



COLORADO DEPARTMENT OF HEALTH CARE POLICY & FINANCING

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Bill Ritter, Jr., Governor • Joan Henneberry, Executive Director

November 1, 2008

The Honorable Bernie Buescher, Chairman
Joint Budget Committee
200 East 14th Avenue, Third Floor
Denver, CO 80203

Dear Representative Buescher:

This letter is in response the Legislative Request for Information number 29 which states:

The Department is requested to submit a report to the Joint Budget Committee on November 1, 2008 providing information on the number of clients that have signed up for this program. The report should also contain updated expenditures for the program and revenue estimates for the Colorado Cares Rx Program Fund.

After evaluating the implementation of discount drug programs in other states, researching many discount drug programs offered via the Internet and noting the proliferation of low-priced prescription drug programs (e.g., \$4 prescriptions at Wal-Mart) at local retail pharmacies, the Colorado Cares Rx Program was implemented by contracting with a vendor. The arrangement with the vendor allows the Department to promote the vendor's existing mail order program under the name of Colorado Cares Rx. This agreement with the vendor is negotiated for one year at a time, at no cost to the Department. Due to the multiple options available for obtaining discounted prescription drugs without the payment of an enrollment fee, Colorado Cares Rx does not impose such a fee for participants of the program. Based on the implementation method, the Colorado Cares Rx program has experienced a reduction in administrative costs and receives no revenue. The administrative costs will be addressed through the regular budget process.

Effective October 15, Express Scripts, the vendor, has revised their formulary and pricing structure and extended the prescription period from 3 months to 6 months. Now approximately 60 generic drugs are now available for \$20 for a 6-month supply. Other generic drugs are also available at prices ranging from \$15-55 for 3 months and \$45-95 for 6 months. This was in part in response to market pressures from other drug discount programs. Express Scripts believes that these changes will increase the use of their program.

Representative Buescher– Legislative Request for Information #29
November 1, 2008
Page 2 of 2

The attached report includes the program data requested under Legislative Request for Information number 29. Questions regarding the attached report can be addressed to Kerri Coffey, Pharmacy Section, at 303-866-4131.

Sincerely,

Joan Henneberry
Executive Director

JH/kc

cc: Senator Moe Keller, Vice-Chairman, Joint Budget Committee
Representative Jack Pommer, Joint Budget Committee
Representative Al White, Joint Budget Committee
Senator John Morse, Joint Budget Committee
Senator Steve Johnson, Joint Budget Committee
Senator Peter Groff, President of the Senate
Senator Ken Gordon, Senate Majority Leader
Senator Andy McElhany, Senate Minority Leader
Representative Andrew Romanoff, Speaker of the House
Representative Alice Madden, House Majority Leader
Representative Mike May, House Minority Leader
John Ziegler, JBC Staff Director
Melodie Beck, JBC Analyst
Todd Saliman, Director, Office of State Planning and Budgeting
Luke Huwar, Budget Analyst, Office of State Planning and Budgeting
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Colorado Cares Rx Program - The First Seven Months of Implementation

Dates covered	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	AUG 2008	SEP 2008	Total 2008
Applications Received	20	12	5	1	0	2	0	40
Applicants Eligible	20	12	5	1	0	2	0	40
Applicants Rejected	0	0	0	0	0	0	0	0
Original Prescriptions Filled	40	19	30	14	20	22	21	166
Prescription Refills	0	0	9	11	18	17	12	67

ColoradoCaresRx.com Web site Traffic

Dates covered	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	AUG 2008	SEP 2008	Total
Total visits	794	454	233	194	169	2	163	2,009
Average visits per day	25.61	15.13	7.52	6.47	5.45	0.06	5.43	N/A
Total unique visitors each month	639	379	205	169	150	2	115	N/A