

Second Regular Session  
Seventieth General Assembly  
STATE OF COLORADO

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 16-0881.01 Jennifer Berman x3286

**HOUSE BILL 16-1324**

---

**HOUSE SPONSORSHIP**

**Ginal**, McCann, Arndt, Becker K., Brown, Coram, Dore, Lebsack, Vigil, Court, Primavera

**SENATE SPONSORSHIP**

**Sonnenberg**, Garcia

---

**House Committees**  
Health, Insurance, & Environment  
Finance  
Appropriations

**Senate Committees**

---

**A BILL FOR AN ACT**

101     **CONCERNING THE AVAILABILITY OF COMPOUNDED PHARMACEUTICAL**  
102       **DRUGS FOR USE BY A VETERINARIAN TO TREAT A PATIENT'S**  
103       **EMERGENCY CONDITION.**

---

**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)*

Under current law, a veterinarian cannot maintain an office stock of compounded drugs, which are drugs that are combined, mixed, or otherwise altered to create a specific drug or formulation, for later distribution or administration to patients. The bill authorizes:

!     A compounding pharmacy to compound and distribute a

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*

drug to a veterinarian without a specific patient indicated to receive the compounded drug; and

! A veterinarian to dispense a compounded drug, maintained as part of the veterinarian's office stock, in an amount not to exceed 5 days' worth of doses, if a patient has an emergency condition that the compounded drug is necessary to treat and the veterinarian cannot access, in a timely manner, the compounded drug through a compounding pharmacy.

---

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

2           **SECTION 1.** In Colorado Revised Statutes, 12-42.5-118, **amend**  
3       (6) (b) as follows:

4           **12-42.5-118. Compounding - dispensing - sale of drugs and**  
5       **devices - rules - definition.** (6) (b) (I) The board shall promulgate rules  
6       authorizing a prescription drug outlet located in this state to compound  
7       drugs for office use by a practitioner or for use by a hospital located in  
8       this state. The rules must limit the amount of drugs a prescription drug  
9       outlet may compound and distribute to a practitioner or hospital pursuant  
10      to this paragraph (b) to no more than ten percent of the total number of  
11      drug dosage units dispensed and distributed on an annual basis by the  
12      outlet.

13           (II) (A) THE TEN PERCENT LIMITATION SET FORTH IN  
14      SUBPARAGRAPH (I) OF THIS PARAGRAPH (b) APPLIES TO A COMPOUNDED  
15      DRUG FOR VETERINARY USE THAT A PRESCRIPTION DRUG OUTLET  
16      DISTRIBUTES IN COLORADO.

17           (B) FOR PURPOSES OF THIS SUBPARAGRAPH (II), A "PRESCRIPTION  
18      DRUG OUTLET" INCLUDES A NONRESIDENT PHARMACY OUTLET REGISTERED  
19      OR LICENSED PURSUANT TO THIS ARTICLE WHERE PRESCRIPTIONS ARE  
20      COMPOUNDED AND DISPENSED, BUT ONLY IF THE NONRESIDENT PHARMACY

1 OUTLET HAS PROVIDED THE BOARD WITH A COPY OF THE MOST RECENT  
2 INSPECTION OF THE NONRESIDENT PHARMACY OUTLET BY THE AGENCY  
3 THAT REGULATES PHARMACEUTICALS IN THE STATE OF RESIDENCE AND A  
4 COPY OF THE MOST RECENT INSPECTION RECEIVED FROM A  
5 BOARD-APPROVED THIRD-PARTY ENTITY THAT INSPECTS PHARMACY  
6 OUTLETS, FOR WHICH THIRD-PARTY INSPECTION THE NONRESIDENT  
7 PHARMACY OUTLET SHALL OBTAIN AND PAY FOR ON AN ANNUAL BASIS,  
8 AND THE BOARD APPROVES THE INSPECTION REPORTS AS SATISFACTORILY  
9 DEMONSTRATING PROOF OF COMPLIANCE WITH THE BOARD'S OWN  
10 INSPECTION PROCEDURE AND STANDARDS.

