


Colorado Legislative Council Staff Fiscal Note
STATE
FISCAL IMPACT

Drafting Number: LLS 10-0328 **Date:** February 23, 2010
Prime Sponsor(s): Rep. Riesberg; Acree **Bill Status:** House Health and Human Services
Fiscal Analyst: Kerry White (303-866-3469)
Sen. Newell

TITLE: CONCERNING THE SUNSET REVIEW OF THE COLORADO STATE BOARD OF MEDICAL EXAMINERS, AND, IN CONNECTION THEREWITH, CONTINUING THE BOARD AND THE REGULATION OF PHYSICIANS AND PHYSICIAN ASSISTANTS UNTIL JULY 1, 2019, AND IMPLEMENTING THE RECOMMENDATIONS CONTAINED IN THE SUNSET REVIEW AND REPORT OF THE BOARD.

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012
State Revenue*		
General Fund	<\$5,000	<\$5,000
Cash Funds		
Division of Registrations Cash Fund	\$43,095	\$24,862
State Expenditures		
Cash Funds		
EMS Services in Highway Users Tax Fund	\$138,363	\$147,645
Division of Registrations Cash Fund	\$37,246	\$13,660
FTE Position Change	2.1 FTE	2.0 FTE
Effective Date: July 1, 2010.		
Appropriation Summary for FY 2010-2011: See State Appropriations section.		
Local Government Impact: None.		

* Revenue exceeds state expenditures to pay for costs identified in both the State Expenditures and Expenditures Not Included sections.

Summary of Legislation

HB10-1260 implements the recommendations of the Department of Regulatory Agencies (DORA) in its sunset review of the Colorado State Board of Medical Examiners. Renamed the Colorado Medical Board, the board is continued through July 1, 2019. Among other things, the bill does the following:

Colorado Medical Board

- ▶ expands the size of the board by 3 members; and
- ▶ allows the board to impose fines and adjust fees annually for licenses and the peer health assistance program, and vary those fees based on utilization rates among practice types.

Physician or Physician Assistant Practice and Licensing

- ▶ allows a physician to supervise up to 3 physician assistants rather than 2;
- ▶ creates a new 3-member licensing panel within the Colorado Medical Board;
- ▶ replaces the existing limited (Shriners) license with a broader pro bono license and establishes a new reentry license; and
- ▶ requires a licensee with a physical or mental illness to inform the board of their condition, and provides an option to enter into a confidential agreement with the board that outlines any limitations on the licensee's practice.

Emergency Medical and Trauma Services

- ▶ transfers regulatory authority of emergency medical technicians on January 1, 2011, to a newly created, 9-member Board of Emergency Medical and Trauma Services (BEMTS) within the Colorado Department of Public Health and Environment (CDPHE).

State Revenue

This bill will increase revenue from fees by an estimated \$43,095 in FY 2010-11 and \$24,862 in FY 2011-12. Fees will be credited to the Division of Registrations Cash Fund in the DORA.

Fee Impact on Physicians and Physicians Assistants. Section 2-2-322, C.R.S. requires legislative service agency review of measures that create or increase any fee collected by a state agency. Fee calculations are set administratively by the DORA based on the available cash fund balance, estimated program costs, and the estimated number of licenses. Under HB10-1260, two new license types are created, and the DORA is given the authority to adjust fees annually and base those fees on practice type. Table 1 displays the fee impact.

Table 1. Fee Impact on Physicians and Physicians Assistants Under HB10-1260			
Type of Fee	Proposed Fee	Number Affected	Total Fee Impact
FY 2010-11 Initial Pro bono License	\$30	200	\$6,000
FY 2010-11 Initial Reentry License	\$20	10	\$200
FY 2010-11 Initial Physician/Assistant	\$2	1,208/210	\$2,836
FY 2010-11 Renewal Physician/Assistant	\$2/\$3	1,583/17,373	\$55,285
FY 2011-12 Initial Pro bono License	\$30	20	\$600
FY 2011-12 Initial Reentry License	\$20	10	\$200
FY 2011-12 Initial Physician/Assistant	\$2	1,208/210	\$2,836
2 YEAR TOTAL			\$67,957

Fines. The bill may increase state revenue from fines beginning in FY 2010-11, although less than \$5,000 in new state revenue is expected. By removing the requirement that fines may only be imposed in lieu of license suspension, the bill expands the board's authority to impose fines for disciplinary action. Under current law, fine revenue is deposited into the General Fund.

