

CHAPTER 224

HEALTH CARE POLICY AND FINANCING

SENATE BILL 09-132

BY SENATOR(S) Boyd;
also REPRESENTATIVE(S) Kerr J., Acree, Frangas, Gerou, Green, Labuda, Riesberg, Ryden, Schafer S., Summers, Todd, Vigil,
Carroll T.

AN ACT

**CONCERNING DISCOUNTED PRESCRIPTION DRUG PROGRAMS, AND, IN CONNECTION THEREWITH,
PROVIDING INFORMATION REGARDING DISCOUNTED PRESCRIPTION DRUG PROGRAMS
AND MODIFYING THE "COLORADO CARES RX ACT" AND MAKING AN APPROPRIATION.**

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. 25.5-2.5-102, Colorado Revised Statutes, is amended to read:

25.5-2.5-102. Legislative declaration. (1) The general assembly finds that:

(a) Uninsured, underinsured, and older Coloradans pay a disproportionately greater share of their income for prescription drugs. In many cases, current drug prices have the effect of denying residents access to necessary medical care, thereby threatening their health and safety.

(b) Prescription drugs play an increasingly important role in improving or stabilizing a person's health and in reducing overall health care costs;

(c) Additionally, the new medicare prescription drug benefit restricts persons from purchasing insurance in order to fully cover their prescription drug needs. This restriction on a person's ability to purchase adequate coverage may threaten the person's health and safety;

(d) Currently, there is no limit on the amount that a pharmacy may charge for a generic or nonpatented drug, and, although some retail pharmacies are offering some generic and nonpatented drugs at discounted prices, there are no guarantees that the pharmacies will continue to do so.

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

(2) The general assembly, therefore, declares that it is ~~necessary to provide a mechanism for persons~~ IMPORTANT TO MAKE INFORMATION AVAILABLE TO THE PUBLIC CONCERNING WAYS TO PURCHASE LOWER-COST GENERIC AND NONPATENTED PRESCRIPTION DRUGS THROUGH THE ~~IMPLEMENTATION OF~~ "COLORADO CARES RX ACT" IN ORDER TO PROTECT THE HEALTH OF UNINSURED, UNDERINSURED, AND OLDER COLORADANS. ~~WHILE AT THE SAME TIME PROTECTING PHARMACIES FROM BEARING THE COST OF PROVIDING THE DRUGS TO SUCH PERSONS.~~ THE GENERAL ASSEMBLY FURTHER DECLARES THAT THE STATE SHOULD CONTINUE TO ACTIVELY RESEARCH COST-EFFECTIVE MECHANISMS OR PROGRAMS THAT MAY PROVIDE ADDITIONAL OPTIONS TO ADDRESS THIS NEED IN COLORADO.

SECTION 2. 25.5-2.5-103, Colorado Revised Statutes, is REPEALED AND REENACTED, WITH AMENDMENTS, to read:

25.5-2.5-103. Lower-cost prescription drugs - information - research - reporting. (1) THE STATE DEPARTMENT SHALL MAKE INFORMATION AVAILABLE TO THE PUBLIC CONCERNING LOWER-COST PRESCRIPTION DRUG PROGRAMS. THE INFORMATION SHALL INCLUDE, BUT NEED NOT BE LIMITED TO:

(a) WAYS IN WHICH LOW-INCOME, UNINSURED PERSONS CAN OBTAIN LOWER-COST PRESCRIPTION DRUGS; AND

(b) CONTACT INFORMATION CONCERNING PROGRAMS FOR LOWER-COST PRESCRIPTION DRUGS.

(2) THE STATE DEPARTMENT SHALL RESEARCH COST-EFFECTIVE PROGRAMS OR MECHANISMS BY WHICH LOW-INCOME, UNINSURED PERSONS MAY PURCHASE LOWER-COST PRESCRIPTION DRUGS.

(3) THE STATE DEPARTMENT SHALL REPORT ANNUALLY TO THE HEALTH AND HUMAN SERVICES COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND THE SENATE, OR ANY SUCCESSOR COMMITTEES, CONCERNING THE PROVISIONS OF THIS ARTICLE.

SECTION 3. Repeal. 25.5-2.5-104, 25.5-2.5-105, and 25.5-2.5-106, Colorado Revised Statutes, are repealed.

SECTION 4. Repeal. 24-34-104 (43.5) (a), Colorado Revised Statutes, is repealed as follows:

24-34-104. General assembly review of regulatory agencies and functions for termination, continuation, or reestablishment. (43.5) The following agencies, functions, or both, shall terminate on June 30, 2013:

(a) The "~~Colorado Cares Rx Act~~", created by article 2.5 of title 25.5, C.R.S.;

SECTION 5. Part V (1) (A), (1) (C), (1) (D), (5), and the affected totals of section 2 of chapter 474, Session Laws of Colorado 2008, are amended to read:

Section 3. Appropriation.

