



## Legislative Council Staff

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# Final Fiscal Note

**Drafting Number:** LLS 22-0295  
**Prime Sponsors:** Rep. Ricks  
Sen. Buckner

**Date:** July 13, 2022  
**Bill Status:** Signed into Law  
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**Bill Topic:** INTL MED GRADUATE INTEGRATE HLTH-CARE WORKFORCE

**Summary of Fiscal Impact:**

- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

The bill creates two programs to assist international medical graduates entering the workforce and makes other regulatory changes. Starting in FY 2022-23, the bill increases state revenue from gifts, grants, and donations. Upon receiving sufficient funding, the bill increases state expenditures on an ongoing basis.

**Appropriation Summary:** No appropriation is required.

**Fiscal Note Status:** The fiscal note reflects the enacted bill.

**Table 1**  
**State Fiscal Impacts Under HB 22-1050**

		Budget Year FY 2022-23	Out Year FY 2023-24
<b>Revenue</b>	Gifts, Grants and Donations	\$476,745	\$814,345
<b>Expenditures</b>	Cash Funds <sup>1</sup>	\$453,714	\$791,314
	Centrally Appropriated	\$23,031	\$23,031
	<b>Total Expenditures</b>	<b>\$476,745</b>	<b>\$814,345</b>
	<b>Total FTE</b>	<b>1.5 FTE</b>	<b>1.5 FTE</b>
<b>Transfers</b>		-	-
<b>Other Budget Impacts</b>		-	-

<sup>1</sup> The fiscal note assumes that the bill will not be implemented until the department receives sufficient gifts, grants, and donations.

## Summary of Legislation

The bill creates two programs for international medical graduates (IMG) - the IMG Assistance Program and the Clinical Readiness Program, and makes other changes that allow IMGs to get medical licenses, as described below.

**IMG Assistance Program.** The bill creates the IMG Assistance Program to provide direct services to IMGs wishing to reestablish their medical careers in Colorado. The Colorado Department of Labor and Employment (CDLE) must contract with a third party to administer the program, and determine the eligibility criteria for participation in the program as well as any limits on the amount of direct services provided. Direct services for IMGs include:

- reviewing the background, education, training, and experience of program participants, and recommending steps to integrate into the healthcare workforce;
- providing technical support through the credential evaluation process, including preparation for tests and evaluations;
- providing scholarships to help cover cost of the licensure process;
- working with community organizations to develop a roster of interested IMGs, and
- providing guidance to apply for medical residency programs or other path ways.

In addition, the third-party administrator must annually submit a report to CDLE about the program, beginning one year after implementation. The CDLE must receive sufficient appropriations, or gifts, grants, and donations before implementing the program.

**Clinical Readiness Program.** The bill creates the Clinical Readiness Program to help IMGs build the skills necessary to become successful residents in the United States medical system. By January 1, 2023, CDLE must contract with a Colorado-based medical school or a residency program accredited by the Accreditation Council for Graduate Medical Education to serve as the program administrator. By January 1, 2024, the program administrator must develop and implement the clinical program and must have a mechanism for processing program applications, a program curriculum, and an assessment system to determine clinical readiness of program participants.

To qualify for the program, an applicant must be an IMG whose medical degree or qualifications have been determined to be equivalent to a medical degree from the United States or another country that has a reciprocal license agreement, and have achieved a passing score on the USMLE step one and step two examinations. Once a participant completes the curriculum and passes the program assessment, the program director must issue an industry recognized credential of clinical readiness and submit a recommendation to the assistance program administrator and CDLE. The bill requires the program administrator to allow an IMG to interview for a position in their own residency program if the IMG successfully completes the readiness program. Starting January 1, 2025, the program director must annually submit a report to DORA about the program. The CDLE must receive sufficient appropriations, or gifts, grants, and donations before implementing the program.

**Report.** The bill requires the CDLE to submit a report on the IMG Assistance Program and the Clinical Readiness Program as part of the department's SMART Act hearing.

**IMG degree equivalence.** Under current law, the Medical Board may require certain foreign medical students to complete three years of postgraduate clinical training. The bill reduces this requirement to one year and applies it to IMGs.

