



Legislative Council Staff
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**Fiscal Note
Memorandum**

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TO: Members of the House Health and Insurance Committee

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SUBJECT: Fiscal Assessment of Proposed Amendment HB23-1183_L.001

This memorandum is an assessment of the fiscal impact of the attached proposed amendment L.001 to House Bill 23-1183. This fiscal assessment is for the impact of the bill with inclusion of this amendment only. Any other added amendment could influence the fiscal impact.

Summary of Proposed Amendment

Amendment HB23-1183_L.001 requires the Department of Health Care Policy and Financing (HCPF) to review all eligible applications for a step therapy exception rather than to grant the exception. Additionally, the amendment alters the review timeline requirements and removes the requirement that HCPF provide specific clinical review criteria relating to the client's particular condition.

Fiscal Impact of Amendment

With the adoption of HB23-1183_L.001, the bill will no longer drive a significant increase in non-preferred drug utilization and the pharmacy costs will be minimal. Additionally, the administrative burden will be lessened and the contractor costs will be reduced, relative to the costs shown in the initial fiscal note.

Bill's Revised Fiscal Impact with Amendment

The bill is assessed as requiring an appropriation of \$225,000 annually to the Department of Health Care Policy and Financing, including \$56,250 from the General Fund and \$168,750 from federal funds beginning in FY 2023-24, for contractor costs to provide the application review. These costs are summarized in Table 1 below.

Table 1
State Fiscal Impacts Under HB 23-1183 with Amendment L.001

		Budget Year FY 2023-24	Out Year FY 2024-25
Revenue		-	-
Expenditures	General Fund	\$56,250	\$56,250
	Federal Funds	\$168,750	\$168,750
	Total Expenditures	\$225,000	\$225,000
Transfers		-	-
Other Budget Impacts	General Fund Reserve	\$8,438	\$8,438