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**REVISED
FISCAL NOTE**

(replaces fiscal note dated February 5, 2019)

Drafting Number: LLS 19-0251
Prime Sponsors: Sen. Ginal
 Rep. Landgraf

Date: April 29, 2019
Bill Status: House Health & Insurance
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Bill Topic: STATEWIDE SYSTEM OF ADVANCE MEDICAL DIRECTIVES

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

This bill requires the Department of Public Health and Environment to create and administer a statewide electronic system of advance medical directives. This bill increases state expenditures on an ongoing basis.

Appropriation Summary: For FY 2019-20, this bill requires an appropriation of \$993,147 to the Department of Public Health and Environment.

Fiscal Note Status: The revised fiscal note reflects the reengrossed bill.

**Table 1
State Fiscal Impacts Under SB 19-073**

		FY 2019-20	FY 2020-21	FY 2021-22
Revenue		-	-	-
Expenditures	General Fund	\$993,147	\$182,566	\$206,110
	Centrally Appropriated	\$96,921	\$19,552	\$21,671
	Total	\$1,090,068	\$202,118	\$227,781
	Total FTE	0.5 FTE	0.2 FTE	0.2 FTE
Transfers		-	-	-
TABOR Refund		-	-	-

Summary of Legislation

This bill requires the Department of Public Health and Environment (CDPHE) to create and administer a statewide electronic system that allows qualified individuals to upload and access advance medical directives. The bill also requires CDPHE to promulgate rules and contract with one or more health information organization networks for the creation, administration, and maintenance of the system. The bill specifies that it is the responsibility of the individual whose medical treatment is subject to the advanced medical directive to ensure that what is uploaded to the system is current and accurate. Lastly, any emergency personnel, health care provider, health care facility, or any other person is not civilly or criminally liable for actions that comply with a legally executed advance medical directive that is accessed from the system.

Background

Advance medical directives are a legal document in which a person specifies what actions should be taken for their health if they are no longer able to make decisions for themselves because of illness or incapacity. There are two health information networks — Quality Health Network on the Western Slope and the Colorado Regional Health Information Organization (CORHIO) on the Front Range and Eastern Plains — currently operating in Colorado to facilitate the transfer of patient data among hospitals, health providers, and health plans.

State Expenditures

This bill will increase state expenditures for CDPHE and the Office of Information Technology by \$1,090,068 and 0.5 FTE in FY 2019-20, \$202,118 and 0.2 FTE in FY 2020-21, and \$227,781 and 0.2 FTE in FY 2021-22 and future years. These costs, which are paid from the General Fund, are shown in Table 2 and discussed below.

Department of Public Health and Environment. This bill will increase expenditures in CDPHE to procure and maintain the advance medical directives system. The new system will be developed by an external vendor and is anticipated to cost \$750,000 in FY 2019-20 only. In addition, CDPHE requires 0.5 FTE in FY 2019-20 and 0.2 FTE in FY 2020-21 and future years to establish system rules and oversee its contract. First year costs reflect the General Fund pay date shift and includes standard operating expenses and capital outlay costs. Once this system is operational, it will require annual maintenance costs of \$150,000 beginning in FY 2021-22.

Office of Information Technology. OIT will require a project manager and will provide the independent verification and validation services for the procurement of the new system and other maintenance and operation costs. These costs will be paid using reappropriated funds from CDPHE.

**Table 2
 Expenditures Under SB 19-073**

	FY 2019-20	FY 2020-21	FY 2021-22
Department of Public Health and Environment			
Personal Services	\$32,100	\$14,007	\$14,007
Operating Expenses and Capital Outlay	\$5,178	\$190	\$190
IT System for Advance Medical Directives	\$750,000	-	-
OIT Project Manager	\$126,456	\$126,456	-
OIT Operating and Maintenance Cost	\$79,413	\$41,913	\$41,913
Annual Maintenance	-	-	\$150,000
Centrally Appropriated Costs*	\$96,921	\$19,552	\$21,671
FTE – Personal Services	0.5 FTE	0.2 FTE	0.2 FTE
Total Cost	\$1,090,068	\$202,118	\$227,781
Total FTE	0.5 FTE	0.2 FTE	0.2 FTE

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

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. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$96,921 in FY 2019-20, \$19,552 in FY 2020-21, and \$21,671 in FY 2021-22.

Effective Date

The bill takes effect August 2, 2019, if the General Assembly adjourns on May 3, 2019, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2019-20, this bill requires a General Fund appropriation of \$993,147 and 0.5 FTE to the Department of Public Health and Environment. Of this amount, \$955,869 is reappropriated to the Governor's Office of Information Technology.

State and Local Government Contacts

Counties	Information Technology	Health Care Policy and Financing
Judicial	Law	Public Health and Environment
Regulatory Agencies		