11 **SECTION 2.** In Colorado Revised Statutes, **add 12-42.5-118.5**  
12 as follows:

13 **12-42.5-118.5. Compounding drugs for office use by a**  
14 **veterinarian - rules - definitions.** (1) A REGISTERED PRESCRIPTION  
15 DRUG OUTLET MAY COMPOUND AND DISTRIBUTE A DRUG TO A LICENSED  
16 VETERINARIAN SO THAT THE VETERINARIAN MAY MAINTAIN THE DRUG AS  
17 PART OF THE VETERINARIAN'S OFFICE STOCK.

18 (2) (a) A VETERINARIAN MAY DISPENSE A COMPOUNDED DRUG  
19 MAINTAINED AS PART OF THE VETERINARIAN'S OFFICE STOCK PURSUANT TO  
20 SUBSECTION (1) OF THIS SECTION ONLY IF:

21 (I) THE COMPOUNDED DRUG IS NECESSARY FOR THE TREATMENT  
22 OF A PATIENT'S EMERGENCY CONDITION; AND

23 (II) AS DETERMINED BY THE VETERINARIAN, THE VETERINARIAN  
24 CANNOT ACCESS, IN A TIMELY MANNER, THE COMPOUNDED DRUG  
25 THROUGH A REGISTERED PRESCRIPTION DRUG OUTLET.

26 (b) A VETERINARIAN SHALL NOT DISPENSE A COMPOUNDED DRUG  
27 PURSUANT TO THIS SECTION IN AN AMOUNT GREATER THAN THE AMOUNT

1 REQUIRED TO TREAT A PATIENT'S EMERGENCY CONDITION FOR FIVE DAYS.

2 (3) A LICENSED VETERINARIAN SHALL NOT ADMINISTER OR  
3 DISPENSE A COMPOUNDED DRUG MAINTAINED FOR OFFICE STOCK  
4 PURSUANT TO THIS SECTION OR FOR OFFICE USE PURSUANT TO SECTION  
5 12-42.5-118 (6) (b) (II) WITHOUT A VALID VETERINARIAN-CLIENT-PATIENT  
6 RELATIONSHIP IN PLACE AT THE TIME OF ADMINISTERING THE  
7 COMPOUNDED DRUG TO AN ANIMAL PATIENT OR DISPENSING THE  
8 COMPOUNDED DRUG TO A CLIENT.

9 (4) TO COMPOUND AND DISTRIBUTE A CONTROLLED SUBSTANCE  
10 PURSUANT TO THIS SECTION OR SECTION 12-42.5-118 (6) (b) (II), A  
11 REGISTERED PRESCRIPTION DRUG OUTLET SHALL POSSESS A VALID  
12 MANUFACTURING REGISTRATION FROM THE FEDERAL DRUG ENFORCEMENT  
13 ADMINISTRATION.

14 (5) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
15 REQUIRES:

16 (a) "CLIENT" HAS THE SAME MEANING AS SET FORTH IN SECTION  
17 12-64-103 (4.3).

18 (b) "OFFICE STOCK" MEANS THE STORAGE OF A COMPOUNDED  
19 DRUG:

20 (I) THAT WAS DISTRIBUTED OR SOLD BY A REGISTERED  
21 PRESCRIPTION DRUG OUTLET TO A VETERINARIAN;

22 (II) WITHOUT A SPECIFIC PATIENT INDICATED TO RECEIVE THE  
23 COMPOUNDED DRUG; AND

24 (III) THAT THE VETERINARIAN MAY SUBSEQUENTLY ADMINISTER  
25 TO A PATIENT OR DISPENSE TO A CLIENT.

