



Legislative
Council Staff

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FISCAL NOTE

Drafting Number:	LLS 18-0675	Date:	March 28, 2018
Prime Sponsors:	Rep. Buckner; Wilson Sen. Martinez Humenik; Kefalas	Bill Status:	House Health, Insurance, and Environment
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Bill Topic: DISCLOSURE OF PRESCRIPTION COSTS AT PHARMACIES

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure (<i>minimal</i>)	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill prohibits health insurance carriers and pharmacy benefit managers from certain practices that increase costs to consumers. The bill will minimally increase state workload on an ongoing basis.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Summary of Legislation

This bill prohibits a health insurance carrier or pharmacy benefit manager (PBM) from:

- requiring that a pharmacist charge a covered person a copayment that exceeds the amount billed to the health plan by the pharmacist; or
- prohibiting or penalizing a pharmacist from informing a covered person about cost sharing amounts for a prescription drug or the clinical efficacy of a more affordable alternative drug.

If the Commissioner of Insurance determines that a carrier or PBM violates these provisions, the commissioner must institute a corrective action plan for the carrier and may use other existing enforcement mechanisms to ensure compliance.

State Expenditures

The bill increases workload in several state agencies by a minimal amount. First, the Division of Insurance in the Department of Regulatory Agencies will have additional workload to inform carriers about the requirements of the bill, receive and investigate complaints from consumers, institute corrective plans, and monitor ongoing compliance by carriers and PBMs. Second, in the event that a carrier has continued noncompliance with the bill, the Commissioner of Insurance may seek a court order mandating compliance, which would increase workload in the

trial courts in the Judicial Department and in the Department of Law. Assuming a high level of compliance by health insurance carriers, these workload increases are expected to be minimal and can be accomplished within existing appropriations.

Effective Date

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Health Care Policy and Financing
Judicial
Personnel

Information Technology
Law
Regulatory Agencies