



Colorado Legislative Council Staff Fiscal Note
**STATE and LOCAL
 FISCAL IMPACT**

Drafting Number: LLS 12-0839
Prime Sponsor(s): Sen. Nicholson
 Rep. Bradford

Date: March 26, 2012
Bill Status: Senate Health and Human Services
Fiscal Analyst: Kerry White (303-866-3469)

TITLE: CONCERNING MEASURES TO REDUCE HEALTH CARE COSTS IN CORRECTIONAL FACILITIES.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue		
State Expenditures		
FTE Position Change		
Effective Date: August 8, 2012, if the General Assembly adjourns on May 9, 2012, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2012-2013: None required.		
Local Government Impact: Potential decrease in expenditures.		

Summary of Legislation

Under current law, licensed health care facilities are permitted to return unused medication, medical devices, or medical supplies to a pharmacist in the facility or a prescription drug outlet. Returned items may be redispensed to another patient or donated to a practitioner with prescriptive authority or to a nonprofit entity that is authorized to possess the items. This bill extends this authority to correctional facilities, including state-operated prisons, jails, adult detention centers, or private prisons.

State Expenditures

Overall, this bill increases workload by a minimal amount for the Department of Regulatory Agencies (DORA) and codifies existing practice for the Departments of Corrections (DOC) and Human Services (DHS), as discussed below.

Department of Regulatory Agencies. The State Board of Pharmacy within DORA will incur a minor increase in workload to promulgate rules to implement this law. This cost can be absorbed within existing appropriations.

Departments of Corrections and Human Services. By codifying existing practice for the DOC and DHS, no additional savings are anticipated. Both departments currently return unused medications, medical devices, and medical supplies that meet criteria established under state law and State Board of Pharmacy rules. For instance, medication that has been in the possession of an offender may not be returned, but crutches and wheelchairs or other medical devices are returned for reuse once the offender's authorization to use the equipment expires. Departmental policies also limit the amount of medication and supplies that may be ordered and distributed.

Local Government Impact

Local governments that operate jails and adult detention centers may experience a reduction in expenditures as a result of redispensing unused medication and supplies. As of this writing, no information about the amount of anticipated cost avoidance was available. However, this analysis assumes it is minimal.

Departments Contacted

Corrections

Human Services

Regulatory Agencies