State Expenditures

The bill will increase total expenditures by \$175,609 in FY 2010-11, including \$138,363 in the CDPHE and \$37,246 in the DORA. In FY 2011-12, total expenditures will increase by \$161,305, including \$147,645 in the CDPHE and \$13,660 in the DORA. All expenditures will be cash funded. Table 2 and the discussion that follows address the cost components of the bill.

Table 2. Expenditures Under HB10-1260		
Cost Components	FY 2010-11	FY 2011-12
Personal Services	\$105,756	\$105,756
FTE	2.1	2.0
Temporary Labor	5,783	0
Contract Professional Services (Medical Director)	10,200	10,200
Operating Expenses	1,615	1,615
Capital Outlay	7,939	0
Legal Services	27,137	17,714
Board Expenses	17,179	26,020
TOTAL	\$175,609	\$161,305

Colorado Department of Public Health and Environment will require \$138,363 and 1.7 FTE in FY 2010-11, and \$147,645 and 1.7 FTE in FY 2011-12. These and other indirect costs will be paid with monies in the Emergency Medical Services Account in the Highway Users Tax Fund, derived from a \$2 vehicle registration fee. As Emergency Medical Technicians do not pay a license fee, BEMTS costs cannot be recovered from fees.

- ▶ The CDPHE will require staff to provide management and administrative support to the newly created BEMTS, at a cost of \$97,996 per year. Operating and capital outlay costs are assumed for 1.7 FTE. Additionally, a Medical Director will be contracted to provide professional services to the BEMTS at a cost of \$10,200 each year.
- ▶ In the first year, legal services in the amount of \$10,553 are needed to promulgate rules for the new BEMTS and review approximately 40 disciplinary cases. In the second and future years, legal costs will be \$17,714 to review between 80 and 100 disciplinary cases.

- ▶ This analysis assumes the BEMTS will meet 4 times in the first year, and 8 times in successive years. Board expenses will total \$10,060 in the first year, and \$20,120 in the second and future years.

Department of Regulatory Affairs will require \$37,246 and 0.2 FTE in FY 2010-11 and \$13,660 and 0.2 FTE in FY 2011-12. All expenses and indirect costs will be recovered through fees.

- ▶ The fiscal note assumes there will be 10 applications for the new reentry license and 200 applications for the new pro bono license in the first year. In future years 10 applications for the reentry license and 20 applications for the pro bono license are assumed. Staff costs to process applications will be \$7,760 per year. Temporary labor costs of \$5,783 are required to respond to the increased demand for pro bono licenses in the first year.
- ▶ In the first year, legal services in the amount of \$16,584 are needed to promulgate new and revised rules, and to establish a template for creating confidential agreements between the Colorado Medical Board and its licensees.
- ▶ This bill adds 3 members to the Colorado Medical Board to create a new licensing panel. This will increase the board's meeting costs by \$7,119 in FY 2010-11 and \$5,900 in FY 2011-12 and future years.

Department of Law will require 0.2 FTE in FY 2010-11 and 0.1 FTE in FY 2011-12 to provide legal services to the CDPHE and DORA.

Expenditures Not Included

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are summarized in Table 3.

Table 3. Expenditures Not Included Under HB10-1260*		
Cost Components	FY 2010-11	FY 2011-12
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$13,490	\$13,490
Supplemental Employee Retirement Payments	3,933	4,785
TOTAL	\$17,423	\$18,275

*More information is available at: <http://www.colorado.gov/cs/Satellite/CGA-LegislativeCouncil/CLC/1200536133924>

State Appropriations

In FY 2010-11, the following appropriations are required:

- ▶ The Department of Regulatory Agencies requires an appropriation of \$37,246 in the Division of Registrations Cash Fund and 0.2 FTE, of which the Department of Law requires \$16,584 reappropriated funds and 0.1 FTE; and
- ▶ The Colorado Department of Public Health & Environment requires an appropriation of \$138,363 to the Emergency Medical Services Account in the Highway Users Tax Fund and 1.7 FTE, of which the Department of Law requires \$10,553 reappropriated funds and 0.1 FTE.

Departments Contacted

Human Services
Public Health and Environment

Law
Regulatory Agencies