

Colorado Legislative Council Staff Fiscal Note

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 15-0766
Prime Sponsor(s): Sen. Steadman

Date: February 6, 2015
Bill Status: Senate SVMA
Fiscal Analyst: Lauren Schreier (303-866-3523)

BILL TOPIC: STATEWIDE REGISTRY FOR ADVANCE DIRECTIVES

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue		
State Expenditures	<u>\$81,505</u>	<u>\$81,717</u>
General Fund	71,499	69,295
Centrally Appropriated Costs**	10,006	12,422
FTE Position Change	0.8 FTE	1.0 FTE
Appropriation Required: \$71,499 - Department of Public Health and Environment (FY 2015-16)		

* This summary shows changes from current law under the bill for each fiscal year.

** These costs are not included in the bill's appropriation. See the State Expenditures section for more information.

Summary of Legislation

Effective January 1, 2016, the bill requires the Department of Public Health and Environment (DPHE) to maintain a statewide registry of advance directives. The bill defines advance directives as:

- a declaration as to medical treatment;
- a medical durable power of attorney;
- a directive relating to cardiopulmonary resuscitation;
- medical orders for scope of treatment form;
- a designated beneficiary agreement; or
- any legal form of these types that has been properly executed in another state in accordance with the laws of that state.

The bill requires the DPHE to maintain a website registry that is available to the public. By November 1, 2015, the DPHE must promulgate rules to establish procedures and safeguards for individuals to submit advance directives, privacy and access to advance directives in the registry, procedures pertaining to the submission of advance directives, and rules for confidentiality and secure data storage. The DPHE must also create a procedure for patients to submit a written statement permitting certain individuals access to their advance directive, consistent with the requirements of the federal Health Insurance Portability and Accountability Act of 1996.

The bill also specifies that each county clerk and recorder must enter recorded designated beneficiary agreements into the statewide registry created by the DPHE within 14 days of recording the document.

State Expenditures

The bill increases expenditures in the DPHE by **\$81,505 and 0.8 FTE in FY 2015-16 and \$81,717 and 1.0 FTE in FY 2016-17**. These costs, outlined in Table 1, are discussed below.

Table 1. Expenditures Under SB 15-125		
Cost Components	FY 2015-16	FY 2016-17
Personal Services	\$42,788	\$51,345
FTE	0.8 FTE	1.0 FTE
Operating Expenses and Capital Outlay Costs	\$4,711	\$950
Registry Database	\$24,000	\$17,000
Centrally Appropriated Costs*	\$10,006	\$12,422
TOTAL	\$81,505	\$81,717

* Centrally appropriated costs are not included in the bill's appropriation.

Staffing. The bill will increase staffing costs by \$42,788 and 0.8 FTE in FY 2015-16 and \$51,345 and 1.0 FTE in FY 2016-17 for a staff person to conduct rulemaking, create new procedures for the advance directives database, oversee the registry database contract, respond to questions from health care providers, citizens, and the public, update and maintain the website, approve access requests, and coordinate with county clerks and recorders. First year costs are pro-rated to reflect the effective date of the bill and the General Fund pay date shift.

Registry Database. The DPHE must maintain a central database of advance directives. The DPHE will likely contract this work with a private company operating similar registries in other states. In FY 2015-16 entering into a registry contract with the provider will cost approximately \$24,000; and in FY 2016-17 and future fiscal years this expense will be \$17,000. These cost estimates include software application license fees and database maintenance costs.

Centrally appropriated costs. 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 estimated in the fiscal note for informational purposes and summarized in Table 2.

Table 2. Centrally Appropriated Costs Under SB 125*		
Cost Components	FY 2015-16	FY 2016-17
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$6,690	\$8,028
Supplemental Employee Retirement Payments	\$3,316	\$4,394
TOTAL	\$10,006	\$12,422

*More information is available at: <http://colorado.gov/fiscalnotes>

Local Government Impact

The bill will increase costs for local governments. Under the bill county clerks and recorders must submit designated beneficiary information into the statewide registry within 14 days of recording the document. The number of current beneficiary designation agreements varies by county. For example, since 2009 smaller counties report an average of 1 agreement per county, medium counties an average of 10 agreements, and large counties report on average 169 agreements. As a result, the additional costs for county clerks and recorders to submit the designed beneficiary information will vary by county size. County clerks and recorders may also require some additional training to utilize the newly established statewide registry database. Overall, any additional workload is anticipated to be minimal.

Effective Date

The bill takes effect August 5, 2015, if the General Assembly adjourns on May 6, 2015, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2015-16, the bill requires a General Fund appropriation of \$71,499 to the Department of Public Health and Environment.

State and Local Government Contacts

Public Health and Environment

County Clerks and Recordors