

Colorado Legislative Council Staff Fiscal Note

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 15-0786
Prime Sponsor(s): Rep. Singer
 Sen. Cooke

Date: February 24, 2015
Bill Status: House Public Health Care and
 Human Services
Fiscal Analyst: Bill Zepernick (303-866-4777)

BILL TOPIC: ABUSE-DETERRENT OPIOID ANALGESIC DRUGS

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue		
State Expenditures	Minimal increase.	
FTE Position Change		
Appropriation Required: None.		

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

Summary of Legislation

Under the bill, a pharmacist is prohibited from substituting a non-abuse-deterrent opioid analgesic drug if the prescription issued for a patient includes instructions to "dispense as written" an abuse-deterrent version of the drug. Insurance carriers are required to cover the abuse-deterrent drug at the lowest cost-sharing level for opioid analgesic drugs. Lastly, a carrier cannot require that a patient experience treatment failure with a non-abuse-deterrent opioid analgesic (i.e., abusing the drug) in order for an abuse-deterrent prescription to be filled.

State Expenditures

Generally, abuse-deterrent opioid analgesics are more expensive than the non-abuse-deterrent versions of the drugs, especially if a generic version of the non-abuse-deterrent drug is available. By requiring coverage for abuse-deterrent versions of opioid analgesics at the same cost-sharing level as the regular versions of the drug, the bill may potentially increase costs for state employee health insurance. Because state employee health insurance contributions are based upon prevailing market rates, with costs shared between the employer and employee, this bill is not expected to affect state employee premiums until after January 1, 2016. Because insurance rates are influenced by a number of variables, the exact impact of this bill cannot be determined, but is expected to be minimal. Any increase caused by the bill will be addressed through the total compensation analysis included in the annual budget process.

The bill may also affect costs in state-run health insurance programs such as the Children's Basic Health Plan (CHP+) in the Department of Health Care Policy and Financing. Any impact for CHP+ is assumed to be minimal given that the population served (children and pregnant women) are unlikely to be prescribed abuse-deterrent opioid analgesics and these drugs are likely covered under the existing formulary.

Local Government Impact

Similar to the state impact discussed on the previous page, local governments that offer health insurance to their employees may experience an increase in premium costs beginning on January 1, 2016. Any impact on local governments is assumed to be minimal.

Effective Date

The bill takes effect January 1, 2016, assuming no referendum petition is filed.

State and Local Government Contacts

Regulatory Agencies
Human Services
Corrections

Health Care Policy and Financing
Personnel and Administration
Counties