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FISCAL NOTE

Drafting Number: LLS 20-0100
Prime Sponsors: Rep. Valdez A.; Herod

Date: January 29, 2020
Bill Status: House Public Health
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Bill Topic: HIV INFECTION PREVENTION MEDICATIONS

- Summary of Fiscal Impact: State Revenue, State Expenditure, State Diversion, TABOR Refund, Local Government, Statutory Public Entity

This bill allows pharmacists to prescribe and dispense HIV prevention medication and requires health benefit carriers to cover the prescriptions. The bill increases state expenditures and creates a General Fund diversion on an ongoing basis.

Appropriation Summary: This bill requires an appropriation of \$13,347 to the Department of Regulatory Agencies.

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

Table 1
State Fiscal Impacts Under HB 20-1061

Table with 4 columns: Category, Fund, FY 2020-21, FY 2021-22. Rows include Revenue, Expenditures, Diversion, and TABOR Refund.

### **Summary of Legislation**

This bill allows pharmacists to prescribe and dispense HIV prevention medication if the pharmacist completes a training program approved by the Pharmacy Board. When prescribing the medication, a pharmacist must:

- screen the patient for HIV;
- provide counseling to the patient about the medication; and
- notify the patient's primary care provider.

In addition to these requirements, when prescribing pre-exposure prophylaxis a pharmacist must also advise the patient on current federal guidelines and recommendations on taking the medication, and must document the services provided. When prescribing post-exposure prophylaxis, the pharmacist must provide HIV testing or determine if the patient is willing to receive an HIV test.

This bill also requires all individual and group health benefit plans to provide coverage for HIV prevention medication prescribed by a pharmacist. In addition, a carrier cannot require a patient to undergo step therapy or receive prior authorization before a pharmacist can prescribe and dispense a HIV infection drug. The carrier must provide the pharmacist an adequate consultative fee or dispensing fee when prescribing and dispensing HIV prevention drugs.

### **State Diversions**

Beginning in FY 2020-21, the bill diverts an estimated \$13,347 from the General Fund for plan review in the Department of Regulatory Agencies (DORA). This revenue diversion occurs because the bill increases costs in the Division of Insurance in DORA, which is funded with premium tax revenue that would otherwise be credited to the General Fund.

### **State Expenditures**

This bill will increase state expenditures in DORA by \$17,813 and 0.2 FTE in FY 2020-21 and FY 2021-22 and future years, as shown in Table 2 and discussed below. These costs will be paid from the Division of Insurance Cash Fund. In addition, the bill may impact insurance premiums the state pays for state employees, as described below.

**Table 2**  
**Expenditures Under HB 20-1061**

	<b>FY 2020-21</b>	<b>FY 2021-22</b>
<b>Department of Regulatory Agencies</b>		
Personal Services	\$13,347	\$13,347
Centrally Appropriated Costs*	\$4,466	\$4,466
<b>Total Cost</b>	<b>\$17,813</b>	<b>\$17,813</b>
<b>Total FTE</b>	<b>0.2 FTE</b>	<b>0.2 FTE</b>

\* Centrally appropriated costs are not included in the bill's appropriation.

**Department of Regulatory Agencies.** Starting in FY 2020-21, the Division of Insurance (DOI) in DORA requires 0.2 FTE for a financial analyst to review each individual, small group, large group, and student health benefit plan to ensure that each plan is compliant with the bill. The fiscal note assumes that review will take four hours per plan. Workload for the Pharmacy Board in DORA will also increase to approve a new training program and to update any rules or conduct any outreach, which can be accomplished within existing appropriations.

**State health insurance premiums.** Starting in FY 2020-21, state health insurance premiums may be impacted due to the new insurance requirements laid out in the bill. The state's contribution amount is determined by market practices; therefore, any changes to premium payments will be determined through the annual budget process.

**Centrally appropriated costs.** Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$4,466 in FY 2020-21 and FY 2021-22.

## Effective Date

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed.

## State Appropriations

For FY 2020-21, this bill requires a \$13,347 appropriation from the Division of Insurance Cash Fund to the Department of Regulatory Agencies, and 0.2 FTE.

## State and Local Government Contacts

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