



**Colorado  
Legislative  
Council  
Staff**

**HB16-1152**

**FINAL  
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:** May 23, 2016  
**Bill Status:** Signed into Law  
**Fiscal Analyst:** Erin Reynolds (303-866-4146)

**BILL TOPIC:** DEPARTMENT OF CORRECTIONS MEDICATION DISTRIBUTION

<b>Fiscal Impact Summary</b>	<b>FY 2015-2016</b> <i>(current year)</i>	<b>FY 2016-2017</b>	<b>FY 2017-2018</b>
<b>State Revenue</b>			
<b>State Expenditures</b>	See State Expenditures section.		
<b>Appropriation Required:</b> None.			
<b>Future Year Impacts:</b> 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. In subsequent rulemaking, a rule that had previously authorized the DOC to distribute compounded and prepackaged drugs without limitation was unintentionally eliminated. A pharmacy inspector noted the deficiency during a 2015 inspection and subsequently the board granted the DOC a year to seek reauthorization to codify its current practice of distributing compounded and prepacked drugs, which lapses 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 was signed into law by the Governor and took effect on April 7, 2016.

## State and Local Government Contacts

Corrections

Regulatory Agencies