



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25-1222: PRESERVING ACCESS TO RURAL INDEPENDENT PHARMACIES

Prime Sponsors:

Rep. Winter T.; Lukens
Sen. Roberts; Simpson

Fiscal Analyst:

Brendan Fung, 303-866-4781
brendan.fung@coleg.gov

Published for: House Health & Human Services**Drafting number:** LLS 25-0494**Version:** Initial Fiscal Note**Date:** March 6, 2025**Fiscal note status:** This fiscal note reflects the introduced bill.

Summary Information

Overview. The bill places requirements on pharmacy benefit managers engaging with rural independent pharmacies and requires flex pharmacies to register with the Department of Regulatory Agencies.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- Minimal State Workload
- Minimal State Revenue

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

The bill establishes requirements for pharmacy benefit managers (PBM) who engage with rural independent pharmacies. It also defines “flex pharmacies” and requires them to register with the Department of Regulatory Agencies (DORA).

Pharmacy Benefit Managers

The bill requires PBMs to reimburse rural independent pharmacies for prescription drugs at a rate that is equal to or greater than the average acquisition cost plus a dispensing fee. Additionally, when recouping more than \$1,000 as a result of an audit conducted on a rural independent pharmacy, PBMs must notify the pharmacy of the recoupment and right to appeal.

Lastly, PBMs may not prohibit a rural independent pharmacy from using a private courier to deliver a prescription drug to a patient or require a rural independent pharmacy to obtain consent from the PBM to use a private courier.

Flex Pharmacies

The bill also establishes the regulation of flex pharmacies, which are rural independent pharmacies that may also operate as telepharmacies under certain conditions. These pharmacies must register with the Department of Regulatory Agencies (DORA), have a licensed pharmacist on-site for a specific amount of time, and operate from the same location at all times.

The State Board of Pharmacy in the Department of Regulatory Agencies (DORA) may promulgate rules to regulate flex pharmacies and levy fees to cover administrative costs.

State Revenue

The bill may minimally increase state revenue to the Division of Professions and Occupations in DORA from fees levied on eligible pharmacies to register as flex pharmacies and cover administrative costs to implement the program. Given that pharmacies are already regulated by DORA, any additional expenditures in DORA to administer the new registration are anticipated to be minimal; therefore, the fiscal note assumes that additional fees will not be assessed on flex pharmacies. However, if costs increase in the future, the department may impose a registration fee. Revenue from registration fees is subject to TABOR.

State Expenditures

Starting in FY 2025-26, the bill may minimally increase workload in the Department of Regulatory Agencies and the Department of Health Care Policy and Financing, as described below.

Department of Regulatory Agencies

Workload in DORA will minimally increase to promulgate rules and create a new license type for flex pharmacies, and to handle additional PBM complaints. The department may require legal services, provided by the Department of Law, related to rulemaking, implementation, and ongoing administration of the program, as well as a rise in complaints. Flex pharmacies are already registered with the department as prescription drug outlets; therefore, this workload is expected to be minimal and no change in appropriations is required.

Department of Health Care Policy and Financing

Workload in the Department of Health Care Policy and Financing will minimally increase to determine a dispensing fee for PBMs to include in the reimbursement of prescription drugs for rural independent pharmacies. This workload can be accomplished within existing appropriations.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed, and applies to conduct occurring on or after this date.

State and Local Government Contacts

Counties

Municipalities (CML)

Health Care Policy and Financing

Regulatory Agencies

Law

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).