


Colorado Legislative Council Staff Fiscal Note
STATE
FISCAL IMPACT

Drafting Number: LLS 12-0356
Prime Sponsor(s): Rep. Gardner B.
 Sen. Aguilar

Date: February 27, 2012
Bill Status: House Judiciary
Fiscal Analyst: Clare Pramuk (303-866-2677)

TITLE: CONCERNING PROFESSIONAL REVIEW COMMITTEES, AND, IN CONNECTION THEREWITH, IMPLEMENTING THE SUNSET REVIEW RECOMMENDATIONS OF THE DEPARTMENT OF REGULATORY AGENCIES.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue		
Cash Funds		
Division of Registrations Cash Fund	\$9,175	
State Expenditures		
Cash Funds		
Division of Registrations Cash Fund	\$9,175	
FTE Position Change		
Effective Date: July 1, 2012.		
Appropriation Summary for FY 2012-2013: See State Appropriations section.		
Local Government Impact: None.		

Summary of Legislation

This bill implements the recommendations from the Department of Regulatory Agencies (DORA) 2011 Sunset Review and extends the functions of professional review committees under the Colorado Professional Review Act (CPRA) until September 1, 2019. Professional review committees evaluate the professional conduct of, and the quality and appropriateness of patient care provided by, health care providers. The CPRA provides legal privilege and immunity to individuals and groups that conduct professional review of health care providers as long as they comply with the due process provisions of CPRA. The bill includes the following DORA recommendations:

- authorizing professional review of physician assistants and advanced practice nurses;
- enabling sharing of professional review records and information with regulators and other professional review entities;
- requiring governing bodies that conduct professional reviews to register with their respective boards and report on their activities; and
- clarifying that CPRA applies to professional reviews as opposed to peer reviews.

On or before July 1, 2013 and annually thereafter, the governing boards for health care providers covered by the bill are required to register with the Colorado Medical Board (CMB) or State Board of Nursing (SBN) and report on their professional review activities. The CMB and SBN are required to publish this information in aggregated form without individually identifiable information. The CMB and SBN may collect fees to recover the direct and indirect costs of implementation. A governing board that fails to register or report as required by the bill, rule, or board order and the individual or group represented by the governing board are not entitled to the immunity from liability for any act or omission occurring during the period that the governing board failed to register or report.

Background

Although any organization can, technically, conduct professional review, only those covered by CPRA can claim legal privilege and immunity for such activities. Professional review is typically conducted by organized medical staffs of hospitals and ambulatory surgical centers and guided by medical staff bylaws. A review can be triggered by a complaint, poor outcome, or identification of a problematic trend in the practice of a physician.

Entities authorized to form professional review committees include:

- the medical staff of a hospital, hospital-related corporation, or ambulatory surgical center;
- a society or association of physicians;
- a preferred provider organization comprised of at least 25 physicians or a medical group which predominately serves members of a health maintenance organization; and
- a corporation that insures physicians.

If a professional review results in a finding that the physician failed to meet the standard of care, the case is referred to the facility's governing board for a hearing and possible action. The governing board typically includes members of the medical staff, hospital administrators, and others. The physician has legal recourse for appealing the decision of the governing board.

Fiscal impact of programs set to expire. This bill continues a program in the Division of Registrations in the DORA that is set to repeal, effective July 1, 2012. Because under current law, this program primarily operates independently from the division, there are no expenditures associated with the program. So, unlike other sunset bills, the fiscal note does not show revenue and expenditure amounts for continuing the program.

State Revenue

This bill requires an increase of \$9,175 in FY 2012-13 only for the Division of Registrations in the DORA from the Division of Registrations cash fund. This increase will be funded by fees paid by more than 30,000 health care professionals. The fee per health care professional is expected to be less than \$.50 each.

State Expenditures

This bill requires expenditures of \$9,175 in FY 2012-13 to the Division of Registrations in the DORA from the Division of Registrations cash fund. The costs are detailed in Table 1 and explained below.

Table 1. Expenditures Under HB12-1300		
Cost Components	FY 2012-13	FY 2013-14
Personal Services	\$6,222	
FTE		
Outreach Travel	682	
Legal Services	2,271	
TOTAL	\$9,175	

The Division of Registrations will update its computer system to accommodate the registration of governing boards. This can be addressed within existing appropriations. The division will use temporary staff to assist in the registration process at a cost of \$6,222. Division staff will conduct statewide outreach requiring \$682 for travel costs. The SBN requires 20 hours of legal services from the Department of Law at \$75.71 per hour for a total of \$1,514 to develop rules to add professional review requirements for nurses. The CMB will require 10 hours of legal services for rulemaking for a total of \$757.

State Appropriations

For FY 2012-13, the Department of Regulatory Agencies requires an appropriation of \$9,175 from the Division of Registrations cash fund. The Department of Law requires \$2,271 in reappropriated funds.

Departments Contacted

Regulatory Agencies Law