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FISCAL NOTE

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Prime Sponsors: Sen. Ginal Bill Status: Senate HHS
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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 \$1,164,733 to the Department of Public Health and Environment.

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

Table 1
State Fiscal Impacts Under SB 19-073

Table with 5 columns: Category, FY 2019-20, FY 2020-21, FY 2021-22. Rows include Revenue, Expenditures (General Fund, Centrally Appropriated, Total), Total FTE, Transfers, and 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 contract with one or more health information organization networks for the administration and maintenance of the system, and to promulgate rules to administer 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 Office of Information Technology by \$1,164,733 and 1.2 FTE in FY 2019-20, \$308,647 and 1.3 FTE in FY 2020-21, and \$334,310 and 1.3 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. CDPHE requires 1.3 FTE to establish system rules, create and administer the system, and oversee its contract. First year costs reflect the general Fund pay date shift and includes standard operating expenses and capital outlay costs. Legal services for rulemaking are included at 25 hours at a cost of \$103.63 per hour. 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 (\$126,456) and will provide the independent verification and validation services for the procurement of the new system (\$37,500) and other maintenance and operation costs (\$41,913). 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       |
|--|--------------------|------------------|------------------|
| <b>Department of Public Health and Environment</b> |                    |                  |                  |
| Personal Services                                  | \$86,757           | \$94,645         | \$94,645         |
| Operating Expenses and Capital Outlay              | \$5,938            | -                | -                |
| Legal Services                                     | \$2,591            | \$1,235          | \$1,235          |
| 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*                      | \$113,578          | \$44,399         | \$46,518         |
| FTE – Personal Services                            | 1.3 FTE            | 1.3 FTE          | 1.3 FTE          |
| <b>Total Cost</b>                                  | <b>\$1,164,733</b> | <b>\$308,647</b> | <b>\$334,310</b> |
| <b>Total FTE</b>                                   | <b>1.2 FTE</b>     | <b>1.3 FTE</b>   | <b>1.3 FTE</b>   |

\* 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 \$113,578 in FY 2019-20, \$44,399 in FY 2020-21, and \$46,518 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 \$1,164,733 and 1.3 FTE to the Department of Public Health and Environment. Of this amount, \$205,869 is reappropriated to the Office of Information Technology and \$2,591 is reappropriated to the Department of Law.

### State and Local Government Contacts

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