SB21-175

JBC STAFF FISCAL ANALYSIS
SENATE 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; AND ESTABLISHING PENALTIES FOR VIOLATIONS.

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

JBC Analyst: Eric Kurtz
Phone: 303-866-4952
Date Prepared: April 23, 2021

Appropriation Items of Note

Appropriation Required, Amendment in Packet

General Fund Impact

Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 03/16/21.

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

The Health and Human Services Committee Report (03/17/21) includes amendments to the bill, however, Legislative Council Staff and JBC Staff agree that the committee amendments do not change the fiscal impact of the bill.

Amendments in This Packet for Consideration by Appropriations Committee

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<td>J.001</td>
<td>Staff-prepared appropriation amendment</td>
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Current Appropriations Clause in Bill
The bill requires but does not contain an appropriation clause.
Description of Amendments in This Packet

J.001  Staff has prepared amendment J.001 (attached) to add a provision appropriating a total of $680,771 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.

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 $50.0 million General Fund for bills that require General Fund appropriations for FY 2021-22. This bill is anticipated to reduce General Fund revenues by $680,771, 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.