



# Initiative 274

## Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

# Fiscal Impact Statement

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### LCS TITLE: DISCLOSURE OF ADVERSE MEDICAL INCIDENTS

Fiscal Impact Summary		FY 2024-25	FY 2025-26
Expenditures	General Fund	\$64,872	\$85,886
	<b>Total</b>	<b>\$64,872</b>	<b>\$85,886</b>

**Disclaimer.** This initial fiscal impact statement has been prepared for an initiative approved for petition circulation by the Secretary of State. If the initiative is placed on the ballot, Legislative Council Staff may revise this estimate for the ballot information booklet (Blue Book) if new information becomes available.

## Summary of Measure

The measure gives patients or patient representatives the right to access various medical records and documentation related to adverse medical incidents that causes injury or death.

## Background

Section 25-3-109, C.R.S., makes certain documentation related to health facility quality management programs confidential and not subject to subpoena or discoverable or admissible as evidence in any civil or administrative proceedings. Under the measure, it is assumed that patients or patient representatives will have access to this documentation.

## State Revenue

To the extent that the bill results in more civil filings with the trial courts, both from additional actions being brought by patients or their representatives and from disciplinary actions taken by a professional regulator related to adverse incidents, fee revenue to the Judicial Department may increase. Overall, any impact is assumed to be minimal. Revenue from filing fees is subject to TABOR.

## State Expenditures

The bill increases state expenditures in the Department of Human Services (CDHS) by about \$65,000 in FY 2024-25 and \$86,000 in FY 2025-26 and future years, paid from the General Fund. It also impacts workload and costs in various state agencies that operate health facilities. Expenditures are shown in Table 1 and detailed below.

**Table 1**  
**Expenditures Under Initiative 274**

	FY 2024-25	FY 2025-26
<b>Department of Human Services</b>		
Personal Services	\$36,754	\$61,256
Operating Expenses	\$1,152	\$1,920
Capital Outlay Costs	\$13,340	-
All Employee Insurance	\$10,375	\$17,292
Supplemental PERA	\$3,251	\$5,418
<b>Total Cost</b>	<b>\$64,872</b>	<b>\$85,886</b>
<b>Total FTE</b>	<b>0.9 FTE</b>	<b>1.5 FTE</b>

**Department of Human Services.** CDHS requires 1.5 FTE to ensure all the documentation required by the bill is accessible to any patients of the health care facilities that they operate and to respond to requests. This includes all written communication made in connection to treatment. If the measure results in increased litigation workload may further increase. Based on experience with other open-record laws, it is assumed that the three mental health hospitals under CDHS will each require 0.5 FTE to respond to information requests. Requests from other facilities operated by the CDHS are assumed to be infrequent and that any increase in workload will be minimal. Costs are prorated to a December 2024 start date.

**Other state-run hospitals.** Similar to CDHS, the Department of Corrections and public institutions of higher education will have increased workload to comply with the measure and potentially to respond to new litigation. Given the limited number of services offered and the number of locations, this workload is expected to be minimal.

**Department of Regulatory Agencies.** The bill may increase workload and cost for the Colorado Medical Board and other professional boards/offices in the Department of Regulatory Agencies to review complaints against providers, conduct investigations, take disciplinary actions, and handle appeals from providers. Overall, these impacts are assumed to be minimal.

**Judicial Department.** Litigation may increase as a result of additional document disclosure. To the extent that the bill results in more civil filings with the trial courts, workload may increase. The fiscal note assumes that health care facilities will comply with the measure.

## Local Government

Similar to the state impacts above, the measure may increase workload and costs for local government agencies that operate or make payments to health care facilities and for any district attorneys involved in resulting court cases.

## Effective Date

If approved by voters at the 2024 general election, this measure takes effect upon proclamation of the Governor, no later than 30 days after the official canvass of the vote is completed.

## State and Local Government Contacts

Health Care Policy and Financing  
Public Health and Environment

Human Services  
Regulatory Agencies

Law