



## Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

# Fiscal Note

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<b>Drafting Number:</b>	LLS 24-0600	<b>Date:</b>	March 20, 2024
<b>Prime Sponsors:</b>	Sen. Mullica; Will Rep. Brown	<b>Bill Status:</b>	Senate Judiciary
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<b>Bill Topic:</b>	<b>NONECONOMIC DAMAGES CAP MED MALPRACTICE ACTIONS</b>
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<b>Summary of Fiscal Impact:</b>	<input type="checkbox"/> State Revenue	<input type="checkbox"/> State Transfer	<input checked="" type="checkbox"/> Local Government
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> TABOR Refund	<input type="checkbox"/> Statutory Public Entity

The bill increases the cap on damages for medical malpractice by \$40,000 annually from 2025 through 2029 until the maximum is \$500,000. The bill may increase state and local expenditures.

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<b>Appropriation Summary:</b>	No appropriation is required.
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<b>Fiscal Note Status:</b>	The fiscal note reflects the introduced bill.
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## Summary of Legislation

Currently, the maximum amount of damages that can be awarded for to a plaintiff in a medical malpractice case for a noneconomic loss or injury is \$300,000. The bill raises this maximum by \$40,000 each year from January 1, 2025, through January 1, 2029. By 2029, the maximum will be \$500,000.

## Background

Noneconomic loss or injury means nonmonetary harm for which damages are recoverable by the person suffering the direct loss or injury including grief, pain and suffering, loss of companionship, and emotional stress.

## State Expenditures

Beginning in FY 2024-25, the bill potentially increases workload and expenditures as described below.

**Judicial Department.** Beginning in FY 2024-25 the bill may increase trial court workload in the Judicial Department. To the extent that the increased cap on damages provides an incentive to go to trial instead of settling out of court, workload will increase in trial courts. The expected increases are expected to be minimal; no change in appropriations is required.

**State employee insurance.** The bill has the potential to raise insurance premiums that are borne by the state and enrolled employees. The Department of Personnel and Administration will factor any premium increases into their annual Total Compensation analysis. Any adjustments to employee compensation as a result of these adjusted premiums will take place through the annual budget process. The additional workload to factor in these changes is expected to be minimal; no change in appropriations is required.

### **Local Government**

Similar to the trial courts impact for the state, Denver County Courts may see a potential increase in trial courts workload due to an increased incentive to take malpractice claims to court. The anticipated increase is expected to be minimal.

### **Effective Date**

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

### **State and Local Government Contacts**

Corrections  
Judicial

Higher Education  
Personnel

Human Services  
Regulatory Agencies

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The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).