



# Fiscal Note

## Legislative Council Staff

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

**Prime Sponsors:**

Sen. Benavidez; Mullica  
Rep. Boesenecker; Lindsay

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**Version:** First Revised Note

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**Fiscal note status:** The fiscal note reflects the introduced bill, as amended by the Senate Health & Human Services Committee. It has been revised to reflect new information.

### 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
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**

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Beginning January 1, 2028, the bill requires prescription drug purchases, including those purchased directly through a pharmacy 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, including that policyholders must submit proof to carriers within 90 days of purchase.

## **State Expenditures**

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The bill indeterminately impacts state expenditures for state employee health insurance plans and minimally affects workload in the Department of Regulatory Agencies (DORA). These impacts are described in more detail below.

### **State Employee Insurance**

State employee insurance is offered through two carriers—Kaiser Permanente and Cigna. Kaiser Permanente offers fully insured plans subject to state regulation, while Cigna administers self-funded plans regulated under federal law that are also required to offer all mandatory benefits outlined in state law. Requiring prescription drug purchases to contribute toward a member's out-of-pocket maximum may increase costs if it causes a member to meet that threshold sooner and then use additional health care services that they would not otherwise have used, as well as policy administration costs. This will be offset by allowing direct-to-consumer drug purchases, that are often less expensive than traditional pharmacies.

Because insurance premiums are influenced by a number of variables, the cost to the state is indeterminate and 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.

### **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

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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

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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

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Personnel

Regulatory Agencies

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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](#).