



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

HB 20-1419

FINAL FISCAL NOTE

Drafting Number:	LLS 20-1325	Date:	July 28, 2020
Prime Sponsors:	Rep. Esgar; Landgraf Sen. Moreno; Coram	Bill Status:	Signed into Law
		Fiscal Analyst:	Jeff Stupak 303-866-5834 Jeff.Stupak@state.co.us

Bill Topic: **STATE DRUG ASSISTANCE PROGRAM FUNDING**

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

The bill creates a continuously appropriated cash fund for a drug assistance program administered by the Department of Public Health and Environment, and makes other changes to statutory designations concerning the program. Beginning in FY 2020-21, the bill reclassifies existing rebate revenue and deposits it into a cash fund; in FY 2020-21 only, the bill will increase state workload.

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

**Fiscal Note
Status:** This fiscal note reflects the enacted bill.

Summary of Legislation

Under current law, the Department of Public Health and Environment (CDPHE) receives pharmaceutical rebates for money received based on charges in excess of a federal price agreement related to the state's operation of a drug assistance program for individuals with lower incomes who have medical or preventative needs regarding AIDS or HIV (the Ryan White State Drug Assistance Program). The rebates are designated in statute as donations.

The bill removes the statutory designation of the rebates as a donation and creates the HIV Medications Rebate Fund into which the rebates are credited for continuous appropriation to the CDPHE for the drug assistance program. The cash fund is exempted from the statutory limit on uncommitted reserves in a cash fund.

State Revenue

The CDPHE receives about \$15 million per year in pharmaceutical rebates, which are currently classified as donations, to support the state drug assistance program. Instead, this revenue will be deposited into the newly created cash fund. The revenue to the new cash fund is subject to TABOR.

State Expenditures

In FY 2020-21 only, the bill will increase state workload for the CDPHE and the Treasury Department.

Department of Public Health and Environment. The CDPHE will see increased workload to amend procedures related to the drug assistance program. This increase in workload can be accomplished within existing appropriations. Drug assistance program expenditures funded by drug rebates will not be affected by the bill.

Treasury Department. The Treasury Department will see increased workload to create and maintain the new cash fund for the drug assistance program. This increase in workload can be accomplished within existing appropriations.

Effective Date

This bill was signed into law by the Governor and took effect on July 13, 2020.

State and Local Government Contacts

Public Health and Environment

Treasury