



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

SB 26-167: PRESCRIPTION DRUG OUT-OF-POCKET EXPENSE CREDIT

Prime Sponsors:
Sen. Benavidez; Mullica
Rep. Boesenecker; Lindsay

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Published for: Senate Health & Human Services
Drafting number: LLS 26-0939

Version: Initial Fiscal Note
Date: April 30, 2026

Fiscal note status: The fiscal note reflects the introduced bill.

Summary Information

Overview. The bill requires prescription drug purchases to contribute towards an out-of-pocket maximum or cost-sharing requirements.

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

- State Expenditures

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
State Revenue	\$0	\$0	\$0
State Expenditures (Centrally Appropriated)	\$0	\$0	\$50,000
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	\$0	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE	0.0 FTE

Summary of Legislation

Beginning January 1, 2028, the bill requires prescription drug purchases, including those purchased directly through pharmacy, health care provider, or direct-to-consumer platform, to contribute towards an out-of-pocket maximum or cost-sharing requirements required by a health benefit plan. The bill specifies some exemptions and proof-of-purchase requirements.

State Expenditures

The bill increases state expenditures for state employee health insurance plans by at least \$50,000 annually starting in FY 2028-29. These costs are centrally appropriated to all state agencies and paid from a variety of fund sources. The bill also minimally affects workload in the Department of Regulatory Agencies (DORA). These impacts are described in more detail below.

State Employee Insurance

Requirements placed on private insurance companies by will likely contribute to higher health insurance premiums for state employee health insurance, which are shared by state agencies and employees. Preliminarily, these costs are estimated to be \$50,000 annually starting in FY 2026-27, based on information provided by Kaiser Permanente. This estimate includes ongoing costs to process contribution submissions. The bill will also increase insurer costs as some members pay for a lower portion of their total costs. This will likely also contribute to higher health insurance premiums, but this impact has not been estimated.

While the current partnership agreement with Colorado WINS specifies that any increased premium costs will be paid by the state through FY 2027-28, the exact share paid by the state and by employees will ultimately be adjusted and set by the General Assembly through the annual budget process. Any cost increase for state employee health insurance will be paid through various centrally appropriated line items across all state agencies and will be adjusted through the annual budget process.

Department of Regulatory Agencies

Workload will minimally increase in DORA for rulemaking, outreach, and complaint processing. Assuming that DORA will not be responsible for processing or enforcing contribution submissions, the workload can be absorbed within existing resources.

Technical Note

While the bill specifies that its requirements apply starting January 1, 2028, the fiscal note assumes it applies to health insurance policies issued or renewed on or after this date. For state employee insurance plans, this results in impacts beginning July 1, 2028, in FY 2028-29.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

Personnel

Regulatory Agencies

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](#).