ITEM & SUBTOTAL	TOTAL	APPROPRIATION FROM				
		GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
\$	\$	\$	\$	\$	\$	\$

**PART V
DEPARTMENT OF HEALTH CARE POLICY AND FINANCING**

(1) EXECUTIVE DIRECTOR'S OFFICE

(A) General Administration

Personal Services	19,015,961
	18,812,638
	(273.2 FTE)
	(269.4 FTE)
Health, Life, and Dental	1,278,471
Short-term Disability	22,871
	22,621
S.B. 04-257 Amortization	
Equalization Disbursement	279,035
	275,961
S.B. 06-235 Supplemental	
Amortization	
Equalization Disbursement	128,887
	127,446

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	ITEM & SUBTOTAL	TOTAL	APPROPRIATION FROM				
			GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
	\$	\$	\$	\$	\$	\$	\$
Salary Survey and Senior Executive Service	676,435						
	673,446						
Performance-based Pay Awards	251,236						
	249,966						
Workers' Compensation	32,346						
Operating Expenses	1,803,990						
	1,800,190						
Legal Services and Third Party Recovery Legal Services for 13,089 hours	982,984						
Administrative Law Judge Services	469,789						
Purchase of Services from Computer Center	135,103						
Payment to Risk Management and Property Funds	71,989						
Leased Space	394,236						
Capitol Complex Leased Space	395,208						

General Professional
Services and Special
Projects^a

<u>2,006,184</u>					
27,944,725	12,011,895(M)	895,861	1,674,195 ^b	13,362,774	
27,728,578	12,018,550(M)	666,404 ^a		13,369,429	

^a Of this amount, \$254,463 shall be from the Children's Basic Health Plan Trust Fund created in Section 25.5-8-105 (1), C.R.S.; ~~\$229,457 shall be from the Colorado Care Rx Program Cash Fund created in Section 25.5-2.5-105 (1), C.R.S.~~; \$158,956 shall be from the Health Care Expansion Fund created in Section 24-22-117 (2) (a) (I), C.R.S.; \$80,745 shall be from estate recoveries; \$55,343 shall be from the Primary Care Fund created in Section 24-22-117 (2) (b) (I), C.R.S.; \$33,679 shall be from the Autism Treatment Fund created in Section 25.5-6-805, C.R.S.; \$31,509 shall be from the Short-term Innovative Health Program Grant Fund created in Section 25-36-101 (1), C.R.S.; \$28,972 shall be from the Coordinated Care for People with Disabilities Fund created in Section 25.5-6-111 (4), C.R.S.; and \$22,737 shall be from the Comprehensive Primary and Preventive Care Fund created in Section 25.5-3-207 (1), C.R.S.

^b Of this amount, \$1,670,858 shall be a transfer from the Department of Human Services, and \$3,337 shall from Old Age Pension Fund moneys appropriated to the Department of Human Services, pursuant to Article 24 of the State Constitution.

(C) Information Technology Contracts and Projects

Information Technology

Contracts	23,611,692	5,424,454(M)	1,817,517	100,328 ^b	16,269,393
	22,307,943		513,768 ^a		
Fraud Detection Software Contract	1,000,000	100,000(M)			900,000
Colorado Benefits Management System Medical Assistance Project	5,300,000	2,536,236(M)			2,763,764
Centralized Eligibility Vendor Contract Project	<u>153,600</u>	73,503(M)			80,097
	30,065,292				
	28,761,543				

ITEM & SUBTOTAL	TOTAL	APPROPRIATION FROM				
		GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
\$	\$	\$	\$	\$	\$	\$
Medical Identification						
Cards	120,000	48,444(M)		10,759 ^a	1,593 ^b	59,204
Contracts for Special Eligibility Determinations	2,410,994	913,610(M)		30,854 ^c		1,466,530
County Administration	23,803,133 23,682,683	7,248,943(M)		4,752,981^c 4,632,531 ^d		11,801,209
Administrative Case Management	2,917,528	1,458,764(M)				1,458,764
Customer Outreach	<u>3,790,283</u>	1,861,628(M)		33,514 ^a		1,895,141
	<u>33,041,938</u> 32,921,488					

^a These amounts shall be from the Health Care Expansion Fund created in Section 24-22-117 (2) (a) (I), C.R.S.

^b This amount shall be from Old Age Pension Fund moneys appropriated to the Department of Human Services, pursuant to Article 24 of the State Constitution.

