



Legislative  
Council Staff

*Nonpartisan Services for Colorado's Legislature*

HB 18-1097

FINAL  
FISCAL NOTE

<b>Drafting Number:</b>	LLS 18-0639	<b>Date:</b>	August 3, 2018
<b>Prime Sponsors:</b>	Rep. Catlin; Danielson Sen. Coram; Todd	<b>Bill Status:</b>	Postponed Indefinitely
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**Bill Topic:** PATIENT CHOICE OF PHARMACY

<b>Summary of Fiscal Impact:</b>	<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure ( <i>minimal</i> )	<input checked="" type="checkbox"/> Local Government
	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill would have prohibited health insurers and pharmacy benefit managers from taking certain actions that limit or restrict a covered person's ability to select a pharmacy. It would have minimally increased state workload and may have increased local government costs.

**Appropriation  
Summary:** No appropriation is required.

**Fiscal Note  
Status:** The fiscal note reflects the introduced bill. This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

**Summary of Legislation**

This bill prohibits health insurance carriers that cover pharmaceutical services and pharmacy benefit managers (PBMs) that manage such services for a carrier from the following:

- limiting or restricting a covered persons ability to select a pharmacy of his or her choice if the pharmacy is licensed and agrees to the terms of the health benefit plan;
- imposing a copayment, fee, or other cost sharing requirement on a covered person, pharmacist, or pharmacy for the covered person's selection of a pharmacy unless the carrier or PBM places the same copayment, fee, or other cost sharing requirement on all covered persons, pharmacists, or pharmacies in the state;
- imposing any other condition on a covered person, pharmacist, or pharmacy that limits a covered persons ability to use a pharmacy of the covered person's choice; or
- denying a chosen pharmacy or pharmacist the right to participate in any of its pharmacy network contracts or as a contracting provider, if certain conditions are met, after a covered person has chosen the pharmacy or pharmacist.

The prohibitions in the bill do not apply to pharmacy services administered to an individual receiving inpatient or emergency medical care in a licensed health facility; insurance carriers that offer managed care plans in which the majority of covered professional services is provided by physicians employed by the carrier; self-funded plans that are exempt from state regulation; or health plans issued for state and federal employees.

## State Expenditures

This bill increases workload in the Division of Insurance and the State Board of Pharmacy, both located within the Department of Regulatory Agencies, by a minimal amount starting in FY 2018-19. Specifically, these divisions will need to update rules, conduct outreach with health insurance carriers and pharmacists, and respond to consumer inquiries and complaints. It is assumed that this work can be accomplished within existing appropriations.

## Local Government

To the extent that the bill's restrictions reduce the ability of health insurance carriers to control pharmaceutical costs, local governments that offer a state-regulated health plans to their employees may have an increase in health insurance premium costs. Given that health insurance premiums are affected by a number of factors, the exact impact cannot be estimated, but is assumed to be minimal.

## Effective Date

The bill was postponed indefinitely by the Senate Business, Labor, and Technology Committee on March 19, 2018

## State and Local Government Contacts

Counties  
Information Technology  
Regulatory Agencies

Health Care Policy and Financing  
Personnel