



Fiscal Note
Legislative Council Staff
Nonpartisan Services for Colorado’s Legislature

SB 25-084: MEDICAID ACCESS TO PARENTERAL NUTRITION

Prime Sponsors:

Sen. Mullica; Simpson
Rep. Bradfield; Rydin

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Fiscal note status: This revised fiscal note reflects the reengrossed bill.

Summary Information

Overview. The bill requires the Department of Health Care Policy and Financing to establish Medicaid reimbursement rates for parenteral nutrition that encourage participation from infusion pharmacies.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- State Expenditures

Appropriations. For FY 2025-26, the bill requires and includes an appropriation of \$109,664 to the Department of Health Care Policy and Financing.

Table 1
State Fiscal Impacts

Type of Impact ¹	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures	\$109,663	\$219,326
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

¹ Fund sources for these impacts are shown in the table below.

Table 1A
State Expenditures

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund	\$54,832	\$109,663
Cash Funds	\$0	\$0
Federal Funds	\$54,832	\$109,663
Centrally Appropriated	\$0	\$0
Total Expenditures	\$109,663	\$219,326
Total FTE	0.0 FTE	0.0 FTE

Summary of Legislation

The bill requires the Department of Health Care Policy and Financing (HCPF) to establish Medicaid dispensing fee rates that encourage an adequate level of market participation from infusion pharmacies that prepare and dispense parenteral nutrition (TPN) by January 1, 2026. In the program's first year, dispensing fee rates are capped at 30 percent of the infusion pharmacy's administrative cost to prepare and dispense TPN.

By November 1, 2026, and each year thereafter, the department must report certain data to the General Assembly including the number of new infusion pharmacies participating in the state Medicaid program.

Background

Parenteral nutrition is a method of providing nutritional support directly into the bloodstream through a catheter. Colorado's Medicaid program, Health First Colorado, reimburses infusion pharmacy providers for parenteral nutrition claims for both children and adults. Each reimbursement includes a dispensing fee to cover the provider's cost of preparing the infusion, which consists of measuring and combining multiple compounds.

Assumptions

The fiscal note assumes that a \$235.86 dispensing fee per claim reflects the actual administrative costs for pharmacies to provide complex infusion services, as reported by four current Medicaid pharmacies. In the first year, HCPF is required to cap the fee at 30 percent of this cost, or \$70.76. In future years, the fiscal note assumes that HCPF will maintain the 30 percent cap until participation can be assessed and future legislation or budget action is taken to adjust the rate for adequate market participation. Some expenditure impacts could shift if the fee amount changes.

The fiscal note also assumes that members who require parenteral nutrition already receive it due to the nature of its medical necessity. Any utilization increases from members who currently pay out-of-pocket and can now access therapy under Medicaid is assumed to be small. As such, the fiscal note does not reflect an increase in total claims.

State Expenditures

The bill increases state expenditures in HCPF by about \$110,000 in FY 2025-26 and \$219,000 in future years. These costs, split between the General Fund and federal funds, are discussed below. The bill also minimally affects workload in the Department of Regulatory Agencies and the Department of Law.

Department of Health Care Policy and Financing

HCPF expenditures for parenteral nutrition dispensing fees will increase by an estimated \$110,000 in FY 2025-26 and \$219,000 in future years. The amount of fees will depend on a variety of factors, including the prevalence of members who use the service, number of participating pharmacy providers, and federal matching funds.

The fiscal note assumes that:

- an infusion pharmacy's administrative cost to prepare TPN is \$235.86 per claim;
- the dispensing fee will increase to 30 percent of an infusion pharmacy's administrative cost in calendar year 2026 and remain constant in future years;
- the number of eligible members and claims will remain constant; and
- parenteral nutrition infusion is eligible for a 50 percent federal match.

Based on these assumptions, the department will receive about 3,700 claims each year and compensate pharmacy providers at a rate of \$70.76 per claim in 2026 – a \$58.80 increase from the current fee of \$11.91. Claims are prorated in the first year based on a January 1, 2026, start date.

Other Agency Impacts

The bill increases workload in the Department of Regulatory Agencies to conduct outreach to registered pharmacists and the Department of Law to provide legal counsel related to rulemaking and ongoing administration of the program. This workload is expected to be minimal and can be accomplished within existing appropriations.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2025-26, the bill requires and includes the following appropriations to the Department of Health Care Policy and Financing:

- \$54,832 from the General Fund; and
- \$54,832 from federal funds.

State and Local Government Contacts

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Regulatory Agencies