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Fiscal Note

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Prime Sponsors: Rep. Garcia; Jodeh Bill Status: House Health & Human Services
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Bill Topic: MATERNAL HEALTH MIDWIVES

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

The bill modifies and creates new measures for midwife licensure and maternal health care. It increases state revenue and expenditures beginning in FY 2024-25.

Appropriation Summary: For FY 2024-25, the bill requires an appropriation of \$642,440 to multiple state agencies.

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

Table 1
State Fiscal Impacts Under HB 24-1262

Table with 5 columns: Category, Sub-category, Budget Year FY 2024-25, Out Year FY 2025-26, Out Year FY 2026-27. Rows include Revenue (Cash Funds, Total Revenue), Expenditures (General Fund, Cash Funds, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget Impacts (TABOR Refund, General Fund Reserve).

Summary of Legislation

The bill modifies and creates new measures for midwife licensure and around maternal health care, as detailed below.

Midwife Licensure

Direct-entry midwives are currently licensed by the Department of Regulatory Agencies (DORA); however, statute refers to this licensure as registration. Direct-entry midwives are also currently required to have certain certifications to be licensed that would allow them the designation as certified professional midwives. The bill codifies current practice by updating references of "registration" to "licensure" and "direct-entry midwife" to "certified professional midwife," and clarifies certification requirements.

The bill also creates a three-member Advisory Panel that will provide recommendations on disciplinary actions against certified professional midwives beginning July 1, 2025. It requires the membership of certain committees, boards, and programs to include midwifery expertise, including the Environmental Justice Advisory Board, the Health Equity Commission, the Governor's Expert Emergency Epidemic Response Committee, and the Short-Term Health Care Credentials program.

Maternity Care

The bill requires the Colorado Civil Rights Division within DORA to collect reports of mistreatments in the context of maternity care in ways that allow data to be accessible (confidential information can be de-identified and reports can be generated for the public) and expands the information that can be provided by individuals. It also requires the commission to submit de-identified reports of mistreatments to certain commissions and the General Assembly.

The bill adds pregnancy as a protected class for purposes of discrimination in places of public accommodation.

The bill requires the Colorado Maternal Mortality Review Committee in the Department of Public Health and Environment (CDPHE) to contract a third-party evaluator to study closures and availability of perinatal health care, impacts on affected populations, and provide recommendations to the General Assembly by July 1, 2026.

Finally, the bill requires health care facilities that reduce or discontinue maternal health care services to provide notice to the CDPHE, the Colorado Maternal Mortality Review Committee, the Governor, the public, and any affected patients and providers.

State Revenue

State revenue to the Division of Professions and Occupations Cash Fund in DORA is estimated to increase by approximately \$10,000 in FY 2024-25 and \$20,000 in FY 2025-26 and ongoing years. The division of will adjust its fees to cover its estimated costs to implement the bill. Revenue to the cash fund is subject to the state’s TABOR limit.

Fee impact on certified professional midwives. 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 DORA based on cash fund balance, program costs, and the number of licenses subject to the fee. Table 2 below identifies the fee impact of this bill.

**Table 2
Fee Impact on Certified Professional Midwives**

Fiscal Year	Type of Fee	Current Fee	Proposed Fee	Number Affected	Total Fee Impact
FY 2024-25	Midwife License	\$295	\$384	109	\$9,701
			FY 2024-25 Total		\$9,701
FY 2025-26	Midwife License	\$295	\$478	109	\$19,947
			FY 2025-26 Total		\$19,947

State Expenditures

The bill increases state expenditures in the Division of Professions and Occupations in DORA by approximately \$10,000 in FY 2024-25 and \$20,000 in FY 2025-26 and ongoing, paid from the Professions and Occupations Cash Fund. It also increases state expenditures in the Civil Rights Division in DORA by \$339,000 in FY 2024-25 and \$311,000 in FY 2025-26 and ongoing, paid from the General Fund. Finally, it increases state expenditures in CDPHE by \$370,000 in FY 2024-25 and \$82,000 in FY 2025-26, paid from the General Fund. Expenditures are shown in Table 3 and detailed below.

**Table 3
Expenditures Under HB 24-1262**

	FY 2024-25	FY 2025-26	FY 2026-27
Division of Professions and Occupations, DORA			
Personal Services	\$7,699	\$7,699	\$7,699
Contract – Investigative Services	-	\$9,600	\$9,600
Advisory Panel – Meeting Reimbursement	-	\$600	\$600
Centrally Appropriated Costs ¹	\$1,920	\$1,920	\$1,920
FTE – Personal Services	0.1 FTE	0.1 FTE	0.1 FTE
DPO-DORA Subtotal	\$9,620	\$19,820	\$19,820
Civil Rights Division, DORA			
Personal Services	\$181,407	\$181,407	\$181,407
Operating Expenses	\$3,840	\$3,840	\$3,840
Capital Outlay Costs	\$20,010	-	-
Legal Services	\$64,010	\$64,010	\$64,010
IT System Programming and Maintenance	\$16,400	\$8,525	\$8,525
Centrally Appropriated Costs ¹	\$52,966	\$52,966	\$52,966
FTE – Personal Services	3.0 FTE	3.0 FTE	3.0 FTE
FTE – Legal Services	0.3 FTE	0.3 FTE	0.3 FTE
CCRD-DORA Subtotal	\$338,633	\$310,748	\$310,748
Department of Public Health and Environment			
Personal Services	\$88,291	\$65,193	\$16,298
Operating Expenses	\$1,408	\$1,024	\$256
Capital Outlay Costs	\$7,337	-	-
Third-Party Evaluator	\$225,000	-	-
Heat Map – System Update/Outreach	\$27,037	-	-
Centrally Appropriated Costs ¹	\$20,961	\$15,336	\$3,834
FTE – Personal Services	1.1 FTE	0.8 FTE	0.2 FTE
CDPHE Subtotal	\$370,034	\$81,553	\$20,388
Total	\$718,287	\$412,121	\$350,956
Total FTE	4.5 FTE	4.2 FTE	3.6 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Division of Professions and Occupations, DORA. The division will have costs to update the midwife licensure process and support the advisory panel. The fiscal note assumes that the panel will meet at least once per quarter to review and provide recommendations for complaints against certified professional midwives. Costs for the Division of Professions and Occupations are paid from license fees on certified professional midwives.

