



# Fiscal Note

## Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

## SB 25-066: STATE CONTRACTS WITH OPIOID ANTAGONIST BUSINESSES

**Prime Sponsors:**

Sen. Lundein; Mullica

**Fiscal Analyst:**

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**Published for:** Senate Health & Human Services

**Drafting number:** LLS 25-0498

**Version:** Initial Fiscal Note

**Date:** February 3, 2025

**Fiscal note status:** The fiscal note reflects the introduced bill.

### Summary Information

**Overview.** The bill places new criteria for state contracts with opioid antagonist businesses.

**Types of impacts.** The bill is projected to affect the following areas on an ongoing basis:

- State Expenditures
- Local Government

**Appropriations.** No appropriation is required.

**Table 1**  
**State Fiscal Impacts**

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

## **Summary of Legislation**

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Currently, the Department of Public Health and Environment (CDPHE) administers the Opiate Antagonist Bulk Purchase Fund which facilitates the bulk purchasing of opiate antagonists at a discounted price and the distribution of these products to eligible entities.

The bill requires CDPHE to implement a competitive selection process when purchasing and distributing bulk opioid antagonists. It also prohibits contracts with certain distributors, such as those found liable for opioid-related overdoses, and makes any existing contracts with such distributors void and unenforceable. Finally, the bill clarifies that CDPHE must purchase and distribute antagonists that are approved by the Federal Food and Drug Administration (FDA).

## **State Expenditures**

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Workload will minimally increase for CDPHE staff to implement new requirements for the opioid antagonist purchasing and distribution process. This includes evaluating information provided by distributors to determine their eligibility based on their involvement in opioid-related overdoses and whether the distributor is a division, subsidiary, parent, affiliate, or related entity of an organization involved in disqualifying opioid-related issues. Staff will also monitor ongoing contract eligibility, address any technical questions, and research newly approved FDA products. It is assumed that this work can be accomplished within existing appropriations.

The bill may also increase the per unit cost of opioid antagonist by narrowing the number eligible distributors. The impact will depend on the terms in the contracts made by CDPHE.

## **Local Government – School District**

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Local public health agencies and school districts that are eligible for opioid antagonist distribution may experience a pause in distribution depending on the timeline for CDPHE's contracting with a new distributor. Purchasers may also encounter price or supply changes depending on the new contract rates. Per current law, CDPHE will prioritize the distribution based on need and availability.

## **Technical Note**

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House Bill 22-1326 appropriated \$19.7 million in American Rescue Plan Act (ARPA) funds to the Opiate Antagonist Bulk Purchase Fund for CDPHE to bulk purchase and distribute opiate antagonists. All ARPA funds must be obligated by December 30, 2024, and spent by December 31, 2026. CDPHE has encumbered the remaining \$4.6 million of ARPA funds from HB 22-1326 in distributor contracts, however, the contract is expected to be void upon the bill's effective date due to the new distributor eligibility criteria.

## **Effective Date**

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The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

## **Departmental Difference**

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CDPHE estimates 0.3 FTE is required to implement the new provisions for state contracts with opioid antagonist businesses. The fiscal note assumes that the existing staff that manage the purchasing and distribution of opioid antagonists currently can process new contracts based on the bill's new contracting criteria.

## **State and Local Government Contacts**

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Counties	Public Health and Environment
Education	Public Safety
Health Care Policy and Financing	Regulatory Agencies
Higher Education	Revenue
Human Services	School Districts
Personnel	