

*Colorado Legislative Council Staff Fiscal Note*

**STATE**

**REVISED FISCAL IMPACT**

(Replaces fiscal note dated January 29, 2007)

**Drafting Number:** LLS 07-0435  
**Prime Sponsor(s):** Rep. Kefalas  
 Sen. Bacon

**Date:** March 7, 2007  
**Bill Status:** House Appropriations  
**Fiscal Analyst:** Amy Larsen (303-866-3488)

**TITLE:** CONCERNING STANDARDS FOR HEMODIALYSIS TECHNICIANS AS PART OF THE STATE REGULATION OF DIALYSIS TREATMENT CLINICS.

<b>Fiscal Impact Summary</b>	<b>FY 2007-2008</b>	<b>FY 2008-2009</b>
<b>State Revenue</b>		
Health Facilities General Licensure Cash Fund	\$ 0	\$ 10,200
<b>State Expenditures</b>		
General Fund	\$ 5,862	\$ 0
Health Facilities General Licensure Cash Fund	0	7,236
<b>FTE Position Change</b>	0.1 FTE	0.2 FTE
<b>Effective Date:</b> July 1, 2007		
<b>Appropriation Summary for FY 2007-2008:</b> See State Appropriations section of the fiscal note.		
<b>Local Government Impact:</b> None.		

**Summary of Legislation**

This bill, as amended by the House Health and Human Services Committee, requires the State Board of Health to establish a process to verify that hemodialysis technicians have proper credentials by January 1, 2008. Beginning January 1, 2009, licensed dialysis treatment clinics may not allow a person to perform the duties and functions of a hemodialysis technician, unless he or she has national credentialing. The Department of Public Health and Environment (DPHE) must verify that dialysis treatment clinics follow this requirement as a condition of licensure. The bill is repealed July 1, 2013, after a sunset review.

As amended, the bill allows the DPHE to charge dialysis treatment facilities a fee to cover the administrative costs of the department. In addition, the DPHE may impose civil penalties of up to \$1,000 per violation on facilities that fail to comply with the requirements of the bill.

**Background**

Hemodialysis is a type of dialysis where blood is pumped outside the body into an artificial kidney machine to clean the blood. Patients generally go to a dialysis treatment center, but some patients receive hemodialysis in their homes with the assistance of a technician, nurse, or trained family member. The DPHE reports that there are currently 51 licensed dialysis treatment facilities in Colorado. The number of patients receiving in-home treatment is not known.

**State Revenue**

Beginning in FY 2008-09, state cash funds revenue increases by \$10,200 each year from new fees for 51 dialysis treatment facilities. In addition, the state may have increased penalty revenue in out-years.

*Fee Impact on Individuals, Families or Business.* Section 2-2-322, C.R.S., requires legislative service agency review of measures which create or increase any fee collected by a state agency. The fee is based on the direct and indirect costs of regulation of dialysis treatment facilities. The table below identifies the fee impact of this bill.

<b>Table 1. Fee Impact on Dialysis Treatment Facilities</b>			
<b>Type of Fee</b>	<b>Proposed Fee</b>	<b>Number Affected</b>	<b>Total Fee Impact</b>
Annual Fee Beginning in 2009 Dialysis Treatment Facilities	\$200	51	\$10,200

*Penalties.* DPHE may impose civil penalties of up to \$1,000 per violation on facilities that fail to comply with the requirements of the bill. Since the requirements are not effective until January 1, 2009, the fiscal note assumes that no penalties will be assessed and collected until FY 2009-10. At that time, compliance with the provisions of the bill is expected to be high and any additional state revenue is expected to be minimal, less than \$5,000 per year.

**State Expenditures**

State General Fund expenditures for the DPHE are expected to increase by \$5,862 and 0.1 FTE in FY 2007-08. In FY 2008-09 and subsequent years, DPHE expenditures are expected to increase by \$7,236 and 0.2 FTE from the Health Facilities General Licensure Cash Fund.

In FY 2007-08, the DPHE requires 0.1 FTE to assist the State Board of Health in developing rules to establish a process to verify national credentialing of about 450 hemodialysis technicians. In FY 2008-09 and subsequent years, staff (0.2 FTE) is required to verify that dialysis treatment facilities comply with the provisions of the bill.

**Expenditures Not Included**

Pursuant to a Joint Budget Committee policy, funding for the items noted below will not be included in fiscal note expenditure estimates. However, indirect costs are calculated for the purpose of identifying the "per applicant" cost of a new or revised fee to reflect the total direct and indirect costs required to support a particular program.

- group health, life and dental insurance
- inflation indices
- amortization equalization disbursements
- supplemental amortization equalization disbursements
- short-term disability
- leased space
- indirect costs

Indirect costs associated with this bill are estimated to be \$2,611 for FY 2008-09.

### **State Appropriations**

For FY 2007-08, the fiscal note indicates that the Department of Public Health and Environment should receive a General Fund appropriation of \$5,862 and 0.1 FTE.

### **Departments Contacted**

Public Health and Environment

Regulatory Agencies