



**Colorado
Legislative
Council
Staff**

HB16-1424

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-1036
Prime Sponsor(s): Rep. Vigil
Sen. Garcia

Date: April 6, 2016
Bill Status: House Health, Insurance, & Environment
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BILL TOPIC: QUALIFIED MEDICATION ADMINISTRATION PERSONNEL

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue		(\$229,500)
Cash Fund		(229,500)
State Expenditures	\$36,865	(\$219,604)
Cash Fund	30,298	(216,930)
Centrally Appropriated Costs	6,567	(2,674)
TABOR Impact		(\$229,500)
FTE Position Change	0.5 FTE	(0.2 FTE)
Appropriation Required: \$30,298 - Department of Public Health and Environment (FY 2016-17).		
Future Year Impacts: Ongoing revenue decrease and workload increase.		

Summary of Legislation

The bill changes the way state agencies handle the training and registration of personnel authorized to administer medications in certain state facilities, and changes the definition of "facility" to include services offered to intellectually and developmentally disabled individuals by the Department of Health Care Policy and Financing (HCPF).

Under current law, a person who is not a licensed nurse, physician, or pharmacist (unlicensed person) must complete a training and take an exam approved by the Colorado Department of Public Health and the Environment (CDPHE) every four years in order to be deemed qualified to administer medications at facilities administered by certain state departments. The bill removes the requirement that the exam be taken every four years, replacing it with the one-time completion of a competency evaluation.

CDPHE must set minimum requirements for course content, competency, and evaluations; approve entities that provide training on the administration of medication; and determine rules for and compliance by facilities overseen by CDPHE. The Department of Human Services (DHS), HCPF, and the Department of Corrections (DOC) must each develop and conduct a medication administration program and may set their own minimum standards for course content and competency evaluations for unlicensed persons who administer medication in the facilities run by

those departments. DHS, HCPF, DOC, and CDPHE must each maintain a list of those who have completed the competency evaluation. To be included on CDPHE's list, people must pay a required fee once they have passed the competency evaluation. CDPHE must also maintain a list of approved training entities.

Under current law, facility operators must conduct a drug-related criminal background check on new employees. Under the bill, prior to hiring a new employee or promoting an employee to a position with access to medication, the facility operator must conduct a general purpose criminal history check. In addition, employees must sign a disclosure statement stating that he or she has never had a professional nursing, medicine, or pharmacy license revoked for reasons related to administration of medications.

A person may not fill or label medication reminder boxes until they have completed the competency evaluation from an approved training entity or has been approved by an authorized agency. In addition to the time and amount of the medication, facilities also must keep a written record with the date and signature of the person administering the medication each time a medication is administered.

Background

The definition of "facility" under the medication administration statute includes correctional facilities, institutions for juveniles, assisted living residences, alternate care facilities, adult foster and day care facilities, and facilities that offer mental health treatment, among others.

The DOC does not allow unlicensed persons to administer medication; only licensed doctors, nurses, and pharmacists administer medications at DOC facilities. A valid license, confirmed by the Department of Regulatory Agencies, is a condition of employment in positions in which a DOC employee administers medication. The type of license required varies by job descriptions.

Data and Assumptions

The CDPHE currently has 0.8 FTE to operate the medication administration program and contracts with approximately 55 providers to administer training and exams around the state. The providers present curricula developed by CDPHE. The fiscal note assumes that these 55 entities will be approved by the CDPHE in FY 2016-17 and 20 more will be approved in FY 2017-18. As of April, 2016, 19,512 unlicensed persons have completed the required trainings and are authorized to administer medication. Approximately 5,100 people complete the training each year.

The fiscal note assumes that unlicensed individuals will continue to access trainings through CDPHE until July 1, 2017. During FY 2016-17, CDPHE will conduct rulemaking to establish minimum training requirements and will develop and implement a training approval process that meets the requirements of the bill. HCPF and DHS will conduct rulemaking to establish their competency evaluation and training requirements for unlicensed persons administering medication at their facilities. Beginning in FY 2017-18, the changes stipulated by the bill will be in effect.

State Revenue

The bill decreases net cash fund revenue to CDPHE by \$229,500 beginning in FY 2017-18. Table 1 summarizes the revenue impact of the bill. CDPHE currently receives approximately \$280,500 per year in revenue to the Medication Administration Cash Fund, as about 5,100 students pay \$55 for a training course and exam. Of that amount, CDPHE retains \$76,500, or \$15 per training registration, with the rest paid to the contracted training provider. The fiscal note assumes that, under the bill, students will pay course fees directly to the training providers; however, the bill stipulates that students must pay a fee to CDPHE after completing the competency evaluation in order to be included on the department's list of individuals who have passed the competency evaluation. The new fee is expected to be \$10, which results in approximately \$51,000 in revenue in FY 2017-18. Revenue in FY 2016-17 is not affected by the bill.

