

**Legislative
Council Staff***Nonpartisan Services for Colorado's Legislature***FISCAL NOTE**

Drafting Number:	LLS 19-0649	Date:	February 15, 2019
Prime Sponsors:	Rep. Cutter; Landgraf Sen. Fields	Bill Status:	House Health & Insurance
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Bill Topic:	PHYSICIAN ASSISTANTS SUPERVISION & LIABILITY
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Summary of Fiscal Impact:	<input checked="" type="checkbox"/> State Revenue <input checked="" type="checkbox"/> State Expenditure <input type="checkbox"/> State Transfer	<input checked="" type="checkbox"/> TABOR Refund <input type="checkbox"/> Local Government <input type="checkbox"/> Statutory Public Entity
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The bill modifies supervisory requirements and liability for physician assistants and increases the number of physician assistants on the Colorado Medical Board. The bill increases state expenditures on an ongoing basis.

Appropriation Summary:	The bill requires an appropriation of \$6,600 in FY 2019-20 to the Department of Regulatory Agencies.
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Fiscal Note Status:	This fiscal note reflects the introduced bill.
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Table 1
State Fiscal Impacts Under HB 19-1095

		FY 2019-20	FY 2020-21	FY 2021-22
Revenue	Cash Funds	\$6,600	\$4,800	\$4,800
Expenditure	Cash Funds	\$6,600	\$4,800	\$4,800
Transfer		-	-	-
TABOR Refund	General Fund	\$6,600	-	not estimated

Summary of Legislation

The bill modifies supervision requirements for physician assistant. It also modifies physician assistant representation on the Colorado Medical Board, its licensing panel, and any professional service corporation board, as described below.

Supervision requirements — less than three years. Under current law, physician assistants are continually supervised by a supervising physician. For physician assistants who have practiced less than 3 years, the bill requires at least 160 hours of supervision by a supervising physician, of which 40 hours must be completed by the primary supervising physician. After 160 supervised hours, the supervising physician must complete an initial performance assessment, complete a supervisory plan, and remain available to the physician assistant at all times while the physician assistant is working.

Supervision requirements — changing practice. For a physician assistant who has practiced for at least 12 months and is making a substantive change in his or her practice area, the first 80 working hours must be supervised by a supervising physician who works at the same location, with 20 hours of supervision from the primary supervising physician. The supervising physician must then remain available to the physician assistant during all working hours and complete a performance assessment after 6 and 12 months of work.

Supervision requirements — after three years. For a physician assistant who has practiced in the state for more than 3 years, the scope of supervision is determined by a practice agreement between the primary supervising physician and the physician assistant. In addition, after 3 years, a physician assistant may be liable for damages resulting from negligence, unless the damages occur as a result of a direct order from a supervising physician.

Supervision limit removed. Under current law, a physician can supervise up to four physician assistants at any one time. The bill removes this limit.

Increased representation on the Colorado Medical Board. The bill increases the number of physician assistants on the Colorado Medical Board, from one to three. The bill also adds one physician assistant to the licensing panel of the Colorado Medical Board.

Shareholders of professional service corporations. Under current law, a physician assistant may be a shareholder of a professional service corporation, but only if the majority of the shareholders are physicians. This bill removes this requirement and allows physician assistants to be shareholders if they are licensed by the Colorado Medical Board.

Background

The Colorado Medical Board is divided up into three panels: panel A, panel B, and the licensing panel. The Colorado Medical Board meets as a full board every quarter and each panel meets once a month for a total of 16 meetings for each individual member. Members of the board receive both a per diem and travel reimbursement for their attendance.

State Revenue

This bill will increase state revenue to the Division of Professions and Occupations Cash Fund in the Department of Regulatory Agencies by approximately \$6,600 in FY 2019-20, and by \$4,800 in FY 2020-21 and thereafter, to cover the expenditures created under the bill. In addition, state revenue may minimally increase to the Judicial Department as described below.

Fee impact on physician assistants. Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. These fee amounts are estimates only, actual fees will be set administratively by the Department of Regulatory Agencies based on cash fund balance, program costs, and the number of licenses subject to the fee. Physician assistants renew their license every two years, and the next renewal period will take place in January 2020. There are approximately 3,500 physician assistants expected to renew in FY 2019-20, and new licensees average about 365 per year. The table below identifies the fee impact of this bill.

Table 2
Fee Impact on Physician Assistants

FY	Type of Fee	Current Fee	Proposed Fee	Number Affected	Total Fee Impact*
FY 19-20	PA License, New and Renewal	\$262	\$263.71	3,865	\$6,600
FY 20-21	PA License, New	\$262	\$275.18	365	\$4,800
FY 21-22	PA License, New and Renewal	\$262	\$263.05	4,595	\$4,800

* Totals have been rounded.

Court fees. To the extent the bill increases the number of civil cases filed with the courts, the bill will increase state revenue from court fees by a minimal amount beginning in FY 2019-20, credited to the Fines Collection Cash Fund, various other cash funds in the Judicial Department, and the General Fund. Court fees may be imposed on a case-by-case basis for a variety of court-related costs. Court fee revenue is subject to TABOR.

State Expenditures

The bill increases cash fund expenditures in the Department of Regulatory Agencies by \$6,600 in FY 2019-20 and \$4,800 in FY 2020-21 and each year thereafter. The bill may increase workload in the Judicial Department.

Table 3
Expenditures Under HB 19-1095

	FY 2019-20	FY 2020-21
Department of Regulatory Agencies		
Rulemaking Per Diem	\$800	-
Rulemaking Travel	\$1,600	-
New Member Per Diem	\$1,400	\$1,600
New Member Travel	\$2,800	\$3,200
Total Cost	\$6,600	\$4,800

Department of Regulatory Agencies. Expenditures in the Department of Regulatory Agencies will increase by \$6,600 in FY 2019-20 and by \$4,800 in FY 2020-21. These costs are for per diem and travel reimbursement for the two new members on the Colorado Medical Board, one of whom will serve on the licensing panel. For FY 2019-20, there is a one time per diem and travel reimbursement cost for current board members to meet and promulgate emergency rules as a result of the bill. The fiscal note assumes that new members will begin meeting in August 2019.

Legal services. Under the bill, the Department of Regulatory Agencies will require 50 hours of legal services, provided by the Department of Law. This minimal increase in legal services costs will be accounted for through the annual budget process, with the Department of Law billing client agencies based on their historical utilization of legal services. Therefore, no change in appropriations is required in this bill.

Judicial Department. To the extent the bill increases the number of civil cases filed with the trial courts, workload to the courts will increase. However, the fiscal note assumes that the increase in case filings will be minimal and does not require a change in appropriations.

TABOR refunds. The bill is expected to increase state General Fund obligations by \$6,600 for TABOR refunds in FY 2019-20. Under current law and the December 2018 Legislative Council Staff forecast, the bill will correspondingly increase the amount refunded to taxpayers via sales tax refunds on income tax returns for tax year 2020. The state is not expected to collect a TABOR surplus in FY 2020-21.

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

In FY 2019-20, the bill requires an appropriation of \$6,600 from the Division of Professions and Occupations Cash Fund to the Department of Regulatory Agencies.

State and Local Government Contacts

Corrections	Governor	Higher Education
Information Technology	Law	Judicial
Human Services	Public Health and Environment	Personnel
Secretary of State	Regulatory Agencies	