26 (c) "PATIENT" MEANS A COMPANION ANIMAL, AS THAT TERM IS  
27 DEFINED BY RULE BY THE BOARD OF VETERINARY MEDICINE, IN

1 CONSULTATION WITH THE BOARD OF PHARMACY.

2 (d) (I) "PRESCRIPTION DRUG OUTLET" MEANS ANY:

3 (A) RESIDENT OR NONRESIDENT PHARMACY OUTLET REGISTERED  
4 OR LICENSED PURSUANT TO THIS ARTICLE WHERE PRESCRIPTIONS ARE  
5 COMPOUNDED AND DISPENSED; OR

6 (B) FEDERALLY OWNED AND OPERATED PHARMACY REGISTERED  
7 WITH THE FEDERAL DRUG ENFORCEMENT ADMINISTRATION.

8 (II) NOTWITHSTANDING SUBPARAGRAPH (I) OF THIS PARAGRAPH

9 (d), "PRESCRIPTION DRUG OUTLET" DOES NOT INCLUDE A NONRESIDENT  
10 PHARMACY OUTLET UNLESS THE NONRESIDENT PHARMACY OUTLET HAS  
11 PROVIDED THE BOARD WITH A COPY OF THE MOST RECENT INSPECTION OF  
12 THE NONRESIDENT PHARMACY BY THE AGENCY THAT REGULATES  
13 PHARMACEUTICALS IN THE STATE OF RESIDENCE AND A COPY OF THE MOST  
14 RECENT INSPECTION RECEIVED FROM A BOARD-APPROVED THIRD-PARTY  
15 ENTITY THAT INSPECTS PHARMACY OUTLETS, FOR WHICH THIRD-PARTY  
16 INSPECTION THE NONRESIDENT PHARMACY OUTLET SHALL OBTAIN AND  
17 PAY FOR ON AN ANNUAL BASIS, AND THE BOARD APPROVES THE  
18 INSPECTION REPORTS AS SATISFACTORILY DEMONSTRATING PROOF OF  
19 COMPLIANCE WITH THE BOARD'S OWN INSPECTION PROCEDURE AND  
20 STANDARDS.

21 (6) THE BOARD MAY PROMULGATE RULES AS NECESSARY  
22 CONCERNING COMPOUNDED VETERINARY PHARMACEUTICALS PURSUANT  
23 TO THIS SECTION AND SECTION 12-42.5-118 (6) (b) (II).

24 **SECTION 3.** In Colorado Revised Statutes, 12-64-104, **add (2.5)**  
25 and (3) (a) (IV.5) as follows:

26 **12-64-104. License requirements and exceptions - definitions**  
27 **- rules.** (2.5) IF A VETERINARIAN COMPLIES WITH THE REQUIREMENTS OF

1 SECTION 12-42.5-118.5, THE VETERINARIAN MAY MAINTAIN AN OFFICE  
2 STOCK OF COMPOUNDED DRUGS.

3 (3) (a) As used in this subsection (3), unless the context otherwise  
4 requires:

5 (IV.5) "OFFICE STOCK" HAS THE SAME MEANING AS SET FORTH IN  
6 SECTION 12-42.5-118.5 (5) (b).

7 **SECTION 4.** In Colorado Revised Statutes, 12-64-111, **add** (1)  
8 (a.5) as follows:

9 **12-64-111. Discipline of licensees.** (1) Upon receipt of a signed  
10 complaint by a complainant or upon its own motion, the board may  
11 proceed to a hearing in conformity with section 12-64-112. After a  
12 hearing, and by a concurrence of a majority of members, the board may  
13 deny a license to an applicant or revoke or suspend the license of, place  
14 on probation, or otherwise discipline or fine, a licensed veterinarian for  
15 any of the following reasons:

16 (a.5) VIOLATION OF SECTION 12-42.5-118.5 OR ANY RULES OF THE  
17 PHARMACY BOARD PROMULGATED PURSUANT TO THAT SECTION;

18 **SECTION 5. Effective date.** This act takes effect January 1,  
19 2017.

20 **SECTION 6. Safety clause.** The general assembly hereby finds,  
21 determines, and declares that this act is necessary for the immediate  
22 preservation of the public peace, health, and safety.