



Legislative
Council Staff

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FISCAL NOTE

Drafting Number:	LLS 19-0563	Date:	January 30, 2019
Prime Sponsors:	Rep. Hooton; Larson Sen. Pettersen; Tate	Bill Status:	House Public Health
		Fiscal Analyst:	Aaron Carpenter 303-866-4918 Aaron.Carpenter@state.co.us

Bill Topic: CONVALESCENT CENTERS AS PHARMACIES

Summary of Fiscal Impact:

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

This bill allows convalescent centers to operate a pharmacy. The bill will increase state revenue and workload on an ongoing basis.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under HB 19-1109

		FY 2019-20	FY 2020-21
Revenue	Cash Funds	up to \$1,950	up to \$1,950
Expenditure		-	-
Transfer		-	-
TABOR Refund	General Fund	up to \$1,950	-

Summary of Legislation

The bill allows a licensed convalescent center to register as an other outlet with the Board of Pharmacy in order to procure, store, order, dispense, and administer prescription medications.

Background

Convalescent centers are facilities for patients requiring restorative care and treatment. The centers are either an integral patient unit of a general hospital or physically separated but maintain an affiliation with a hospital and are licensed through the Colorado Department of Public Health and Environment (CDPHE). According to the CDPHE, there are currently 13 convalescent centers operating in Colorado.

Revenue

Starting in FY 2019-20, cash fund revenue to the Division of Professions and Occupation Cash Fund in the Department of Regulatory Agencies (DORA) will increase by up to \$1,950. The fiscal note assumes that up to 13 convalescent centers will register with DORA. Every convalescent center will need to pay a \$150 application fee in order to register as an other outlet. All other outlet registrations expire on October 31st of even number years. Centers that register in FY 2019-20 will also need to register in FY 2020-21. Registrations in FY 2020-21 will be good for two years. Table 2 highlights the fee impact.

Fee impact on HB19-1109. Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. This is the current fee set administratively by DORA based on cash fund balance, estimated program costs, and the estimated number of registrations subject to the fee. The table below identifies the fee impact of this bill.

Table 2
Fee Impact on HB19-1109

Fiscal Year	Type of Fee	Current Fee	Number Affected	Total Fee Impact
FY 2019-20	Other Outlet Application Fee	\$150	up to 13	\$1,950
FY 2019-20 Total				up to \$1,950
FY 2020-21	Other Outlet Application Fee	\$150	up to 13	\$1,950
FY 2020-21 Total				up to \$1,950

State Expenditures

To the extent there are more complaints filed with the Board of Pharmacy under DORA, workload to the board will increase. Expenditures and workload will also increase to the department to process new applications, adopt rules, and to conduct outreach and education. It is assumed that any increase in workload will be minimal and can be accomplished within existing appropriations.

TABOR refunds. The bill is expected to increase state General Fund obligations for TABOR refunds by up to \$1,950 in FY 2019-20. Under current law and the December 2018 Legislative Council Staff forecast, the bill will correspondingly increase the amount refunded to taxpayers via sales tax refunds on income tax returns for tax year 2020. The state is not expected to collect a TABOR surplus in FY 2020-21.

Effective Date

The bill takes effect August 2, 2019, if the General Assembly adjourns on May 3, 2019, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Health Care Policy and Financing
Information Technology
Public Health and Environment
Regulatory Agencies

Human Services
Law
Personnel