^a Of this amount, \$1,303,749 shall be from the Colorado Cares Rx Program Cash Fund created in Section 25.5-2.5-105 (1), C.R.S.; \$284,899 shall be from the Health Care Expansion Fund created in Section 24-22-117 (2) (a) (I); \$226,984 shall be from the Children's Basic Health Plan Trust Fund created in Section 25.5-8-105 (1), C.R.S.; and \$1,885 shall be from the Autism Treatment Fund created in Section 25.5-6-805, C.R.S.

^b Of this amount, \$97,981 shall be from Old Age Pension Fund moneys appropriated to the Department of Human Services, pursuant to Article 24 of the State Constitution; and \$2,347 shall be a transfer from the Department of Public Health and Environment pursuant to Section 24-22-117 (2) (d) (II), C.R.S.

^c Of this amount, \$25,854 shall be from the Health Care Expansion Fund created in Section 24-22-117 (2) (a) (I), C.R.S.; and \$5,000 shall be from the Autism Treatment Fund created in Section 25.5-6-805, C.R.S.

^d This amount shall be from local funds.

~~103,794,807~~

102,154,461

(5) OTHER MEDICAL SERVICES

Services for 5,389 Old Age

Pension State Medical

Program clients

15,311,715

12,836,715^a

2,475,000^b

Transfer of Tobacco Tax

Cash Fund into the

Supplemental Old Age

Pension State Medical

Fund

2,475,000

2,475,000^c

Commission on Family

Medicine Residency

Training Programs

2,173,558

1,086,779(M)

1,086,779

Enhanced Prenatal Care

Training and Technical

Assistance

117,411

58,706(M)

58,705

Nurse Home Visitor

Program

3,010,000

1,505,000^d

1,505,000

Medicare Modernization

Act of 2003 State

Contribution Payment

81,155,195

81,155,195

Public School Health

Services

27,501,534

14,101,907^e

13,399,627

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APPROPRIATION FROM

ITEM & SUBTOTAL	TOTAL	APPROPRIATION FROM				
		GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
\$	\$	\$	\$	\$	\$	\$
Colorado Cares Rx Program Contract Costs	<u>2,278,378</u>			2,278,378 ^f		
	134,022,791					
	131,744,413					

^a Of this amount, \$9,998,483 shall be from the Old Age Pension Health and Medical Care Fund, pursuant to Section 7 (C) of Article 24 of the State Constitution, and \$2,838,232 shall be from the Supplemental Old Age Pension Health and Medical Care Fund created in Section 25.5-2-101 (2), C.R.S. Of the amount from the Supplemental Old Age Pension Health and Medical Care Fund, \$750,000 is the statutorily required transfer into the fund pursuant to the provisions of Section 39-26-123 (3), C.R.S., and \$2,088,232 is unexpended fund balance in the Supplemental Old Age Pension Health Medical Care Fund.

^b This amount shall be a transfer of funds from the Tobacco Tax Cash Fund created in Section 24-22-117 (1) (a), C.R.S., into the Supplemental Old Age Pension Health and Medical Care Fund and shall be in addition to the amount appropriated from this fund as cash funds.

^c This amount shall be from the Tobacco Tax Cash Fund created in Section 24-22-117 (1) (a), C.R.S. This appropriation meets the requirement to appropriate a portion of the revenues collected from the imposition of additional state cigarette and tobacco taxes to the Old Age Pension program for health related purposes pursuant to Section 21 of Article X of the State Constitution.

^d This amount shall be transferred from the Department of Public Health and Environment.

^e This amount represents funds certified as expenditures incurred by school districts that are eligible for federal financial participation under Medicaid.

^f This amount shall be from the Colorado Cares Rx Program Cash Fund created in Section 25.5-2.5-105 (1), C.R.S.

**TOTALS PART V
(HEALTH CARE
POLICY AND
FINANCING)**

	\$3,745,280,527	\$1,158,613,022	\$369,495,000 ^a	\$367,176,666^b	\$23,500,825	\$1,826,495,014
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\$3,741,361,803 \$1,158,619,677 \$363,244,632^b \$1,826,501,669

^a Of this amount, \$369,000,000 shall be from the General Fund Exempt Account created in Section 24-77-103.6 (2), C.R.S., and \$495,000 shall be General Fund Exempt pursuant to Section 24-22-117 (1) (c) (I) (B), C.R.S. Further, said \$495,000 is also not subject to the statutory limitation on General Fund appropriations imposed by Section 24-75-201.1, C.R.S.

^b This amount includes \$273,607 from the Colorado Autism Treatment Fund created in Section 25.5-6-805, C.R.S., and represents the total amount that the State Treasurer shall transfer from the Tobacco Litigation Settlement Cash Fund created in Section 24-22-115 (1) (a), C.R.S., to the Colorado Autism Treatment Fund pursuant to Section 24-22-115 (1) (a), C.R.S.

SECTION 6. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: May 4, 2009