



**Legislative Council Staff**  
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**Fiscal Note  
Memorandum**

Room 029 State Capitol, Denver, CO 80203-1784  
Phone: (303) 866-3521 • Fax: (303) 866-3855  
lcs.ga@state.co.us • leg.colorado.gov/lcs

February 27, 2023

**TO:** Members of the House Health and Insurance Committee

**FROM:** Kristine McLaughlin, Fiscal Analyst  
kristine.mclaughlin@coleg.gov | 303-866-4776

**SUBJECT:** Fiscal Assessment of Proposed Amendment **HB23-1183\_L.001**

This memorandum is an assessment of the fiscal impact of the attached proposed amendment L.001 to House Bill 23-1183. This fiscal assessment is for the impact of the bill with inclusion of this amendment only. Any other added amendment could influence the fiscal impact.

### **Summary of Proposed Amendment**

Amendment HB23-1183\_L.001 requires the Department of Health Care Policy and Financing (HCPF) to review all eligible applications for a step therapy exception rather than to grant the exception. Additionally, the amendment alters the review timeline requirements and removes the requirement that HCPF provide specific clinical review criteria relating to the client's particular condition.

### **Fiscal Impact of Amendment**

With the adoption of HB23-1183\_L.001, the bill will no longer drive a significant increase in non-preferred drug utilization and the pharmacy costs will be minimal. Additionally, the administrative burden will be lessened and the contractor costs will be reduced, relative to the costs shown in the initial fiscal note.

### **Bill's Revised Fiscal Impact with Amendment**

The bill is assessed as requiring an appropriation of \$225,000 annually to the Department of Health Care Policy and Financing, including \$56,250 from the General Fund and \$168,750 from federal funds beginning in FY 2023-24, for contractor costs to provide the application review. These costs are summarized in Table 1 below.

**Table 1**  
**State Fiscal Impacts Under HB 23-1183 with Amendment L.001**

		<b>Budget Year FY 2023-24</b>	<b>Out Year FY 2024-25</b>
<b>Revenue</b>		-	-
<b>Expenditures</b>	General Fund	\$56,250	\$56,250
	Federal Funds	\$168,750	\$168,750
	<b>Total Expenditures</b>	<b>\$225,000</b>	<b>\$225,000</b>
<b>Transfers</b>		-	-
<b>Other Budget Impacts</b>	General Fund Reserve	\$8,438	\$8,438