



**Colorado
Legislative
Council
Staff**

SB16-069

**REVISED
FISCAL NOTE**

(replaces fiscal note dated May 3, 2016)

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

Drafting Number: LLS 16-0391
Prime Sponsor(s): Sen. Garcia
Rep. Pabon

Date: May 6, 2016
Bill Status: House Appropriations
Fiscal Analyst: Bill Zepernick (303-866-4777)

BILL TOPIC: COMMUNITY PARAMEDICINE REGULATION

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018	FY 2018-2019
State Revenue	\$0	\$0	\$75,000
Cash Funds	0	0	75,000
State Expenditures	\$87,554	\$122,492	\$72,627
General Fund	73,986	108,547	0
Cash Funds	0	0	59,805
Centrally Appropriated Costs	13,568	13,945	12,822
TABOR Impact	\$0	\$0	Not estimated.
FTE Position Change	1.0 FTE	1.0 FTE	1.0 FTE
Appropriation Required: \$73,986 - Department of Public Health and Environment (FY 2016-17).			
Future Year Impacts: Ongoing state revenue and expenditure increase.			

Note: The fiscal note has been revised to reflect amendments to the reengrossed bill adopted by the House Health, Environment, and Insurance Committee and the House Finance Committee.

Summary of Legislation

The **reengrossed bill, as amended**, requires the Colorado Department of Public Health and Environment (CDPHE) to establish rules governing the scope of practice of community integrated health care service, including the issuance of an endorsement in community integrated health care service to emergency medical service providers. In addition, agencies managing and offering community integrated health care services must be licensed by CDPHE beginning December 31, 2018.

The bill sets minimum standards for community integrated health care service agencies that must be incorporated in rules promulgated by the State Board of Health. These rules must address areas such as the medical direction of agencies and staffing, educational, and training requirements. The bill creates the Community Integrated Health Care Service Cash Fund to receive fee payments from licensed agencies, including from government-owned entities. A person operating a community integrated health care service agency without a license commits a misdemeanor offense and is also subject to civil penalties.

The bill also creates the Community Assistance Referral and Education Services (CARES) Program in the CDPHE. Under the CARES Program, licensed ambulance services, local fire departments, fire protection districts, fire protection authorities, special district authorities, health care business entities, and community integrated health care service agencies may establish a program that provides community outreach on health issues and services, and health education to local residents. In addition, these agencies may provide referrals for low-cost medication programs and alternative resources to the 911 system. They may partner with hospitals, licensed home care agencies, other medical care facilities including licensed community integrated health care service agencies, primary care providers, other health care professionals, or social services agencies to provide program services and ensure nonduplication of services.

The community integrated health care service agencies licensure program repeals September 1, 2025, and is subject to a sunset review conducted by the Colorado Department of Regulatory Agencies.

Assumptions

The fiscal note is based on the following assumptions:

- 25 community integrated health care service agencies will be licensed in FY 2018-19;
- licenses are renewed annually;
- new staff is hired beginning July 1, 2016; and
- agencies may begin seeking licensure as a community integrated health care service agency beginning July 1, 2018.

State Revenue

The bill increases cash fund revenue to the CDPHE from fees by **\$75,000 in FY 2018-19 and future years**. This revenue is collected to cover the costs of licensing community integrated health care service agencies. Funds will be deposited into the Community Integrated Health Care Service Agencies Cash Fund.

Fee Impact on community integrated health care service agencies. 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. The fees shown below are estimates only; the actual fees will be set and adjusted annually by the CDPHE to cover the direct and indirect costs of the bill.

Table 1. Fee Impact on Community Integrated Health Care Service Agencies			
Type of Fee	Proposed Fee	Number Affected	Total Fee Impact
FY 2018-19			
Initial license fee	\$3,000	25	\$75,000

TABOR Impact

This bill increases state cash fund revenue from fees beginning in FY 2018-19, which may increase the amount of money required to be refunded under TABOR, if a TABOR refund is required in that year. However, FY 2018-19 is beyond the current revenue forecast period and the exact TABOR impact has not been estimated. TABOR refunds are paid out of the General Fund.