- **Staff.** In FY 2024-25 only, the Division requires 0.1 FTE for rulemaking, performing outreach to licensees, and updating the website and forms to reflect the profession name change. Beginning in FY 2025-26 and in ongoing years, the division requires 0.1 FTE to provide administrative support for the Advisory Panel meetings, including managing meeting materials, redacting information in case documents reviewed by members, and providing final recommendations to the director.
- **Contracted services for additional investigations.** Beginning in FY 2025-26, the division requires \$9,600 for contracted services to perform additional investigations to gather the information necessary to reach a decision. The fiscal note assumes the Advisory Panel will request additional investigations for four complaints against certified professional midwives to make their recommendation per year. Each investigation will require \$2,400 of a third-party investigator, for 40 hours of work per case at \$60 per hour.
- **Advisory panel member reimbursement.** Beginning in FY 2025-26, the division requires \$600 annually to reimburse for per-diem expenses for three advisory panel members to attend four meetings annually.
- **Legal services.** Beginning in FY 2025-26, the division will require legal services from the Department of Law to provide legal counsel during advisory panel meetings. This workload is expected to be minimal and accommodated within existing resources. Any appeals that stem from disciplinary actions are expected to be minimal and accomplished within existing resources.

Civil Rights Division, DORA. The Civil Rights Division requires staff, legal services, and system updates to meet the maternity care reporting requirements of the bill and investigate claims regarding pregnancy discrimination.

- **Staff.** Beginning in FY 2024-25, the Division requires a total of 3.0 FTE. Of this, 1.0 FTE will manage the reporting requirements for maternal care mistreatment, including managing the additional data reported by individuals, developing the database to have the ability to extract data and run reports, submitting report to committees, and managing inquiries and following up with individuals if requested in their report. The remaining 2.0 FTE will track and investigate claims filed with the division regarding pregnancy discrimination.
- **IT system updates.** The division requires approximately \$16,400 in FY 2024-25, and \$8,525 for maintenance in ongoing years, to update online forms used by individuals to report maternal care mistreatment; create and maintain a database that can produce reports of de-identified data as required; and to update the online and case management system for discrimination reports to include pregnancy as a protected class. This assumes 100 hours of

work initially at an average of \$164 per hour, and 50 hours for ongoing maintenance support. These costs are reappropriated to the Office of Information Technology.

- **Legal services.** The division is assumed to require 500 hours of legal support annually, or 0.3 FTE, from the Department of Law for counsel around reporting on confidential health care and advising related to pregnancy discrimination in places of public accommodation.

Department of Public Health and Environment. The CDPHE requires staff and costs to study maternal health care services closures. This will include hiring the third-party evaluator and updating data systems to provide them with the necessary information through a maternal desert and asset heat map.

- **Staff.** The CDPHE requires a total of 1.1 FTE in FY 2024-25, 0.8 FTE in FY 2025-26, and 0.2 FTE in FY 2026-27 to manage the contract with the third-party evaluator, develop the maternal heat map, and update rules for health care facilities.

In FY 2024-25 only, 0.3 FTE will develop and add rules to health facilities regulations for reporting reduced or discontinued maternal health care services. This includes preparing, facilitating, and providing subject matter expertise for stakeholder meetings and board hearings. 0.4 FTE will develop eligibility criteria, build the application process, write the Request for Proposals, and contract with an entity performing the perinatal health care evaluation.

In FY 2024-25 and FY 2025-26, 0.4 FTE will develop the maternal heat map. The fiscal note assumes developing the heat map internally instead through the contracted evaluator will be more cost-effective, as the CDPHE has the infrastructure for data collection and analysis to build the map. Staff activities include data collection, processing, and analysis to develop the map, as well as providing relevant data from the map to the evaluator as needed. Staff costs are required through September 1, 2026 once final deliverables are completed.

- **Third-party evaluator.** From FY 2024-25 to FY 2026-27, the CDPHE requires a total of \$225,000 to contract an evaluator to conduct the study for the Maternal Mortality Review Committee on closures related to perinatal health care. This includes working with the department and committee, collecting and analyzing data, and developing the final report.
- **System changes.** In FY 2024-25 only, the CDPHE requires \$20,000 to contract a developer to modify existing data systems for the heat map development by CDPHE staff, including adding data integration and reporting functions.
- **Outreach costs.** The CDPHE requires one-time costs of \$7,037 to print, send, and collect data from digital and paper surveys for the heat map analysis and development.

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 upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2024-25, the bill requires a General Fund appropriation of \$634,740, of which:

- \$285,667 is appropriated to the Civil Rights Division in the Department of Regulatory Agencies, and 3.0 FTE, of which \$64,010 and 0.3 FTE reappropriated to the Department of Law, and \$16,400 is reappropriated to the Office of Information Technology; and
- \$349,073 is appropriated to the Department of Public Health and Environment, and 1.1 FTE.

The bill also requires an appropriation of \$7,699 from the Division of Professions and Occupations Cash Fund to the Department of Regulatory Agencies, and 0.1 FTE.

State and Local Government Contacts

Judicial

Public Health and Environment

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](#).