



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1262: PATIENT ACCESS TO COMPOUNDED MEDICAL ITEMS

Prime Sponsors:

Rep. Stewart K.; Stewart R.
Sen. Ball; Roberts

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Published for: House Health & Human Services**Drafting number:** LLS 26-0456**Version:** Initial Fiscal Note**Date:** March 3, 2026**Fiscal note status:** The fiscal note reflects the introduced bill.

Summary Information

Overview. The bill allows for the production, distribution, and administration of compounded medical items as permitted by state and federal law.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- Minimal State Workload

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

| Type of Impact | Budget Year FY 2026-27 | Out Year FY 2027-28 |
|-------------------------|-----------------------------------|--------------------------------|
| State Revenue | \$0 | \$0 |
| State Expenditures | \$0 | \$0 |
| Transferred Funds | \$0 | \$0 |
| Change in TABOR Refunds | \$0 | \$0 |
| Change in State FTE | 0.0 FTE | 0.0 FTE |

Summary of Legislation

Within the confines of state and federal law, the bill allows licensed persons and pharmacies, including licensed 503B facilities, to produce compounded drugs and devices and to supply these items to health care organizations. In addition, the bill prohibits the State Board of Pharmacy in the Department of Regulatory Agencies (DORA) from adopting any rule that is more restrictive than federal or state law regarding the compounding of drugs or devices.

Current law restricts the sales and delivery of new drugs to only drugs with federal approval for interstate sale, with an exemption for drugs that are intended solely for investigational use by scientific experts and that are labeled for investigational use only. The bill adds exemptions for:

- drugs that are reviewed by an institutional review board and plainly labeled for investigational use only; and
- compounded drugs and devices if the compounding of the drug or device is undertaken in accordance with applicable federal and state law.

Background

Compounded drugs are not FDA-approved but may be allowed if the FDA-approved version of the drug is on the FDA drug shortage list or is not available in the prescribed dose or form.

Drugs may be compounded by many medical facilities, but there are two types of compounding pharmacies, 503As and 503Bs. 503As fulfill patient specific prescriptions, tend to operate within one state, and are mostly regulated at the state level. 503Bs manufacture drugs in bulk to sell to healthcare facilities in multiple states and are mostly regulated at the federal level.

State Expenditures

Workload will minimally increase in DORA to modify or repeal rules related to compounded medical items to align with the bill and ensure that any rules and regulations adopted by State Board of Pharmacy are not more restrictive than state and federal law. Workload will also increase to provide information and outreach about these changes. On an ongoing basis, workload may minimally increase or decrease if the bill results in additional complaints received by DORA. No change in appropriation is required.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature. It applies to conduct occurring on or after the bill takes effect.

State and Local Government Contacts

Law

Regulatory Agencies

Personnel