

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE COLORADO PRESCRIPTION DRUG AFFORDABILITY REVIEW BOARD, AND, IN CONNECTION THEREWITH, DIRECTING THE BOARD TO REVIEW THE AFFORDABILITY OF CERTAIN DRUGS AND ESTABLISH UPPER PAYMENT LIMITS FOR CERTAIN DRUGS; PROHIBITING CERTAIN ENTITIES FROM PURCHASING OR REIMBURSING FOR ANY DRUG FOR DISTRIBUTION IN THE STATE AT AN AMOUNT THAT EXCEEDS THE UPPER PAYMENT LIMIT ESTABLISHED FOR THE PRESCRIPTION DRUG; ESTABLISHING PENALTIES FOR VIOLATIONS; AND MAKING AN APPROPRIATION.

Prime Sponsors: Sens. Jaquez Lewis and Gonzales
Reps. Caraveo and Kennedy

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Phone: 303-866-4952
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Appropriation Items of Note

Appropriation Already Added to Bill, Amendment in Packet

General Fund Impact

Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 05/17/21.

XXX	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.002	Staff-prepared appropriation amendment

Current Appropriations Clause in Bill

The bill includes an appropriation clause that provides a total of \$680,711 cash funds from the Division of Insurance Cash Fund to the Department of Regulatory Agencies for FY 2021-22. This provision also states that the appropriation is based on the assumption that the Department will require an additional 3.0 FTE. In addition, the provision reappropriates \$382,824 to the Department of Law with an assumption that the Department of Law will require an additional 2.0 FTE.

Description of Amendments in This Packet

J.002 Staff has prepared amendment **J.002** (attached) to increase the appropriation to the Department of Regulatory Agencies by \$50,000 cash funds from the Division of Insurance Cash Fund. The Senate added an amendment requiring drug cost information be submitted to the All-Payer Claims Database and then the Division of Insurance will pay the standard operating fees for the information.

Points to Consider*General Fund Impact*

The Joint Budget Committee has proposed a budget package for FY 2021-22 based on the March 2021 Legislative Council Staff revenue forecast. The budget package includes a set aside of \$48.0 million General Fund for bills that require General Fund appropriations for FY 2021-22. This bill is anticipated to reduce General Fund revenues by \$730,771, reducing the amount available for appropriation by the same amount.

Pursuant to Section 10-3-209 (4), C.R.S., taxes on insurance premiums are credited to the Division of Insurance Cash Fund (with a maximum transfer of five percent of premium tax collections) to cover appropriations made by the General Assembly. Any increase in appropriations reduces the amount of tax revenue deposited in the General Fund, thereby reducing the amount of General Fund available for other purposes.