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Fiscal Note

Drafting Number: LLS 24-0286 Date: February 12, 2024
Prime Sponsors: Rep. Garcia; Willford Bill Status: House Health & Human Services
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Bill Topic: PHYSICIAN CONTINUING EDUCATION

Summary of Fiscal Impact: [X] State Revenue [] State Transfer [] Local Government
[X] State Expenditure [X] TABOR Refund [] Statutory Public Entity

The bill establishes continuing medical education requirements for physician license renewal, reinstatement, or reactivation. It increases state expenditures starting in FY 2025-26 and state revenue starting in FY 2026-27.

Appropriation Summary: No appropriation is required.

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

Table 1
State Fiscal Impacts Under HB 24-1153

Table with 4 columns: Category, Budget Year FY 2024-25, Out Year FY 2025-26, Out Year 2 FY 2026-27. Rows include Revenue, Expenditures (Cash Funds, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget Impacts (TABOR Refund).

Summary of Legislation

The bill requires licensed physicians to complete continuing medical education (CME) before renewing, reinstating, or reactivating a license and authorizes the Colorado Medical Board to make rules, determine CME subject matter, audit licensees, and grant exemptions.

Continuing medical education. For license renewal, reinstatement, or reactivation beginning in January 2026, a physician must complete 40 credit hours of approved CME in the 24 months preceding licensure. Eligible CME programs and activities are determined by the Board, defined in current law, and must include matters of reproductive health. Failure to complete CME requirements or comply with a Board audit constitutes unprofessional conduct and inactivates a physician's license.

Board duties. The Colorado Medical Board may make rules for CME implementation, waive CME requirements, extend the compliance period, and approve qualifying CME programs. Additionally, the Board may audit up to five percent of randomly-selected license renewals for CME compliance.

The bill requires the Division of Professions and Occupations in the Department of Regulatory Agencies (DORA) to increase license renewal fees to cover the cost of CME implementation.

Assumptions

It is assumed that the costs of CME implementation will be paid through a biennial fee levied on all licensed physicians in the state. Physician license renewal occurs in April of odd-numbered years; therefore, revenue increase from fees under the bill begin in April 2027 during FY 2026-27. Further, the fiscal note assumes that three percent of license renewals, or 974 physicians, will be audited by the Board beginning in FY 2026-27 and every two years thereafter.

State Revenue

The bill increases state cash fund revenue by about \$32,500 in FY 2026-27, paid to the Division of Professions and Occupations Cash Fund, to cover the cost of implementing and administering CME requirements. On an ongoing basis, revenue will increase to DORA every two years assuming the fee is charged as part of the two-year renewal cycle for physician licenses. These impacts are shown in Table 2 and discussed in more detail below.

Table 2
Fee Impact on Licensed Physicians

Fiscal Year	Type of Fee	Proposed Fee	Number Affected	Total Fee Impact
FY 2026-27	Physician License Fee	\$1	32,470	\$32,470

¹ The Physician License Fee is assumed to be charged biennially, beginning in FY 2026-27. Fee revenue is not anticipated in FY 2024-25 or FY 2025-26.

Fee impact on licensed physicians. Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. Beginning in FY 2026-27 and every two years thereafter, DORA will collect about \$32,500 in additional fees to cover CME related costs. The fiscal note estimates a \$1 increase for physician license renewal fees, which were \$150 as of January 2024. This proposed fee increase is an estimate only; actual fees will be set administratively by DORA based on cash fund balance, estimated program costs, and the estimated number of licensees subject to the fee.

State Expenditures

The bill increases state expenditures in DORA by about \$9,600 in FY 2025-26 and \$16,800 in FY 2026-27, paid from the Division of Professions and Occupations Cash Fund. Expenditures are shown in Table 3 and detailed below.

**Table 3
Expenditures Under HB 24-1153**

	FY 2024-25	FY 2025-26	FY 2026-27
Department of Regulatory Agencies			
Personal Services	-	\$7,669	\$13,171
Centrally Appropriated Costs	-	\$1,920	\$3,632
Total Cost	-	\$9,620	\$16,803
Total FTE	-	0.1 FTE	0.2 FTE

Staff. In FY 2025-26 and FY 2026-27, DORA requires 0.1 FTE Marketing and Communications Specialist IV to communicate CME requirements to licensed physicians and update marketing materials. Starting in FY 2026-27, DORA requires 0.2 FTE Technician III to conduct physician license renewal audits. Technician III staff costs and FTE are prorated in FY 2026-27 based on a start date of April 1, 2027.

Legal services. In the first year, DORA will have an increase in costs for legal services associated with rulemaking and implementation of the new continuing education requirement. In future years, DORA will have an increase in legal services costs related to disciplinary actions for physicians who do not comply with the new requirement. Overall, it is estimated that any increase in legal services costs will be minimal (less than 100 hours per year) and adjusted through the budget process, if needed. Legal services are provided by the Department of Law.

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 3.

Other Budget Impacts

TABOR refunds. A forecast of state revenue subject to TABOR is not available beyond FY 2025-26. In future years where the state is above its revenue limit, increased revenue under the bill will increase TABOR refunds, paid from the General Fund. In these situation, increased cash fund revenue will reduce the amount of General Fund available to spend or save.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed. It applies to license renewals, reinstatements, or reactivations occurring on or after January 1, 2026.

State and Local Government Contacts

District Attorneys
Judicial

Health Care Policy and Financing
Law

Information Technology
Regulatory Agencies

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](#).