

CHAPTER 275

HEALTH CARE POLICY AND FINANCING

SENATE BILL 25-084

BY SENATOR(S) Mullica and Simpson, Amabile, Cutter, Exum, Gonzales J., Jodeh, Kipp, Michaelson Jenet, Snyder, Wallace, Weissman;
also REPRESENTATIVE(S) Bradfield and Rydin, Bacon, Bird, Boesenecker, Brown, Clifford, Duran, English, Froelich, Gilchrist, Gonzalez R., Hamrick, Lieder, Lindsay, Lukens, Marshall, McCormick, Paschal, Phillips, Ricks, Rutinel, Sirota, Stewart K., Titone.

AN ACT

CONCERNING THE ADEQUACY OF THE INFUSION PHARMACY NETWORK SUPPLYING PARENTERAL NUTRITION TO MEDICAID MEMBERS, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Legislative declaration. (1) The general assembly finds and declares that:

(a) Parenteral nutrition is a feeding method that bypasses the gastrointestinal tract and delivers nutrition directly into a patient's veins. Parenteral nutrition is the only way for some patients with significant feeding and digestion disabilities to survive. Children who need parenteral nutrition may need it their entire lives.

(b) Because parenteral nutrition is highly regulated and specially formulated for each individual patient, it is expensive to produce and store, according to data from the American Society for Parenteral and Enteral Nutrition. Infusion pharmacies that make parenteral nutrition and other in-home infusion medications must dedicate time, training, and facilities to their formulation. Infusion pharmacies must produce parenteral nutrition daily, with frequent formulation changes, and must ensure that the parenteral nutrition meets all safety and quality regulations.

(c) According to recent data from the American Society for Parenteral and Enteral Nutrition, because of recent financial pressures, many infusion pharmacies have stopped supplying parenteral nutrition across the nation, particularly for children. As a result, medical providers spend more time locating infusion

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

pharmacies that will agree to serve the medical providers' patients, who risk losing access to medically necessary and life-saving parenteral nutrition treatment.

(d) Federal law establishes early and periodic screening, diagnosis, and treatment requirements as the cornerstone medicaid health coverage for children. Pursuant to 42 U.S.C. sec. 1396 and sec. 1396d (r)(5), children enrolled in medicaid are eligible for early and periodic screening, diagnosis, and treatment benefits. As a result, the state must ensure that children enrolled in medicaid have timely access to medically necessary health care in the most appropriate setting.

(e) It is not clear if the medicaid reimbursement methodologies that are currently in place in Colorado are sufficient to cover the extensive costs of producing parenteral nutrition and other specialty pharmaceuticals.

(2) Therefore, the general assembly declares that it is necessary to ensure that Colorado medicaid members have access to an adequate network of infusion pharmacies supplying parenteral nutrition.

SECTION 2. In Colorado Revised Statutes, **add** 25.5-5-519 as follows:

25.5-5-519. Pharmacy reimbursement - parenteral nutrition - report - definitions. (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "INFUSION PHARMACY" MEANS A PRESCRIPTION DRUG OUTLET THAT PREPARES AND DISPENSES A SOLUTION THAT INCLUDES PARENTERAL NUTRITION FOR DIRECT ADMINISTRATION INTO A PATIENT'S BLOODSTREAM. THE SOLUTION MAY CONTAIN MEDICATIONS OR OTHER TREATMENTS AND MAY BE ADMINISTERED IN A PATIENT'S HOME OR IN A HEALTH-CARE FACILITY.

(b) "PARENTERAL NUTRITION" MEANS A FORM OF NUTRITIONAL SUPPORT THAT PROVIDES A PATIENT WITH NEEDED NUTRIENTS, INCLUDING, AT A MINIMUM, CARBOHYDRATES, AMINO ACIDS, AND LIPIDS, THROUGH AN INTRAVENOUS INFUSION.

(2) (a) UPON RECEIVING ANY NECESSARY FEDERAL APPROVAL PURSUANT TO SUBSECTION (2)(c) OF THIS SECTION, BEGINNING ON OR BEFORE JANUARY 1, 2026, THE STATE DEPARTMENT SHALL CREATE SPECIFIC PROFESSIONAL DISPENSING FEES FOR THE PREPARATION AND DISPENSING OF PARENTERAL NUTRITION TO ENCOURAGE AN ADEQUATE LEVEL OF MARKET PARTICIPATION AMONG INFUSION PHARMACIES.

(b) DURING THE YEAR BEGINNING JANUARY 1, 2026, THE SPECIFIC PROFESSIONAL DISPENSING FEES MUST NOT EXCEED THIRTY PERCENT OF INFUSION PHARMACY ADMINISTRATIVE COSTS FOR THE PREPARATION AND DISPENSING OF PARENTERAL NUTRITION.

(c) THE STATE DEPARTMENT SHALL SEEK FEDERAL AUTHORIZATION, AS NECESSARY, TO IMPLEMENT THE PROFESSIONAL DISPENSING FEES PURSUANT TO THIS SUBSECTION (2).

(3) NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I), ON OR BEFORE NOVEMBER 1, 2026, AND ON OR BEFORE EVERY NOVEMBER 1 THEREAFTER, THE STATE

DEPARTMENT SHALL, WITHIN EXISTING APPROPRIATIONS, REPORT IN ITS PRESENTATION TO THE JOINT BUDGET COMMITTEE AND ITS "SMART ACT" HEARING HELD PURSUANT TO SECTION 2-7-203 ON:

(a) THE TOTAL NUMBER AND GEOGRAPHIC DISTRIBUTION OF INFUSION PHARMACIES THROUGHOUT COLORADO THAT PROVIDE PARENTERAL NUTRITION TO MEMBERS;

(b) THE NUMBER OF NEW INFUSION PHARMACIES PARTICIPATING IN THE MEDICAL ASSISTANCE PROGRAM;

(c) SEPARATE DATA ON THE PARENTERAL NUTRITION NEEDS OF ADULT AND CHILD MEMBERS AND THE SUFFICIENCY OF THE INFUSION PHARMACY NETWORK TO SERVE EACH; AND

(d) ANY REGULATORY OR REIMBURSEMENT CHANGES THE STATE DEPARTMENT HAS UNDERTAKEN TO ENCOURAGE AN ADEQUATE LEVEL OF MARKET PARTICIPATION AMONG INFUSION PHARMACIES TO MEET THE PARENTERAL NUTRITION NEEDS OF MEMBERS.

SECTION 3. Appropriation. (1) For the 2025-26 state fiscal year, \$54,832 is appropriated to the department of health care policy and financing. This appropriation is from the general fund, which amount is subject to the "(M)" notation as defined in the annual general appropriation act for the same fiscal year. To implement this act, the department may use this appropriation for medical and long-term care services for medicaid eligible individuals.

(2) For the 2025-26 state fiscal year, the general assembly anticipates that the department of health care policy and financing will receive \$54,832 in federal funds to implement this act. The appropriation in subsection (1) of this section is based on the assumption that the department will receive this amount of federal funds to be used for general professional services and special projects medical and long-term care services for medicaid eligible individuals.

SECTION 4. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2026 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: May 28, 2025