



Legislative Council Staff

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Fiscal Note

Table with 2 columns: Field (Drafting Number, Prime Sponsors, Date, Bill Status, Fiscal Analyst) and Value (LLS 24-1123, Rep. Mabrey; Jodeh Sen. Roberts, April 8, 2024, House Health & Human Services, Shukria Maktabi | 303-866-4720 shukria.maktabi@coleg.gov)

Bill Topic: IMPLEMENT PRESCRIPTION DRUG AFFORDABILITY PROGRAMS

Summary of Fiscal Impact table with 3 columns: Category (State Revenue, State Expenditure, State Diversion, TABOR Refund, Local Government, Statutory Public Entity) and Status (checked/unchecked)

The bill makes changes to the insulin and epinephrine affordability programs in the Department of Regulatory Agencies. It increases state expenditures and requires a state diversion in FY 2024-25 only, and may increase state revenue and local workload beginning in FY 2024-25.

Appropriation Summary: For FY 2024-25, the bill requires an appropriation of \$7,699 to the Department of Regulatory Agencies.

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

Table 1 State Fiscal Impacts Under HB 24-1438

Main fiscal impact table with columns: Category, Budget Year FY 2024-25, and Out Year FY 2025-26. Rows include Revenue, Expenditures (Cash Funds, Centrally Appropriated, Total Expenditures, Total FTE), Transfers/Diversions (General Fund, Cash Funds, Net Diversion), and Other Budget Impacts.

Summary of Legislation

The bill makes changes to the insulin and epinephrine affordability programs in the Department of Regulatory Agencies (DORA), Division of Insurance (DOI).

First, it modifies the fines for manufacturer noncompliance from \$10,000 for each month of noncompliance to an amount and frequency of the fine permitted under the Consumer Protection Act. It also authorizes the Attorney General to enforce the programs, and makes it a deceptive trade practice for a manufacturer to fail to comply with the Insulin Affordability Program or the requirements for the emergency supply of prescription insulin.

Finally, the bill requires the DOI to make certain changes to the application form for the Epinephrine Auto-Injector Program, including requiring the application to be available online and adding a line in the application for a billing code for pharmacy reimbursement purposes. The DOI must also provide pharmacies with informational flyers about the program to provide to individuals seeking to access the program.

State Revenue

State revenue may increase from civil penalties and filing fees beginning in FY 2024-25.

Civil penalties. Under the Colorado Consumer Protection Act, a person committing a deceptive trade practice may be subject to a civil penalty of up to \$20,000 for each violation. Additional penalties may be imposed for subsequent violations of a court order or injunction. This revenue is classified as a damage award and not subject to TABOR. Given the uncertainty about the number of cases that may be pursued by the Attorney General and district attorneys, as well as the wide range in potential penalty amounts, the fiscal note cannot estimate the potential impact of these civil penalties.

Filing fees. The bill may increase revenue to the Judicial Department from an increase in civil case filings. Revenue from filing fees is subject to TABOR.

State Diversions

This bill diverts \$9,620 from the General Fund in FY 2024-25 only. This revenue diversion occurs because the bill increases costs in the DOI in DORA, which is funded with premium tax revenue that would otherwise be credited to the General Fund

State Expenditures

The bill increases expenditures in DORA by about \$10,000 in FY 2024-25 only, paid from the DOI Cash Fund. Expenditures are shown in Table 2 and detailed below. The bill also increases workload for the Department of Law and the Judicial Department.

Table 2
Expenditures Under HB 24-1438

	FY 2024-25	FY 2025-26
Department of Regulatory Agencies		
Personal Services	\$7,699	-
Centrally Appropriated Costs ¹	\$1,921	-
Total Cost	\$9,620	-
Total FTE	0.1 FTE	-

¹ Centrally appropriated costs are not included in the bill's appropriation.

Department of Regulatory Agencies. In FY 2024-25, the DOI requires 0.1 FTE to make modifications to the application form and to provide information to pharmacies for the Epinephrine Auto-Injector Affordability Program.

Department of Law. Workload in the Department of Law will minimally increase to the extent that deceptive trade practice complaints are filed. The department will review complaints under the bill and prioritize investigations as necessary within the overall number of deceptive trade practice complaints and available resources.

Judicial Department. The trial courts in the Judicial Department may have an increase in cases filed under the Colorado Consumer Protection Act from the addition of a new deceptive trade practice. It is assumed that manufacturers will abide by the law and that any violation of the legislation will result in minimal number of new cases. The fiscal note assumes that this can be accomplished within existing resources and that no change in appropriations is required.

Local Government

Similar to the state, to the extent district attorneys receive deceptive trade practice complaints related to the new deceptive trade practice under the bill, workload will increase to investigate complaints and seek relief when appropriate. It is assumed most such cases will be handled at the state level by the Attorney General.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2024-25, the bill requires an appropriation of \$7,699 from the Division of Insurance Cash Fund to the Department of Regulatory Agencies, and 0.1 FTE.

State and Local Government Contacts

District Attorneys
Regulatory Agencies

Judicial

Law

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).