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Fiscal Note

Drafting Number: LLS 24-0607 Date: February 9, 2024
Prime Sponsors: Rep. Young; Joseph Sen. Fenberg Bill Status: House Health & Human Services
Fiscal Analyst: Brendan Fung | 303-866-4781 brendan.fung@coleg.gov

Bill Topic: PRESCRIPTION DRUG LABEL ACCESSIBILITY

Summary of Fiscal Impact: [X] State Revenue [] State Transfer [] Local Government
[X] State Expenditure [] TABOR Refund [] Statutory Public Entity

The bill requires pharmacies to provide patients with accessible drug labels and information. It increases state expenditures beginning in FY 2024-25 and may increase state revenue and local revenue and expenditures on an ongoing basis.

Appropriation Summary: For FY 2024-25, the bill requires appropriations totaling \$180,000 to multiple agencies.

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

Table 1
State Fiscal Impacts Under HB 24-1115

Table with 4 columns: Category, Budget Year FY 2024-25, Out Year FY 2025-26. Rows include Revenue, Expenditures (General Fund), Transfers, and Other Budget Impacts (General Fund Reserve).

Summary of Legislation

The bill requires pharmacies to provide patients who have difficulty seeing or reading standard printed labels with a method to access to prescription drug label information. Pharmacies must, upon request, provide patients with:

- an electronic label that transmits information to an external accessible device;
- a prescription drug label in braille or large print;
- a prescription drug reader; or
- any other means identified as a best practice by the U.S. Access Board.

The Colorado State Board of Pharmacy in the Department of Regulatory Agencies (DORA) may grant exceptions to a pharmacy that is a sole proprietorship with no more than two pharmacists. The bill creates a new civil cause of action for patients to file suit against pharmacies that violate these provisions and discriminate on the basis of disability.

Background and Assumptions

The Colorado State Board of Pharmacy regulates pharmacists, pharmacy interns, pharmacy technicians, in-state and nonresident pharmacies, in-state and out-of-state prescription drug wholesalers, satellite pharmacies, specialized prescription drug outlets, other outlets, and limited licenses. The Board licenses qualified applicants, investigates complaints, and enforces disciplinary actions.

The fiscal note assumes that pharmacies operated by the Department of Human Services (CDHS), the Department of Corrections (DOC), and institutions of higher education are subject to the bill.

State Revenue

The bill may minimally increase revenue to the Judicial Department beginning in FY 2024-25 from an increase in civil case filings. Revenue from filing fees is subject to TABOR.

State Expenditures

The bill increases state expenditures in CDHS and DOC by \$180,000 in FY 2024-25 and \$17,000 in FY 2025-26, paid from the General Fund. State expenditures may also increase for institutions of higher education. Expenditures are shown in Table 2 and detailed below.

Table 2
Expenditures Under HB 24-1115

	FY 2024-25	FY 2025-26
Department of Human Services		
Electronic Health Record System	\$150,000	-
Accessibility Labeling Equipment	\$20,000	\$6,000
System and Equipment Maintenance	-	\$7,000
CDHS Subtotal	\$170,000	\$13,000
Department of Corrections		
Accessibility Labeling Equipment	\$10,000	\$3,000
Equipment Maintenance	-	\$1,000
DOC Subtotal	\$10,000	\$4,000
Total Cost	\$180,000	\$17,000

Department of Human Services. The Office of Civil and Forensic Mental Health in CDHS oversees the Colorado Mental Health Hospital in Pueblo and the Colorado Mental Health Hospital in Fort Logan, which include pharmacies at each facility. Starting in FY 2024-25, expenditures in CDHS will increase to update the electronic health record and pharmacy system, and purchase accessibility labeling equipment.

- **Electronic health record system.** In FY 2024-25, CDHS requires \$150,000 to contract to update the electronic health record and pharmacy system to allow for patient requests for accessible prescription labels. Actual costs will be determined through the procurement process.
- **Accessibility labeling equipment.** In FY 2024-25, CDHS requires \$20,000 for braille and large print prescription label printers, programmers for read-aloud prescription information, and software for two pharmacy locations. Ongoing printer software costs are estimated at \$6,000 per year starting in FY 2025-26.
- **System and equipment maintenance.** Starting in FY 2025-26, CDHS requires \$5,000 for health system maintenance and \$2,000 for label printer maintenance. Ongoing maintenance for equipment is estimated as 15 percent of costs.

Department of Corrections. The DOC provides direct patient care, including pharmacy services, to the Colorado inmate population. Starting in FY 2024-25, expenditures in DOC will increase to purchase accessibility labeling equipment. The fiscal note assumes that the costs will be similar to those identified above for CDHS and will be updated if more information becomes available.

- **Accessibility labeling equipment.** In FY 2024-25, CDHS requires \$10,000 for braille and large print prescription label printers, programmers for read-aloud prescription information,

and software for one pharmacy location. Ongoing printer software costs are estimated at \$3,000 per year starting in FY 2025-26.

- **Equipment maintenance.** Starting in FY 2025-26, CDHS \$1,000 for label printer maintenance. Ongoing maintenance for equipment is estimated as 15 percent of costs.

Institutions of higher education. Many institutions of higher education in the state provide pharmaceutical services to student and faculty populations, and patients at medical research facilities. The bill may increase costs for institutions to obtain accessible labeling equipment and software. Costs are likely to vary by institution, and individual institution costs may be similar to the labeling equipment costs identified above for CDHS. Exact institution costs have not been estimated. The fiscal note will be updated if more information becomes available.

Department of Regulatory Agencies. Starting in FY 2024-25, DORA will have minimal workload increase to update rules, conduct outreach, and handle any additional complaints. Additionally, DORA will have a minimal increase in legal services, provided by the Department of Law. No change in appropriations is required.

Judicial Department. Trial courts in the Judicial Department may experience an increase in workload to the extent that additional civil cases are filed under the bill. The fiscal note assumes that pharmacies will comply with the law and any increase will be minimal.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

Effective Date

The bill takes effect July 1, 2025, assuming no referendum petition is filed.

State Appropriations

For FY 2024-25, the bill requires a General Fund appropriation of \$170,000 to the Department of Human Services and \$10,000 to the Department of Corrections. Additional state appropriations may be required for institutions of higher education.

State and Local Government Contacts

Corrections
Judicial

Higher Education
Law

Human Services
Regulatory Agencies

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).