



**Colorado
Legislative
Council
Staff**

HB17-1371

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-1227
Prime Sponsor(s): Rep. Lee
Sen. Cooke

Date: May 4, 2017
Bill Status: House Judiciary
Fiscal Analyst: Josh Abram (303-866-3561)

BILL TOPIC: DISTRIBUTION OF MEDICATIONS TO CERTAIN OUTLETS

Summary of Legislation

Under current law, an accredited hospital, a prescription drug outlet operated by a health maintenance organization, and the Department of Corrections (DOC) are permitted to distribute compounded and prepackaged medications to pharmacies that are under common ownership of the respective entity. This bill allows these entities to distribute the medications to pharmacies and to other outlets under common ownership of each entity.

Background

House Bill 12-1311 continued the Colorado Board of Pharmacy in the Department of Regulatory Agencies and the regulation of pharmacy practice through September 1, 2021. In subsequent rulemaking, a rule that had previously authorized the DOC to distribute compounded and prepackaged drugs without limitation was unintentionally eliminated. A pharmacy inspector noted the deficiency during a 2015 inspection and subsequently the board granted the DOC a waiver allowing the department to seek reauthorization to codify this practice of distributing compounded and prepacked drugs.

House Bill 16-1152, which authorized DOC to distribute compounded and prepackaged medications to DOC pharmacies, partially fixed this issue, and allowed the DOC to avoid the more expensive process of purchasing individual prescriptions for inmates, rather than buying prescriptions in bulk.

Assessment

The bill provides a technical fix and clarification to current law that will permit the DOC to continue its current practice of purchasing medications in bulk and distributing these to pharmacies and other outlets under the DOC's common ownership. This technical change does not impact the revenue or expenditures of the department. Rather, the bill harmonizes statute with current practice. For this reason, the bill is assessed as having no fiscal impact.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Corrections

Law

Regulatory Agencies