



**Colorado
Legislative
Council
Staff**

HB17-1318

FISCAL NOTE

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

Drafting Number: LLS 17-0010 **Date:** April 12, 2017
Prime Sponsor(s): Rep. Ginal **Bill Status:** House Health, Insurance, and Environment
 Sen. Coram; Kefalas **Fiscal Analyst:** Bill Zepernick (303-866-4777)

BILL TOPIC: DIV OF INSURANCE ANNUAL REPORT PHARMACEUTICAL COSTS DATA

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue		
State Expenditures	Minimal workload increase.	
Appropriation Required: None.		
Future Year Impacts: Ongoing workload increase through FY 2020-21.		

Summary of Legislation

This bill requires health insurers to submit various information to the Division of Insurance (DOI) in the Department of Regulatory Agencies (DORA) on the cost of pharmaceuticals covered under individual and group health insurance plans. Data must be submitted by March 31, 2018, and each March 31 through 2020. In the first year, carriers must provide cost data for 2015 through 2017, and then in future years for the prior calendar year only. The DOI must aggregate data submitted by insurers and submit a report to the Governor and the Health and Human Services committees of the General Assembly by December 1 each year from 2018 through 2020. Information on pharmaceutical costs must also be presented by DORA during its SMART Government Act hearing.

The bill places certain limits on data reporting by the DOI to ensure that prices paid by single carriers are not disclosed and that only aggregated information is presented. The report may not list the names of individual health insurance carriers or pharmaceutical companies, and must identify pharmaceuticals by their drug class rather than individual product names. Information to be reported by carriers and aggregated by the DOI includes:

- the total pharmaceutical costs incurred, including all cost sharing amounts, and the net cost to the carrier after all discounts and rebates;
- the net cost of all pharmaceuticals as a percentage of all medical costs;
- a list of the drug classes of the ten most-dispensed pharmaceuticals, the aggregate cost of each pharmaceutical and the number of unique covered persons receiving the pharmaceutical for brand-named drugs, generic drugs, biological products, and interchangeable biological products; and

- a list of the drug classes of the ten pharmaceuticals with the highest cost, the number of unique covered persons who received the pharmaceuticals on the list, and the medical condition each pharmaceutical was required to treat.

State Expenditures

From FY 2017-18 to FY 2020-21, the bill increases workload in DORA by a minimal amount to receive data from insurance carriers, aggregate the data, and to provide a report to the General Assembly and Governor. Given that the DOI currently collects various data and conducts analyses on broader measures of health care costs as part of its current duties, the increased workload to meet the new requirements of the bill for more specific data collection and analysis on pharmaceutical costs can be accomplished within existing appropriations.

Effective Date

The bill takes effect August 9, 2017, if the General Assembly adjourns on May 10, 2017, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Information Technology

Personnel

Regulatory Agencies