Potential fee impact to DHS and HCPF. The bill may increase revenue to DHS and HCPF depending on whether they adopt a fee model similar to what CDPHE currently has in place. However, the fiscal note assumes that the requirement to create a medication administration program is fulfilled by requiring unlicensed individuals employed by DHS and HCPF facilities to pay for and complete a training and competency evaluation directly through a provider approved by CDPHE and does not require DHS and HCPF to set a fee and collect revenue.

Fee impact on individuals and business. State law requires legislative service agency review of measures which create or increase any fee collected by a state agency. Table 1 identifies the fee impact of this bill beginning in FY 2017-18.

Type of Fee	Current Fee	Proposed Fee	Fee Change	Number Affected	Total Fee Impact
Medication Admin Training Fee	\$55	\$0	(\$55)	5,100	(\$280,500)
Medication Admin Registration Fee	\$0	\$10	\$10	5,100	\$51,000
TOTAL					(\$229,500)

TABOR Impact

This bill reduces state revenue to the Medication Administration Cash Fund, which will reduce the amount of money required to be refunded under TABOR. TABOR refunds are paid out of the General Fund. Since the bill reduces the TABOR refund obligation without a corresponding change in General Fund revenue, the amount of money available in the General Fund for the budget will increase by an identical amount.

State Expenditures

The bill increases expenditures in CDPHE from the Medication Administration Cash Fund by \$36,865 and 0.5 FTE in FY 2016-17. The bill decreases expenditures from Medication Administration Fund in the CDPHE by \$219,604 and 0.2 FTE in FY 2017-18.

Table 2. Expenditures Under HB16-1424		
Cost Components	FY 2016-17	FY 2017-18
Personal Services	\$29,823	(\$11,930)
FTE	0.5 FTE	(0.2 FTE)
Operating Expenses and Capital Outlay Costs	475	0
Contract Costs	0	(204,000)
Travel Costs	0	(1,000)
Centrally Appropriated Costs*	6,567	(2,674)
TOTAL	\$36,865	(\$219,604)

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

Creation of new trainer approval program - CDPHE. In FY 2016-17, the CDPHE will have one-time costs of \$36,865 and 0.5 FTE. This includes 0.2 FTE to revise and promulgate rules, and 0.3 FTE to approve approximately 55 training entities. The fiscal note assumes that it will take approximately 10 hours to approve each training entity.

Reduction in scope of medication administration program - CDPHE. In FY 2017-18, the bill decreases expenditures by CDPHE by \$219,604 and 0.2 FTE compared with current levels. Of that amount, \$11,930 and 0.2 FTE is a reduction in expenditures for personal services. CDPHE will approve approximately 20 training entities per year and maintain the public list of unlicensed persons who have passed a competency exam, but will no longer offer training or manage contracts and payments with the training entities. Currently, CDPHE pays \$40 of the \$55 course registration fee back to the contracted training provider. Assuming 5,100 students per year, expenditures to contract providers will decrease by \$204,000 beginning in FY 2017-18. The bill also eliminates the \$1,000 per year cost for travel to training entities around the state. After the expenditure reduction, CDPHE will continue operating the program with \$70,118 and 0.6 FTE.

Medication administration programs - DHS and HCPF. The fiscal note assumes that DHS and HCPF will fulfill the requirements of the bill by requiring unlicensed employees to complete a training and competency evaluation through a provider approved by CDPHE. The rulemaking, communication, and oversight of such a requirement can be accomplished within existing appropriations. Should either department choose to establish minimum requirements that are more stringent than those set by CDPHE or develop their own training and competency evaluation, the department will request additional resources through the annual budget process.

Department of Corrections. The bill does not increase expenditures for the DOC, as only licensed doctors and nurses administer medications at DOC facilities. The required license is stipulated in job descriptions and must be obtained prior to being hired by DOC.

Department of Law. The bill increases the workload of the Department of Law to provide rulemaking assistance to DHS, HCPF, DOC, and CDPHE. The workload can be accomplished within existing appropriations.

Medication administration procedures. The bill will increase workload of HCPF, DOC, DHS, and CDPHE to add the date and signature of the person administering the medication to the written record of each medication administered and ensure that the training and competency evaluation has been passed by employees prior to filling or labeling medication reminder boxes. This increase does not require a change in appropriations.

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 3.

Table 3. Centrally Appropriated Costs Under HB16-1424		
Cost Components	FY 2016-17	FY 2017-18
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$4,015	(\$1,605)
Supplemental Employee Retirement Payments	2,552	(1,069)
TOTAL	\$6,567	(\$2,674)

Effective Date

The bill takes effect July 1, 2016, except that Section 3 concerning the Department of Public Health and the Environment takes effect July 1, 2017.

State Appropriations

For FY 2016-17, the bill requires an appropriation of \$30,298 from the Medication Administration Cash Fund and an allocation of 0.5 FTE to the Colorado Department of Public Health and the Environment.

State and Local Government Contacts

Corrections
Human Services
Law
Public Safety

Health Care Policy Financing
Information Technology
Public Health & Environment