



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Revised Fiscal Note

(replaces fiscal note dated February 6, 2024)

Drafting Number:	LLS 24-0607	Date:	April 17, 2024
Prime Sponsors:	Rep. Young; Joseph Sen. Fenberg	Bill Status:	House Second Reading
		Fiscal Analyst:	Brendan Fung 303-866-4781 brendan.fung@coleg.gov

Bill Topic: **PRESCRIPTION DRUG LABEL ACCESSIBILITY**

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

Appropriation Summary: For FY 2024-25, the bill requires an appropriation of \$83,650 to multiple agencies. See State Appropriations Section.

Fiscal Note Status: This revised fiscal note reflects the introduced bill, as amended in the House Health and Human Services and House Appropriations Committees.

Table 1
State Fiscal Impacts Under HB 24-1115

		Budget Year FY 2024-25	Out Year FY 2025-26
Revenue		-	-
Expenditures¹	General Fund	\$83,650	\$810
	Centrally Appropriated	\$1,820	\$1,820
	Total Expenditures	\$85,470	\$2,630
	Total FTE	0.1 FTE	0.1 FTE
Transfers		-	-
Other Budget Impacts	General Fund Reserve	\$12,548	\$122

¹ Expenditures in Table 1 show an appropriation of \$80,000 from the General Fund to the Department of Public Health and Environment in FY 2024-25. However, costs will be incurred over two years as shown in Table 2.

Summary of Legislation

The bill establishes accessibility requirements for prescription drug labels and creates a grant program for pharmacies to acquire relevant accessibility labeling equipment.

Accessibility requirements. 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 and a patient's caretaker 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 bill establishes a 28-day grace period for pharmacies to acquire accessibility labeling equipment after receiving a request from a patient or patient's caretaker. Pharmacies must make good faith efforts to inform the public that prescription drug label information is available in accessible formats.

Grant program. The bill creates the Prescription Accessibility Grant Program in the Colorado Department of Public Health and Environment (CDPHE) to award hardship grants to pharmacies for the acquisition of labeling equipment to comply with the new accessibility requirements. CDPHE must administer the program, review applications, and award grants of no more than \$1,500 to each selected recipient. By January 1, 2026, CDPHE must submit a report to the General Assembly that details the number of grants awarded, the amount of each grant, and grant recipients.

The bill requires that the General Assembly appropriate \$80,000 in FY 2024-25 from the General Fund for the program, a portion of which may be used for program administration. The program repeals on July 1, 2027.

Assumptions

The fiscal note assumes that the General Assembly will make a one-time appropriation of \$80,000 in FY 2024-25 to CDPHE, to be spent on the grant program over two years. It is also assumed that state-operated pharmacies are subject to the bill.

State Expenditures

The bill increases state expenditures in CDPHE and the Department of Corrections (DOC) by about \$78,000 in FY 2024-25 and \$9,700 in FY 2025-26, paid from the General Fund. Expenditures are shown in Table 2 and detailed below.

Table 2
Expenditures Under HB 24-1115

	FY 2024-25	FY 2025-26
Department of Public Health and Environment		
Personal Services	\$7,115	\$7,115
Grants	\$65,771	-
Centrally Appropriated Costs ¹	\$1,820	\$1,820
FTE – Personal Services	0.1 FTE	0.1 FTE
CDPHE Subtotal	\$74,706	\$8,935
Department of Corrections		
Accessibility Labeling Equipment	\$3,650	\$810
DOC Subtotal	\$3,650	\$810
Total Cost	\$78,356	\$9,745
Total FTE	0.1 FTE	0.1 FTE

² Centrally appropriated costs are not included in the bill's appropriation.

Department of Public Health and Environment. The bill provides \$80,000 for the grant program in CDPHE; of which about \$73,000 is expected to be spent in FY 2024-25 and \$7,000 in FY 2025-26, not including centrally appropriated costs.

- **Staff.** In FY 2024-25 and FY 2025-26, CDPHE requires 0.1 FTE Public Health Community Outreach II to administer the grant program, review applications, evaluate program metrics, and close-out the program.
- **Grants.** After accounting for two years of administrative costs, about \$66,000 will be available for grants. Assuming that CDPHE awards the maximum grant amount of \$1,500 to each recipient, 43 pharmacies will receive a one-time grant. The grant amount is shown in FY 2024-25 but may be spent over two years.
- **Legal services.** CDPHE may require legal services, provided by the Department of Law, which can be accomplished within existing legal services appropriations. Legal counsel is related to contract language, implementation, and ongoing administration of the program.

Department of Corrections. The DOC provides direct patient care, including pharmacy services, to the Colorado inmate population. In FY 2024-25, expenditures in DOC will increase by about \$3,600 for large print prescription label printers and supplies for the department's central pharmacy location. Starting in FY 2025-26, expenditures will increase by \$810 for ongoing equipment maintenance.

Department of Regulatory Agencies. Starting in FY 2024-25, workload in the Colorado State Board of Pharmacy in the Department of Regulatory Agencies (DORA) will minimally increase to update pharmacy 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.

Department of Human Services. Workload and expenditures may increase in the Department of Human Services to the extent that outpatients in the Colorado Mental Health Hospital in Pueblo the Colorado Mental Health Hospital in Fort Logan request accessible pharmacy labels. These impacts are expected to be minimal and no change in appropriation is required. Any cost increase in the department as a result of prescription requests will be addressed through the annual budget process.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 2.

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 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2024-25, the bill requires a General Fund appropriation of \$80,000 and 0.1 FTE to the Department of Public Health and Environment, with roll forward authority through FY 2026-27. However, the bill currently includes an appropriation of \$72,886.

The bill also requires and includes a General Fund appropriation of \$3,650 to the Department of Corrections.

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](#).