



Legislative  
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**HB 20-1061**

# FINAL FISCAL NOTE

<b>Drafting Number:</b> LLS 20-0100	<b>Date:</b> September 9, 2020
<b>Prime Sponsors:</b> Rep. Valdez A.; Herod Sen. Moreno; Priola	<b>Bill Status:</b> Signed into Law
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**Bill Topic:** **HIV INFECTION PREVENTION MEDICATIONS**

**Summary of Fiscal Impact:**

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input checked="" type="checkbox"/> State Diversion	<input type="checkbox"/> Statutory Public Entity

This bill allows pharmacists to prescribe and dispense HIV prevention medication. The bill increases state expenditures and creates a General Fund diversion on an ongoing basis.

**Appropriation Summary:** This bill requires and includes an appropriation of \$13,347 to the Department of Regulatory Agencies.

**Fiscal Note Status:** This fiscal note reflects the enacted bill.

**Table 1  
State Fiscal Impacts Under HB 20-1061**

		<b>FY 2020-21</b>	<b>FY 2021-22</b>
<b>Revenue</b>		-	-
<b>Expenditures</b>	Cash Fund	\$13,347	\$13,347
	Centrally Appropriated	\$4,466	\$4,466
	<b>Total</b>	<b>\$17,813</b>	<b>\$17,813</b>
	<b>Total FTE</b>	<b>0.2 FTE</b>	<b>0.2 FTE</b>
<b>Diversion</b>	General Fund	(\$17,813)	(\$17,813)
	Cash Fund	\$17,813	\$17,813
	<b>Total</b>	<b>\$0</b>	<b>\$0</b>
<b>TABOR Refund</b>		-	-

## Summary of Legislation

This bill allows pharmacists to prescribe and dispense HIV prevention medication if the pharmacist receives a standing order, as developed by the Colorado Department of Public Health and Environment (CDPHE), or prescribes the medication in accordance with the statewide drug therapy protocol. When prescribing the medication, a pharmacist must:

- hold a current license to practice in Colorado;
- be engaged in the practice of pharmacy;
- have earned a doctorate degree and have at least 5 years of practice experience;
- carry adequate liability insurance; and
- complete a training program accredited by the Accreditation Council for Pharmacy Education.

Six months after the effective date of the bill, the Board of Pharmacy, the Medical Board, and the Board of Nursing must develop a statewide drug therapy protocol. When creating the protocol, the boards must consider physician referrals, lab testing, appropriate referrals and counseling per federal guidelines, and patient follow-up care. Starting on June 1, 2020, the CDPHE must implement and maintain a standing order until the statewide drug therapy protocol is developed.

The bill requires health benefit carriers to provide the pharmacist an adequate consultative fee or dispensing fee and reimburse any in-network provider when prescribing and dispensing HIV prevention drugs. This requirement does not apply to integrated health delivery systems. In addition, a carrier cannot require a patient to undergo step therapy or receive prior authorization before a pharmacist can prescribe and dispense a HIV infection drug.

## State Diversions

Beginning in FY 2020-21, the bill diverts an estimated \$17,813 from the General Fund for plan review in the Department of Regulatory Agencies (DORA). This revenue diversion occurs because the bill increases costs in the Division of Insurance in DORA, which is funded with premium tax revenue that would otherwise be credited to the General Fund.

## State Expenditures

This bill will increase state expenditures in DORA by \$17,813 and 0.2 FTE in FY 2020-21 and future years, as shown in Table 2 and discussed below. These costs will be paid from the Division of Insurance Cash Fund. In addition, the bill will increase expenditures in the CDPHE and may impact insurance premiums the state pays for state employees, as described below.

**Table 2**  
**Expenditures Under HB 20-1061**

	<b>FY 2020-21</b>	<b>FY 2021-22</b>
<b>Department of Regulatory Agencies</b>		
Personal Services	\$13,347	\$13,347
Centrally Appropriated Costs*	\$4,466	\$4,466
<b>Total Cost</b>	<b>\$17,813</b>	<b>\$17,813</b>
<b>Total FTE</b>	<b>0.2 FTE</b>	<b>0.2 FTE</b>

\* Centrally appropriated costs are not included in the bill's appropriation.

**Department of Regulatory Agencies.** Starting in FY 2020-21, the Division of Insurance in DORA requires 0.2 FTE for a financial analyst to review each individual, small group, large group, and student health benefit plan to ensure that each plan is compliant with the bill. The fiscal note assumes that review will take four hours per plan. Workload for the Pharmacy Board, the Medical Board, and the Board of Nursing in DORA will also increase to develop a drug protocol. The fiscal note assumes that this workload will be included in currently held board meetings and that no additional travel and per diem costs will be incurred. In addition, workload in the Pharmacy Board will increase to approve a new training program and to update any rules or conduct any outreach, which can be accomplished within existing appropriations.

**Department of Public Health and Environment.** In FY 2020-21 only, expenditures in the CDPHE will increase in order to work with various medical boards in developing a drug protocol and to maintain and implement a standing order. Based on past work done in administering standing orders for naloxone, the fiscal note estimates that 200 hours of work will be required. The fiscal note assumes that the increase in expenditures can be accomplished within existing appropriations.

**State health insurance premiums.** Starting in FY 2020-21, state health insurance premiums may be impacted due to the new insurance requirements laid out in the bill. The state's contribution amount is determined by market practices; therefore, any changes to premium payments will be determined through the annual budget process.

**Centrally appropriated costs.** Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$4,466 in FY 2020-21 and FY 2021-22.

### **Effective Date**

This bill was signed into law by the Governor and took effect on July 13, 2020.

### **State Appropriations**

For FY 2020-21, this bill requires and includes a \$13,347 appropriation from the Division of Insurance Cash Fund to the Department of Regulatory Agencies, and 0.2 FTE.

**State and Local Government Contacts**

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