INTRODUCED

LLS NO. 05-0354.01 Michele Hanigsberg  

HOUSE BILL 05-1152

HOUSE SPONSORSHIP  
Frangas, Pommer, Cerbo, Merrifield, and Weissmann

SENATE SPONSORSHIP  
Hagedorn,

House Committees  
Health and Human Services

Senate Committees

A BILL FOR AN ACT

CONCERNING LOWER-COST PRESCRIPTION DRUGS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Requires the department of public health and environment ("department") to join an established multi-state buying consortium that imports and reimports prescription drugs from entities outside of the United States for the purpose of making lower-cost prescription drugs available to the residents of Colorado.

Beginning January 1, 2006, creates the Colorado Rx clearinghouse ("clearinghouse") to provide access to medically necessary prescription drugs through patient assistance programs sponsored by pharmaceutical drug manufacturers. Specifies that the clearinghouse shall be

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.
administered by the department, contingent upon receipt of sufficient gifts, grants, and donations for the administration of the clearinghouse. Requires the department to contract with one or more entities to operate the clearinghouse. Prohibits the clearinghouse from purchasing prescription drugs for individuals eligible for clearinghouse services.

Requires the department of public health and environment, the department of health care policy and financing, the department of human services, and the department of corrections to maximize prescription drug discounts within the programs administered by the departments through the utilization of the federal 340B drug pricing program in order to receive the maximum state budget savings.

---

**Be it enacted by the General Assembly of the State of Colorado:**

**SECTION 1.** Article 1.5 of title 25, Colorado Revised Statutes, is amended BY THE ADDITION OF THE FOLLOWING NEW SECTIONS to read:

**25-1.5-107. Drug importation and reimportation.**

Notwithstanding any other provision of law, the department shall join an established multi-state buying consortium that imports and reimports prescription drugs from entities outside of the United States for the purpose of making lower-cost prescription drugs available to the residents of Colorado. The buying consortium that the department joins shall have in place quality controls and safety checks and shall utilize pharmacies that are regulated by the state that initially developed the program.

**25-1.5-108. Pharmaceutical clearinghouse - administration - rules - report - repeal.** (1) Beginning January 1, 2006, there is hereby created the Colorado RX clearinghouse, referred to in this section as the "clearinghouse", for the purpose of improving the health status of individuals throughout Colorado who lack
PRESCRIPTION DRUG COVERAGE BY PROVIDING ACCESS TO MEDICALLY NECESSARY PRESCRIPTION DRUGS THROUGH PATIENT ASSISTANCE PROGRAMS SPONSORED BY PHARMACEUTICAL DRUG MANUFACTURERS.

(2) The clearinghouse shall be administered by the department, contingent upon receipt of sufficient gifts, grants, and donations for the administration of the clearinghouse. The department shall ensure that the services of the clearinghouse are available to residents of Colorado on a statewide basis. The department shall contract with one or more entities to operate the clearinghouse.

(3) The clearinghouse shall determine which patient assistance programs an individual may be eligible for based on the criteria established by the pharmaceutical drug manufacturers for each manufacturer's patient assistance program. The clearinghouse shall not purchase prescription drugs for individuals eligible for clearinghouse services. An individual shall be eligible for the clearinghouse services only if the individual is not eligible for medical assistance pursuant to article 4 of title 26, C.R.S., or the children's basic health plan pursuant to article 19 of title 26, C.R.S.

(4) The state board of health may promulgate any rules necessary for the implementation of the clearinghouse.

(5) The department may accept gifts, grants, and donations for the administration of this section. Any gifts, grants, or donations received by the department shall be transmitted to the state treasurer, who shall credit the same to the Colorado Rx Clearinghouse Cash Fund, which is hereby...
ESTABLISHED AND REFERRED TO IN THIS SECTION AS THE "FUND". MONEYS IN THE FUND SHALL BE ANNUALLY APPROPRIATED BY THE GENERAL ASSEMBLY FOR THE DIRECT AND INDIRECT COSTS OF IMPLEMENTING THIS SECTION. ANY MONEYS IN THE FUND NOT EXPENDED FOR THE PURPOSE OF THIS SECTION MAY BE INVESTED BY THE STATE TREASURER AS PROVIDED BY LAW. ALL INTEREST AND INCOME DERIVED FROM THE INVESTMENT AND DEPOSIT OF MONEYS IN THE FUND SHALL BE CREDITED TO THE FUND. ANY MONEYS REMAINING IN THE FUND AT THE END OF A FISCAL YEAR SHALL REMAIN IN THE FUND AND SHALL NOT BE TRANSFERRED TO THE GENERAL FUND OR ANY OTHER FUND.

(6) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2007, IF:

(a) SUFFICIENT GIFTS, GRANTS, OR DONATIONS TO IMPLEMENT AND ADMINISTER THIS SECTION ARE NOT RECEIVED BY JULY 1, 2007; AND

(b) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT FILES WRITTEN NOTICE WITH THE REVISOR OF STATUTES THAT SUFFICIENT GIFTS, GRANTS, OR DONATIONS HAVE NOT BEEN RECEIVED.

SECTION 2. Part 1 of article 1 of title 25, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:


SECTION 3. Part 1 of article 1 of title 25.5, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to
read:

25.5-1-113. State department - prescription drug discounts -
federal 340B drug pricing program. The state department shall
maximize prescription drug discounts within the programs
administered by the state department through the utilization of
the federal 340B drug pricing program in order to receive the
maximum state budget savings.

SECTION 4. Part 1 of article 1 of title 26, Colorado Revised
Statutes, is amended by the addition of a new section to
read:

26-1-132. State department - prescription drug discounts -
federal 340B drug pricing program. The state department shall
maximize prescription drug discounts within the programs
administered by the state department through the utilization of
the federal 340B drug pricing program in order to receive the
maximum state budget savings.

SECTION 5. Part 1 of article 1 of title 17, Colorado Revised
Statutes, is amended by the addition of a new section to
read:

17-1-103.3. Executive director - prescription drug discounts -
federal 340B drug pricing program. The executive director shall
maximize prescription drug discounts within the programs
administered by the executive director through the utilization
of the federal 340B drug pricing program in order to receive the
maximum state budget savings.

SECTION 6. Safety clause. The general assembly hereby finds,
determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.