



**Legislative
Council Staff**

Nonpartisan Services for Colorado's Legislature

HB 19-1109

**FINAL
FISCAL NOTE**

Drafting Number:	LLS 19-0563	Date:	May 31, 2019
Prime Sponsors:	Rep. Hooton; Larson Sen. Pettersen; Tate	Bill Status:	Signed into Law
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Bill Topic: CONVALESCENT CENTERS AS PHARMACIES

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure (<i>minimal</i>)	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill allows convalescent centers to operate a pharmacy. The bill will increase state revenue and expenditures on an ongoing basis.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the enacted bill.

**Table 1
State Fiscal Impacts Under HB 19-1109**

		FY 2019-20	FY 2020-21
Revenue	Cash Funds	up to \$1,950	up to \$2,321
Expenditure		-	-
Transfer		-	-
TABOR Refund		-	-

Summary of Legislation

The bill allows a licensed convalescent center to register as an Other Outlet with the Board of Pharmacy in order to procure, store, order, dispense, and administer prescription medications.

Background

Convalescent centers are facilities for patients requiring restorative care and treatment. The centers are separately licensed facilities affiliated with an ambulatory surgery center and are licensed by the Colorado Department of Public Health and Environment (CDPHE). According to the CDPHE, there are currently 13 convalescent centers operating in Colorado.

State Revenue

Cash fund revenue to the Division of Professions and Occupation Cash Fund in the Department of Regulatory Agencies (DORA) will increase by up to \$1,950 in FY 2019-20 and by up to \$2,321 in FY 2020-21. The fiscal note assumes that up to 13 convalescent centers will register with DORA. Every convalescent center will need to pay a \$150 application fee in order to register as an Other Outlet and a \$178.50 renewal fee when registrations expire. All Other Outlet registrations expire on October 31 of even number years. Centers that register in FY 2019-20 will pay a renewal fee in FY 2020-21. Registrations in FY 2020-21 will be in effect for two years. Table 2 highlights the fee impact.

Fee impact on convalescent centers. Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. This is the current fee set administratively by DORA based on cash fund balance, estimated program costs, and the estimated number of registrations subject to the fee. The table below identifies the fee impact of this bill. Any increase in revenue is subject to TABOR.

Table 2
Fee Impact on Convalescent Centers

Fiscal Year	Type of Fee	Current Fee	Number Affected	Total Fee Impact
FY 2019-20	Other Outlet Application Fee	\$150	up to 13	up to \$1,950
FY 2020-21	Other Outlet Renewal Fee	\$178.50	up to 13	up to \$2,321

State Expenditures

To the extent there are more complaints filed with the Board of Pharmacy under DORA, workload to the board will increase. Expenditures and workload will also increase for the department to process new applications, adopt rules, and to conduct outreach and education. It is assumed that any increase in workload will be minimal and can be accomplished within existing appropriations.

Effective Date

This bill was signed into law by the Governor on March 7, 2019, and takes effect August 2, 2019, assuming no referendum petition is filed.

State and Local Government Contacts

Health Care Policy and Financing
Information Technology
Public Health and Environment
Regulatory Agencies

Human Services
Law
Personnel