

CHAPTER 368

HEALTH CARE POLICY AND FINANCING

SENATE BILL 03-294

BY SENATOR(S) Teck, Owen, and Reeves;
also REPRESENTATIVE(S) Witwer, Plant, Young, Boyd, Butcher, Cloer, Fairbank, Hefley, Madden, McFadyen, Mitchell,
Paccione, Rhodes, Romanoff, and Veiga.

AN ACT

CONCERNING PHARMACEUTICAL BENEFITS ADMINISTERED THROUGH THE STATE'S MEDICAL ASSISTANCE PROGRAM, AND, IN CONNECTION THEREWITH, REQUIRING THE STATE TO IMPLEMENT DRUG UTILIZATION MECHANISMS FOR THE MEDICAL ASSISTANCE PROGRAM, AND MAKING AN APPROPRIATION IN CONNECTION THEREWITH.

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

SECTION 1. 26-4-408, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

26-4-408. Prescribed drugs. (3) (a) THE STATE DEPARTMENT SHALL IMPLEMENT DRUG UTILIZATION MECHANISMS, INCLUDING, BUT NOT LIMITED TO, PRIOR AUTHORIZATION, TO CONTROL COSTS IN THE MEDICAL ASSISTANCE PROGRAM ASSOCIATED WITH PRESCRIBED DRUGS. THE STATE BOARD SHALL PROMULGATE A RULE THAT OUTLINES A PROCESS IN WHICH ANY INTERESTED PARTY MAY BE NOTIFIED OF AND COMMENT ON THE IMPLEMENTATION OF ANY PRIOR AUTHORIZATION FOR A CLASS OF PRESCRIBED DRUGS BEFORE THE CLASS IS PRIOR AUTHORIZED.

(b) THE STATE DEPARTMENT SHALL REPORT TO THE HEALTH, ENVIRONMENT, WELFARE, AND INSTITUTIONS COMMITTEES FOR THE HOUSE OF REPRESENTATIVES AND THE SENATE AND THE JOINT BUDGET COMMITTEE NO LATER THAN DECEMBER 1, 2003, AND EACH DECEMBER 1 THEREAFTER, ON PLAN UTILIZATION MECHANISMS THAT HAVE BEEN IMPLEMENTED OR THAT WILL BE IMPLEMENTED BY THE STATE DEPARTMENT, THE TIME FRAMES FOR IMPLEMENTATION, THE EXPECTED SAVINGS ASSOCIATED WITH EACH UTILIZATION MECHANISM, AND ANY OTHER INFORMATION DEEMED APPROPRIATE BY THE HEALTH, ENVIRONMENT, WELFARE, AND INSTITUTIONS COMMITTEES OR THE JOINT BUDGET COMMITTEE.

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

SECTION 2. Appropriation - adjustments to 2003 long bill. (1) In addition to any other appropriation, there is hereby appropriated, to the department of health care policy and financing, executive director's office, for the fiscal year beginning July 1, 2003, the sum of one hundred eighteen thousand two hundred twenty-five dollars (\$118,225), for the implementation of this act. Of said sum, twenty-nine thousand five hundred fifty-six dollars (\$29,556) shall be from the general fund and shall be subject to the "(M)" notation as defined in the general appropriation act. In addition to said appropriation, the general assembly anticipates that, for the fiscal year beginning July 1, 2003, the department of health care policy and financing, executive director's office, will receive the sum of eighty-eight thousand six hundred sixty-nine dollars (\$88,669) in federal funds for the implementation of this act. Although the federal funds are not appropriated in this act, they are noted for the purpose of indicating the assumptions used relative to these funds.

(2) For the implementation of this act, appropriations made in the annual general appropriation act for the fiscal year beginning July 1, 2003, shall be adjusted as follows: The appropriation to the department of health care policy and financing, medical services premiums, is decreased by one million seventy-two thousand nine hundred twelve dollars (\$1,072,912). Of said sum, five hundred thirty-six thousand four hundred fifty-six dollars (\$536,456) shall be from the general fund and five hundred thirty-six thousand four hundred fifty-six dollars (\$536,456) shall be from federal funds.

SECTION 3. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: June 5, 2003