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FISCAL NOTE

Drafting Number: LLS 20-0520 Date: February 24, 2020
Prime Sponsors: Rep. Buckner Bill Status: House Health & Insurance
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Bill Topic: SUNSET CONTINUE AUDIOLOGISTS

- Summary of Fiscal Impact: State Revenue, State Expenditure, State Transfer, TABOR Refund, Local Government, Statutory Public Entity

Sunset bill. HB 20-1219 continues the regulation of audiologists by the Department of Regulatory Agencies, which is scheduled to repeal on September 1, 2020. State fiscal impacts include both a minimal increase in workload from changes to the program under the bill, as well as the continuation of the program's current revenue and expenditures. The program is continued through September 1, 2031.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Table 1 State Fiscal Impacts Under HB 20-1219*

Table with 3 columns: Category, FY 2020-21, FY 2021-22. Rows include New Impacts (Revenue, Expenditures, TABOR Refund) and Continuing Program Impacts (Revenue, Expenditures, TABOR Refund).

* Table 1 shows the new impacts resulting from changes to the program under the bill and the continuing impacts from extending the program beyond its current repeal date. The continuing program impacts will end if the bill is not passed and the program is allowed to repeal.

Summary of Legislation

The bill continues the licensing of audiologists for 11 years by the Department of Regulatory Agencies (DORA), until September 1, 2031. It also makes several changes to how audiologists are regulated, including:

- requiring final agency actions to be appealed directly to the Court of Appeals;
- requiring insurance companies and licensees to report malpractice settlements or judgments to DORA;
- amending the grounds for discipline regarding alcohol or controlled substance use; and
- restoring deceptive trade practice provisions related to the sale of hearing aids.

The bill also combines the Audiologist Practice Act with the Hearing Aid Provider Practice Act and makes conforming amendments.

Background

Audiologists apply to DORA for licenses that are good for two years. In FY 2018-19, there were 549 active licenses, and applicants paid \$125 for an original license or a license by endorsement, and \$110 for a license renewal. As licenses expire in March of each even-numbered year, and most license applications are for renewal, revenues are expected to be low in FY 2020-21 and high in FY 2021-22, relative to expenditures.

Continuing Program Impacts

Based on the most recent data available, the DORA is expected to have revenue of \$69,000 and expenditures of \$44,000 to regulate audiologists. If this bill is enacted, current revenue and expenditures will continue for the program starting in FY 2021-22. This continuing revenue is subject to the state TABOR limits; however, the fiscal note does not identify any change to TABOR refunds because the revenue is already accounted for in the LCS revenue forecast. If this bill is not enacted, the program will end on September 1, 2021, following a wind-down period, and state revenue and expenditures will decrease starting in FY 2021-22 by the amounts shown in Table 1. The changes to the program that drive additional revenue and costs are discussed in the State Revenue and Expenditure section below.

State Revenue and Expenditures

Starting in FY 2021-22, the bill increases expenditures and workload in several state agencies, as described below.

Department of Regulatory Agencies. Beginning in FY 2020-21, the bill increases the workload in DORA to implement additional reporting requirements related to malpractice settlements and judgments, and handle additional complaints received and addressed by the department. The workload increase is expected to be minimal, so no change in appropriation is required.

Judicial Department. Moving review of final actions to the Court of Appeals shifts workload from the district courts to the appellate courts. As the number of disciplinary actions is typically low, any change in workload is assumed to be minimal.

Department of Law. The Department of Law provides legal services to DORA. Changes to the statutes will create a minimal increase in legal services, which can be accomplished within existing appropriations. In addition, additional workload in the Department of Law, and civil penalty revenue to the General Fund, may result, to the extent additional deceptive trade practice actions are filed by the Attorney General. Any impact is assumed to be minimal.

Effective Date

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Information Technology
Personnel

Judicial
Regulatory Agencies

Law