**Reentry licenses for IMGs.** The bill allows IMGs who hold a current or expired international license and satisfy other requirements established by the Medical Board to apply for a reentry license. The Medical Board may approve an assessment model to assess the competency of IMGs applying for a reentry license.

## Assumptions

The fiscal note assumes that the bill will be implemented using gifts, grants, and donations. The fiscal note outlines the impacts if the CDLE does receive gifts, grants, and donations. If sufficient funding is not received, the fiscal note assumes that the program will not be implemented.

## State Revenue

Starting in FY 2022-23, the bill will increase cash fund revenue in the CDLE from gifts grants, and donations. In addition, cash fund revenue in DORA will minimally increase from additional reentry licenses, as described below.

**Gifts, grants, and donations.** Starting in FY 2022-23, the revenue to the CDLE must increase by an estimated \$476,745 in FY 2022-23 and \$814,345 in FY 2023-24 to implement the various programs outlined in the bill from gifts, grants, and donations. The fiscal note has not identified any source of gifts, grants, and donations. Gifts, grants, and donations are not subject to the state's TABOR limit.

**Reentry licenses.** Starting in FY 2022-23, revenue to the Professions and Occupation Cash Fund will increase to the extent IMGs apply for reentry medical licenses. The fiscal note assumes that the number of IMGs applying for reentry medical licenses, at least initially, will be minimal and any increase in revenue will likewise be minimal. Revenue from reentry medical licenses is subject to the state's TABOR limit.

## State Expenditures

The bill increases state expenditures in the CDLE by \$476,745 in FY 2022-23 and \$814,345 in FY 2023-24, paid from gift, grants, and donations. The bill will also increase workload in DORA. Expenditures are shown in Table 2 and detailed below.

**Table 2  
Expenditures Under HB 22-1050**

	FY 2022-23	FY 2023-24
<b>Department of Labor &amp; Employment</b>		
Personal Services	\$89,289	\$89,289
Operating Expenses	\$2,025	\$2,025
Capital Outlay Costs	\$12,400	-
IMG Program Contractors	\$350,000	\$700,000
Centrally Appropriated Costs <sup>1</sup>	\$23,031	\$23,031
<b>Total Cost</b>	<b>\$476,745</b>	<b>\$814,345</b>
<b>Total FTE</b>	<b>1.5 FTE</b>	<b>1.5 FTE</b>

**Department of Labor and Employment.** Starting in FY 2022-23, the CDLE will require 1.5 FTE to administer the two IMG programs established by the bill. These FTE will oversee and manage contracts with two contractors, help develop rules and other program criteria, and report on the two programs. Staffing costs include personnel services, operating expenses, and capital outlay costs, as shown in Table 1.

- **IMG program contractors.** Starting in FY 2022-23, expenditures in CDLE will increase to contract with two parties to run the two new IMG programs. Based on similar programs offered in Minnesota, the fiscal note assumes that expenditures will increase by a total of \$700,000 annually once fully implemented.

*Clinical Readiness Program.* Expenditures will increase by \$150,000 in FY 2022-23 to establish the clinical readiness program and \$500,000 annually starting in FY 2023-24 to administer the program once fully implemented.

*IMG Assistance Program.* Starting in FY 2022-23, expenditures will increase by \$200,000 per year to contract with a third party to run the IMG assistance program. Depending on the number of individuals helped by the IMG assistance program and the number of scholarships that would be offered, costs could be as low as \$50,000 for the IMG assistance program.

**Department of Regulatory Agencies.** Starting in FY 2022-23, workload in DORA will increase to update rules and to conduct any outreach to IMG applicants. This workload can be accomplished within existing appropriations.

**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 shown in Table 2.

## Other Budget Impacts

**TABOR refunds.** The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by an indeterminate amount, as described in the State Revenue section above. This estimate assumes the March 2022 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2023-24. Because TABOR refunds are paid from the General Fund, increased cash fund revenue will reduce the amount of General Fund available to spend or save.

## Effective Date

This bill was signed into law by the Governor and took effect on June 7, 2022.

## State and Local Government Contacts

Health Care Policy and Financing  
Information Technology  
Public Health and Environment

Higher Education  
Labor  
Regulatory Agencies