

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING A GENERIC AND NONPATENTED PRESCRIPTION DRUG PROGRAM.

Prime Sponsors:	Senator Hagedorn	JBC Analyst:	Melodie Beck
	Representative Madden	Phone:	303-866-2061
		Date Prepared:	January 22, 2007

Summary of Amendments Made to the Bill After the 01/19/07 Legislative Council Staff Fiscal Note was Prepared

None. The Legislative Council Staff Fiscal Note dated January 19, 2007 reflects amendments that were adopted in the Senate Health and Human Services Committee on January 17, 2007.

JBC Staff Concurrence with Legislative Council Staff Fiscal Note

Concurs **Does Not Concur** **Updated Analysis**

Amendments/Appropriation Status

The bill does not contain an appropriation clause. Staff has prepared amendment **J.001** (attached) to add the FY 2006-07 and FY 2007-08 appropriation clauses as outlined in the Legislative Council Staff Revised Fiscal Note dated January 19, 2007. The appropriation clause makes the following changes:

- 1) Appropriates \$145,927 General Fund to the Department of Health Care Policy and Financing's Executive Director's Office for FY 2006-07.
- 2) Appropriates a total of \$2,253,953 cash funds and 2.5 FTE to the Department of Health Care Policy and Financing's Executive Director's Office for FY 2007-08. The cash funds appropriation is from the Colorado's Cares RX Program Cash Fund.

Sponsor Amendments

Sponsor amendment **L.007** (attached) amends the Health and Human Services Committee Report, dated January 17, 2007, to eliminate the definition of average manufacturer price. The amendment also clarifies that the amount negotiated by the Department of Health Care Policy and Financing shall not be more than the lowest price that the manufacturer sells the drug for distribution in

Colorado, less any supplemental rebates or discounts, plus the dispensing fee. **Amendment L.007 does not change the fiscal impact of the bill noted in the Legislative Counsel Staff Fiscal Note dated January 19, 2007.**

Points to Consider

The Joint Budget Committee has not yet completed their work on supplemental bills for FY 2006-07. The Joint Budget Committee ***may*** introduced a budget package for FY 2006-07 which appropriates all of the General Fund allowed pursuant to the statutory six percent limit. As currently drafted, this bill would require \$145,927 in additional General Fund appropriations for FY 2006-07. Therefore, if this bill is enacted, other FY 2006-07 General Fund appropriations ***may*** need to be reduced by \$145,927 in order to comply with this statutory limitation on General Fund appropriations.