

**STATE
FISCAL IMPACT**

Drafting Number: LLS 10-0448

Date: February 9, 2010

Prime Sponsor(s): Sen. Carroll M.
Rep. Ryden

Bill Status: Senate Health and Human Services

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TITLE: CONCERNING A REQUIREMENT THAT CERTAIN HEALTH CARE PROVIDERS DISCLOSE INFORMATION ABOUT THEIR PRACTICE HISTORY.

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012
State Revenue		
General Fund – Fines	< \$10,000	< \$10,000
Cash Funds – Fees		
Division of Registrations Cash Fund*	\$264,150	\$264,150
State Expenditures		
Cash Funds		
Division of Registrations Cash Fund	\$98,873	\$272,428
FTE Position Change	1.0 FTE	5.0 FTE
Effective Date: August 11, 2010, assuming the General Assembly adjourns May 12, 2010, as scheduled and no referendum petition is filed.		
Appropriation Summary for FY 2010-2011: See State Appropriations section.		
Local Government Impact: None.		

* *Fee revenue exceeds state expenditures to pay for costs noted in both the State Expenditures and the Expenditures Not Included sections of this fiscal note.*

Summary of Legislation

This bill modifies the Michael Skolnik Medical Transparency Act, which requires regulated medical practitioners to disclose certain information to the State Board of Medical Examiners in the Department of Regulatory Agencies (DORA) whenever they obtain or renew a license. The board gathers the specified information and makes it available to the public. SB10-124 requires that no later than July 1, 2011, the following regulated professions also comply with the disclosure and reporting requirements:

- ▶ audiologists;
- ▶ acupuncturists;
- ▶ podiatrists;
- ▶ chiropractors;
- ▶ dentists and dental hygienists;
- ▶ physician assistants;

- ▶ midwives;
- ▶ nurses;
- ▶ optometrists;
- ▶ physical therapists; and
- ▶ all mental health therapists and counselors.

The bill requires that all impacted professionals report the physical location of their practice, information about past education and licenses or certifications, and information about disciplinary actions. A medical professional is also permitted to report relevant awards and recognition he or she has received.

State Revenue

This bill will increase fee revenue by an estimated \$264,150 each year beginning in FY 2010-11. Estimated revenue is balanced across both fiscal years. Actual revenue in each fiscal year may vary; however, 2-year combined state revenue from fees is expected to be \$528,300. Fees are credited to the Division of Registrations Cash Fund at the DORA.

Fee Impact on Health Care Professions. 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. The DORA sets fees based on the existing fund balance in each regulatory program and the estimated costs of a program distributed across the estimated number of licensees or registrations. The department adjusts fees to cover all direct and indirect costs.

SB10-124 impacts 25 license types across 12 health care professions. In the next two fiscal years it is estimated that 117,400 licenses and registrations will be subject to the bill's requirements and each professional will pay a fee. Because license renewals occur on different schedules, the fee increase for each license type is unknown. On average, fees are expected to increase by \$4.50 per license or registration; however, actual amounts will depend on the renewal schedule. Table 1 shows the total **2-year** impact.

Table 1. Fee Impact of SB10-124			
License Types	Proposed Fee Increase	Number Affected	2-year Fee Impact
Health Care Professionals	\$4.50	117,400	\$528,300

Administrative Fines. Persons who fail to provide required information are subject to an administrative fine of up to \$5,000. Any administrative fines collected will be credited to the General Fund. Although compliance with the bill's requirements is expected to be high, there are many persons impacted. Therefore, up to \$10,000 in new fine revenue is anticipated each year.

State Expenditures

In FY 2010-11, this bill will result in total cash funds expenditures of \$98,873 and 1.0 FTE in the Division of Registrations in the DORA. In FY 2011-12, total costs are \$272,428 and 5.0 FTE. Major cost components are summarized in Table 2 and discussed below.

Table 2. Total Expenditures Under SB10-124		
Cost Components	FY 2010-11	FY 2011-12
Personal Services	\$47,327	\$202,513
FTE	1.0	5.0
Standard Operating Expenses	5,620	23,430
Contract Administrative Assistance	8,689	34,757
Contract Computer Programing	27,031	—
Printing, Postage, Travel	2,668	10,220
Legal Services	7,538	1,508
TOTAL	\$98,873	\$272,428

Personal Services. Beginning in FY 2010-11, the division requires the addition of 1.0 FTE at the level of Technician IV. Staff will be responsible for the bill's implementation and the management of additional year-round work resulting from the increased information submission requirements. In the first year, this staff will also coordinate communication and outreach with health care professionals, train division staff, assist boards with adopting rules, and oversee the revision of application and renewal materials.

Also in FY 2010-11, temporary contract workers are required for computer programming, and to create electronic records of existing disciplinary action documents for inclusion online. It is estimated that 865 hours of computer programming at a rate of \$31.25 per hour and 520 hours of administrative assistance at \$16.71 per hour is required.

Beginning in FY 2011-12, the division requires the addition of 4.0 FTE at the level of Administrative Assistant III. This staff will assist the division's centralized licensing and support section to handle the additional year-round workload, including review of applications for licensure to ensure complete profiles and to provide compliance assistance to regulated professionals. The program will also need 2,080 hours of temporary contract workers in FY 2011-12 and FY 2012-13 to assist with existing license and registration renewal and to update existing records.

Printing, Postage, Travel. The division will have standard printing and postage costs related to communication and outreach, licensing and renewals, and enforcement actions. The division will coordinate an outreach effort in both FY 2010-11 and FY 2011-12 that includes four information sessions conducted across the state. Staff will incur mileage and per diem expenses for the sessions outside the metro area. All sessions will have printing expenses.

Legal Services. The Department of Law will provide 100 hours of legal services for rule making and general counsel to the DORA at a blended rate of \$75.38 per hour. Legal services are anticipated to decrease to 20 hours annually beginning in FY 2011-12.

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 SB10-124*		
Cost Components	FY 2010-11	FY 2011-12
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$7,696	\$38,431
Supplemental Employee Retirement Payments	1,484	7,531
Indirect Costs	12,291	61,455
Leased Space	4,200	21,000
Workers Compensation & Risk Management	268	1340
TOTAL	\$25,939	\$129,757

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

State Appropriations

In FY 2010-11, this bill requires an appropriation of \$98,873 from the Division of Registrations Cash Fund to the Department of Regulatory Agencies and 1.0 FTE. Of this amount, the Department of Law requires \$7,538 in reappropriated funds.

Departments Contacted

Law Regulatory Agencies