State Expenditures

The bill increase costs in the CDPHE by **\$87,554 in FY 2016-17, \$122,492 in FY 2017-18, and \$72,627 in FY 2018-19**. An allocation of 1.0 FTE is required for each year. Costs and FTE will decrease slightly in future years after the initial wave of new licensees and facility inspections has passed. Costs in the first and second years are paid from the General Fund; future year costs beginning in FY 2018-19 are paid using cash funds generated by fees. The costs of the bill are summarized in Table 2 and discussed below.

Table 2. Expenditures Under SB 16-069			
Cost Components	FY 2016-17	FY 2017-18	FY 2018-19
Personal Services	\$64,436	\$65,715	\$53,453
FTE	1.0 FTE	1.0 FTE	1.0 FTE
Operating Expenses and Capital Outlay Costs	5,748	950	950
Legal Services	3,802	3,802	2,852
Computer System Changes	0	38,080	0
Travel	0	0	2,550
Centrally Appropriated Costs*	13,568	13,945	12,822
TOTAL	\$87,554	\$122,492	\$72,627

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

Personal services. In the first and second years, the CDPHE will require 1.0 FTE to conduct rule-making, public and local government outreach, and other duties associated with the establishment of the new programs created by the bill for community paramedic endorsements and facility licensing. FTE and costs in the first year are prorated to reflect the General Fund paydate shift and an assumed July 1, 2016, start date. Beginning in the third year, 1.0 FTE will be required to process license applications for community integrated health care service agencies and to conduct an initial inspection of these facilities. In the fourth year and beyond, inspections will occur once every three years for community integrated health care service agencies renewing their license, assuming prior compliance. This will decrease workload in future years.

Ongoing costs for processing the new community paramedic endorsements will be minimal and can be accomplished by existing staff responsible for emergency medical service provider licensing. Existing staff will also be able to register CARES Programs and to receive annual reports from local agencies.

Information technology system changes. The CDPHE will require \$38,080 in FY 2017-18 to modify its facility licensing data system. This work will include 240 hours of programming (\$103 per hour), 80 hours of project management (\$114 per hour), and 40 hours of business analysis (\$106 per hour). The Office of Information Technology will conduct this work for the CDPHE.

Legal services. The CDPHE will have costs for legal services. Legal service hours are estimated to be 40 hours per year in the first two years and 30 hours per year in future years. Legal services are needed for rulemaking and handling appeals by community integrated health care service agencies concerning licensing denials and other issues. Legal services are provided by the Department of Law.

Travel costs. Staff travel will be required to conduct inspections outside of the Denver metro area, which will total \$2,550 per year beginning in FY 2018-19. The fiscal note assumes 17 days of travel per year. Costs per day will be \$100 for hotel and \$50 for expenses and per diem.

Background checks. The Department of Public Safety may have a minimal increase in workload to provide background checks for persons applying for community integrated health care service licensing. However, given the small number of applicants and the fact that many of these individuals will already have undergone a background check, any additional workload is assumed to be minimal.

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.

Cost Components	FY 2016-17	FY 2017-18	FY 2018-19
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$8,054	\$8,057	\$8,032
Supplemental Employee Retirement Payments	5,514	5,888	4,790
TOTAL	\$13,568	\$13,945	\$12,822

Local Government Impact

Local governments that choose to start a community integrated health care service agency and participate in the CARES Program will have costs associated with training, administration, and other duties. Local government agencies seeking licensure as a community integrated health care service agency will be required to pay a licensing fee to the CDPHE. Local agencies participating in the CARES Program are also required to file a report with the CDPHE annually about program outcomes. The provisions of the bill potentially apply to local governments that operate fire departments or licensed ambulance services, fire protection districts, and other qualifying special districts.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2016-17, the bill requires a General Fund appropriation to the CDPHE of \$73,986 and an allocation of 1.0 FTE. Of this amount, \$3,800 is reappropriated to the Department of Law.

The bill currently includes a General appropriation of \$112,064 to the CDPHE.

State and Local Government Contacts

Public Health and Environment
Information Technology
Special District Association

Counties
Law
Municipalities

Research Note Available

An LCS Research Note for SB 16-069 is available online and through the iLegislate app. Research notes provide additional policy and background information about the bill and summarize action taken by the General Assembly concerning the bill.