

*Colorado Legislative Council Staff Fiscal Note*

**STATE  
FISCAL IMPACT**

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<b>Drafting Number:</b> LLS 15-0832	<b>Date:</b> March 10, 2015
<b>Prime Sponsor(s):</b> Sen. Aguilar Rep. Joshi	<b>Bill Status:</b> Senate Health & Human Services <b>Fiscal Analyst:</b> Bill Zepernick (303-866-4777)

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**BILL TOPIC:** THERAPEUTIC DRUG SELECTIONS FOR LONG-TERM CARE

<b>Fiscal Impact Summary*</b>	<b>FY 2015-2016</b>	<b>FY 2016-2017</b>
<b>State Revenue</b>		
<b>State Expenditures</b>	Minimal workload increase and potential cost savings.	
<b>FTE Position Change</b>		
<b>Appropriation Required:</b> None.		

\* This summary shows changes from current law under the bill for each fiscal year.

**Summary of Legislation**

The bill allows licensed pharmacists to provide therapeutic alternate drug selections to patients in nursing care facilities and long-term acute care hospitals if certain conditions are met. Alternate drug selections may include either therapeutic interchange selections or therapeutically equivalent selections. Such an alternative drug selection may be filled by a pharmacist if the selection is in accordance with the facility's written guidelines and procedures and is approved by a licensed physician, a licensed physician's assistant under the supervision of a licensed physician, or an advanced practice nurse with prescriptive authority in collaboration with a licensed physician. The bill authorizes these long-term care facilities to use an existing quality assessment and assurance committee or to establish such a committee in order to establish the written guidelines and procedures for alternate drug selection from the facility's formulary.

**State Expenditures**

The bill may result in a minimal workload increase in the Department of Regulatory Agencies for rulemaking by the State Board of Pharmacy, the Colorado Medical Board, and the State Board of Nursing concerning the changes under the bill. Rulemaking can be accomplished as part of the regular rulemaking process and no change in appropriations is required.

The bill may also result in potential cost savings to state programs, primarily Medicaid, that pay for prescription drugs for patients in long-term care settings. Generally, it is assumed that alternate drug selections will be made to ensure that cost-effective medication is provided in the event of price fluctuations or the limited availability of certain drugs. While savings or cost containment may result, no change in appropriation to any state program is required at this time.

**Effective Date**

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

**State and Local Government Contacts**

Regulatory Agencies  
Personnel and Administration  
Corrections

Health Care Policy and Financing  
Human Services