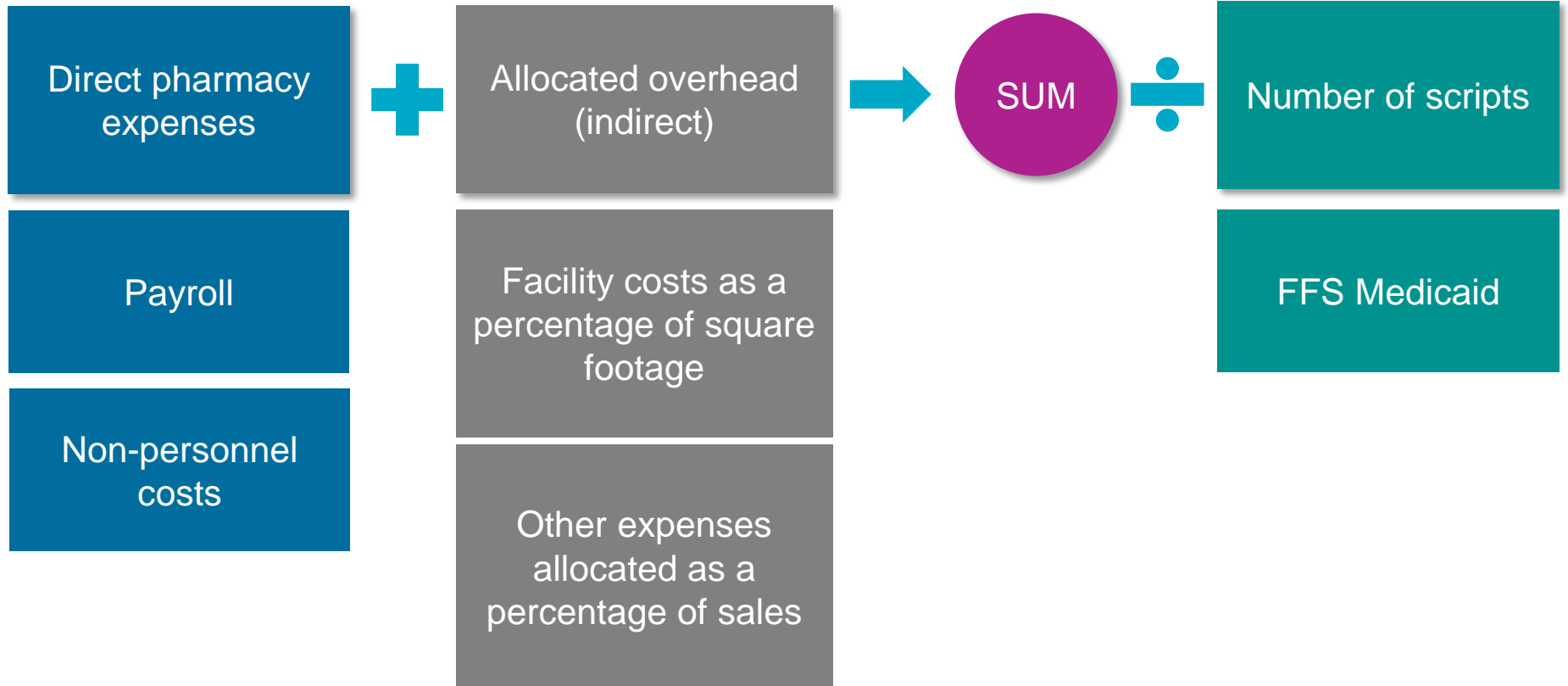
PROFESSIONAL DISPENSING FEE SURVEY

SUBMITTING THE SURVEY



PROFESSIONAL DISPENSING FEE SURVEY

TOTAL CALCULATION



PROFESSIONAL DISPENSING FEE SURVEY

WHEN



The survey collection period is
March 29 – April 23, 2018

HOW



- Mercer's Colorado survey website at <https://ghscapps.mercer.com/COpharmacy/>
- Mercer's survey email box: CODSURVEY@mercerc.com



QUESTIONS/INPUT

Via phone or Webex chat

After webinar please email additional questions or input to CODSurvey@mercer.com

MAKE



**TOMORROW,
TODAY**