



## Legislative Council Staff

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# Fiscal Note

**Drafting Number:** LLS 22-0572  
**Prime Sponsors:** Rep. Mullica  
Sen. Moreno

**Date:** April 27, 2022  
**Bill Status:** House Health and Insurance  
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**Bill Topic:** HOSPITAL NURSE STAFFING STANDARDS

**Summary of Fiscal Impact:**

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

The bill creates regulations for nurse staffing levels in hospitals, and allows the Department of Public Health and Environment promulgate rules and perform compliance activities. The bill increases state expenditures and may increase revenue beginning in FY 2022-23.

**Appropriation Summary:** For FY 2022-23, the bill requires an appropriation of \$66,136 to the Department of Public Health and Environment.

**Fiscal Note Status:** This fiscal note reflects the introduced bill. Due to time constraints, this analysis is preliminary and will be updated following further review and any additional information received.

**Table 1**  
**State Fiscal Impacts Under HB 22-1401**

	<b>Budget Year</b> <b>FY 2022-23</b>	<b>Out Year</b> <b>FY 2023-24</b>
<b>Revenue</b>	-	-
<b>Expenditures</b>		
Cash Funds	\$66,136	\$74,921
Centrally Appropriated	\$26,852	\$31,977
<b>Total Expenditures</b>	<b>\$92,988</b>	<b>\$106,898</b>
<b>Total FTE</b>	<b>0.8 FTE</b>	<b>1.0 FTE</b>
<b>Transfers</b>	-	-
<b>Other Budget Impacts</b>	-	-

## Summary of Legislation

By September 1, 2022, each hospital is required to establish a nurse staffing committee pursuant to rules promulgated by the Board of Health. Among its responsibilities, the nurse staffing committee is required to:

- develop and oversee a patient-care staffing plan for the hospital;
- document, implement, and evaluate the nurse staffing plan on a quarterly basis;
- describe in writing the process for receiving, tracking, and resolving complaints and receiving feedback on the staffing plan from direct-care nurses and other staff; and
- make the complaint and feedback process available to all direct-care providers, including direct-care nurses, direct-care nurse aides, and EMS providers.

The Department of Public Health and Environment (CDPHE) is required to investigate each hospital, as necessary to ensure compliance with the nursing staffing standards established in rules promulgated by the Board of Health. Among other provisions, a hospital:

- is required to submit the nurse staffing plan to the CDPHE on an annual basis, evaluate the staffing plan on a quarterly basis, and prepare and submit to the CDPHE a quarterly report containing the details of the evaluation;
- is prohibited from assigning a direct-care nurse, a direct-care nurse aide, or an EMS provider to a nursing unit or a clinical area without sufficient orientation and ability to provide competent care;
- is required to report, in a form and manner determined by rules promulgated by the Board of Health, the baseline number of beds the hospital is able to staff in order to provide patient care and the hospital's current bed capacity by September 1, 2022, as determined by rules promulgated by the Board of Health; and
- is required to articulate in its emergency plan an ability to increase its capacity in certain circumstances, as outlined under the bill;
- is required to update its emergency plan at least annually; and
- may be fined by the CDPHE up to \$10,000 per day for certain infractions beginning September 1, 2022.

The CDPHE is required to annually report on the information contained in the quarterly report during a SMART Act hearing.

The CDPHE may promulgate rules to require health facilities to develop and implement infection prevention plans that align with national best practices and standards and that are responsive to COVID-19 and other communicable diseases.

The Office of Saving People Money on Health Care is required to study and report to the Governor by January 1, 2023, its findings on the level of preparedness of health facilities to respond to post-viral illness resulting from the COVID-19 virus, the effects of post-viral illness resulting from the COVID-19 virus on the health and the financial security of the people of Colorado, and the effects of the COVID-19 pandemic on the cost of health care in Colorado and on the ability of Colorado's public health system to respond to emergencies.

**State Revenue**

To the extent that hospitals are assessed fines or penalties, funds in the Hospital Facilities General Licensure Cash Fund will increase. Fine revenue is subject to TABOR.

**State Expenditures**

The bill increases state expenditures in the CDPHE by \$92,988 in FY 2022-23, and \$106,898 in FY 2023-24 from the Hospital Facilities General Licensure Cash Fund. Expenditures are shown in Table 2 and detailed below.

**Table 2  
 Expenditures Under HB 22-1401**

	FY 2022-23	FY 2023-24
<b>Department of Public Health and Environment</b>		
Personal Services	\$58,856	\$73,571
Operating Expenses	\$1,080	\$1,350
Capital Outlay Costs	\$6,200	-
Centrally Appropriated Costs <sup>1</sup>	\$26,852	\$31,977
<b>Total Cost</b>	<b>\$92,988</b>	<b>\$106,898</b>
<b>Total FTE</b>	<b>0.8 FTE</b>	<b>1.0 FTE</b>

<sup>1</sup> Centrally appropriated costs are not included in the bill's appropriation.

**Staffing.** In FY 2022-23, the CDPHE requires 0.8 FTE to conduct stakeholder engagement, support the Board of Health rulemaking activities, and monitor hospitals for compliance. In FY 2023-24 and ongoing, 1.0 FTE is required to monitor hospitals for compliance. Standard operating and capital outlay costs are included, and personal services costs are not adjusted for a September 1 start date due to implementation date of the bill.

**Legal services.** In FY 2022-23 only, the CDPHE will require up to 100 hours of legal services to assist with rulemaking, provided by the Department of Law. This increase in legal services costs is accounted for through the annual budget process, with the Department of Law billing client agencies based on their historical use of legal services. No change in appropriations is required.

**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.

## Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed, and applies to staffing limits in hospitals on or after September 1, 2022.

## State Appropriations

For FY 2022-23, the bill requires an appropriation of \$66,136 from the Hospital Facilities General Licensure Cash Fund to the Department of Public Health and Environment, and 0.8 FTE.

## State and Local Government Contacts

Governor  
Law

Health Care Policy and Financing  
Public Health and Environment

Information Technology