



**Colorado
Legislative
Council
Staff**

HB16-1152

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0819
Prime Sponsor(s): Rep. Foote
Sen. Cooke

Date: February 12, 2016
Bill Status: House Judiciary
Fiscal Analyst: Erin Reynolds (303-866-4146)

BILL TOPIC: DEPARTMENT OF CORRECTIONS MEDICATION DISTRIBUTION

Fiscal Impact Summary	FY 2015-2016 <i>(current year)</i>	FY 2016-2017	FY 2017-2018
State Revenue			
State Expenditures	See State Expenditures section.		
Appropriation Required: None.			
Future Year Impacts: Ongoing savings and minimal workload impact.			

Summary of Legislation

The bill authorizes the Department of Corrections (DOC) to distribute compounded and prepackaged medications to its pharmacies.

Background

House Bill 12-1311 continued the Colorado Board of Pharmacy (board) in the Department of Regulatory Agencies (DORA) and the regulation of pharmacy practice through September 1, 2021. Prior to the bill's passage, the DOC was an authorized distributor of compounded and prepackaged drugs without limitation. The bill placed restrictions on the distribution of compounded and prepackaged medications by creating a discrete list of authorized distribution entities. The DOC was unintentionally excluded from this list and is therefore no longer authorized to stock medication in its pharmacy. DOC applied for and received a compliance waiver from the board allowing it to purchase and distribute compounded and prepackaged medications. This waiver expires April 21, 2016.

The DOC submits supplemental budget requests at the beginning of each year to account for pharmaceutical cost adjustments. The Medical Services program in DOC is paid for with General Fund.

State Expenditures

Beginning in FY 2015-16, the bill avoids potential costs in the DOC and minimally increases workload in the DORA. These impacts are described below.

Department of Corrections. The bill allows the DOC to continue to distribute compounded and prepackaged medications to its pharmacies, which allows the DOC to buy prescriptions in bulk. Without the bill, costs in the DOC will increase to purchase individual prescriptions for inmates. The number of prescriptions and the cost of prescriptions widely vary, but are expected to be about \$1 million per year. These additional costs are not expected to be included in the DOC's long bill request, so a decrease in appropriations is not anticipated from this bill.

Department of Regulatory Agencies. Board workload in DORA will increase to the extent that rulemaking is required or additional complaints are filed resulting from the bill. This workload impact is expected to be minimal and can be accomplished within existing appropriations.

Effective Date

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

State and Local Government Contacts

Corrections

Regulatory Agencies