

JBC STAFF FISCAL ANALYSIS HOUSE APPROPRIATIONS COMMITTEE

CONCERNING A GENERIC AND NONPATENTED PRESCRIPTION DRUG PROGRAM, AND MAKING AN APPROPRIATION THEREFOR.

Prime Sponsors: Senator Hagedorn
 Representative Madden

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Summary of Amendments Made to the Bill After the 01/27/07 Legislative Council Staff Revised Fiscal Note was Prepared (Amended by the House Health and Human Services Committee 01/29/07)

The House Health and Human Services Committee amended the bill to include a Colorado Cares RX Pharmacy Advisory Council. The amendment specifies that the council shall not receive compensation nor be reimbursed for their expenses in attending meetings of the council. The House Health and Human Services Committee amendment does not change the fiscal impact delineated in the Legislative Council Staff Revised Fiscal Note dated January 27, 2007.

JBC Staff Concurrence with Legislative Council Staff Fiscal Note

<input checked="checked" type="checkbox"/> XXX Concurs	<input type="checkbox"/> Does Not Concur	<input type="checkbox"/> Updated Analysis
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Amendments/Appropriation Status

The bill currently contains the necessary appropriation clause for the administrative costs of the program as delineated in the Legislative Council Staff Revised Fiscal Note dated January 27, 2007. The current appropriation clause appropriates \$145,927 from the General Fund in FY 2006-07 to the Department of Health Care Policy and Financing (HCPF) for start-up costs for the Colorado Cares RX Pharmacy Program. In addition, the current appropriation clause appropriates a total of \$2,253,953 from the Colorado Cares Rx Program Cash Fund and 2.5 FTE in FY 2007-08 to HCPF for the administrative costs associated with the program. However, the current appropriation clause does not address the Senate floor amendment that requires the Colorado Cares Rx Program Cash Fund to repay the General Fund for the start-up that are incurred in FY 2006-07. Therefore, staff has drafted amendment **J.003** to provide the State Treasurer with the authority to reimburse the General Fund for the expenditures incurred in FY 2006-07 in accordance with Section 25.5-2.5-105, (3) of the reengrossed bill.

Sponsor Amendments

Staff is unaware of any sponsor amendments to be offered.

Points to Consider

1. 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.
2. The statutory language in the bill requires that the FY 2006-07 General Fund expenditures be repaid from the revenues in the Colorado Cares Rx Program Cash Fund on or before July 1, 2008. It is unclear from the statutory language if the General Fund should be repaid before any administrative costs are paid from the Colorado Cares Rx Program Fund. For the purposes of drafting **J.003**, staff has assumed that the General Fund is repaid only after revenues become available that exceed the amount needed to pay for the administrative costs of the program. It would be helpful to clarify the current bill to state that the administrative costs for the program shall be paid before the General Fund reimbursement so that if actual revenue in the cash fund does not meet the projection, the program will still be able to operate.