



Fiscal Note
Legislative Council Staff
Nonpartisan Services for Colorado’s Legislature

SB 25-186: SUNSET WORKERS' COMP PROVIDERS ACCREDITATION

Prime Sponsors:

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Fiscal note status: The revised fiscal note reflects the reengrossed bill.

Summary Information

Overview. The bill continues the Workers’ Compensation Accreditation of Health Care Providers Program, until September 1, 2036, and allows any regulated health care professional to obtain accreditation. The program is currently scheduled to repeal on September 1, 2025.

Types of impacts. The bill has impacts in the following areas through FY 2035-36 from both continuing an existing program scheduled to repeal and making changes to that program:

- State Revenue
- State Expenditures
- TABOR Refund

Appropriations. For FY 2025-26, the bill requires and includes an appropriation of \$123,933 to the Colorado Department of Labor and Employment.

Table 1
State Fiscal Impacts

Type of Impact ¹	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$221,103	\$705,044
State Expenditures	\$221,103	\$705,044
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$221,103	\$705,044
Change in State FTE	1.6 FTE	5.5 FTE

¹ These impacts include both those from continuing a program scheduled to repeal, as well as from changes to the program under the bill. Additional detail on fund sources, as well as the new and continuing impacts, are shown in the tables below.

**Table 1A
State Revenue**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
Cash Funds – Continuation	\$0	\$491,339
Cash Funds – New	\$221,103	\$213,705
Total Revenue	\$221,103	\$705,044

**Table 1B
State Expenditures**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
Cash Funds – Continuation	\$0	\$491,339
Cash Funds – New	\$191,133	\$176,242
Centrally Appropriated	\$29,970	\$37,463
FTE – Continuation	0.0 FTE	3.5 FTE
FTE – New	1.6 FTE	2.0 FTE
Total Expenditures	\$221,103	\$705,044
Total FTE	1.6 FTE	5.5 FTE

Summary of Legislation

The bill continues the Workers' Compensation Accreditation of Health Care Providers Program in the Colorado Department of Labor and Employment (CDLE) for 11 years, until September 1, 2036. It is currently scheduled to repeal on September 1, 2025.

The bill also expands eligibility for Level I accreditation to include optometrists, and any health care professional who is listed in program utilization standards, provides treatment in the workers' compensation system, and is regulated by the Division of Professions and Occupations in the Department of Regulatory Agencies (DORA).

Background

The Workers' Compensation Accreditation of Health Care Providers Program in the CDLE registers and trains physicians who treat patients injured in the workplace (Level I accreditation) and who provide impairment evaluations of injured workers (Level II accreditation). Currently, licensed doctors, dentists, podiatrists, chiropractors, physician assistants, and nurse practitioners may obtain Level I accreditation; however, only licensed doctors are eligible for Level II accreditation.

The program is funded by two cash funds. The Workers' Compensation Cash Fund covers CDLE's administrative and personnel costs and is funded through premiums paid by worker's compensation insurance providers. The Physician Accreditation Program Cash Fund covers the costs of providing training courses to health professionals. This fund receives fees charged to providers seeking accreditation and is continuously appropriated to the CDLE.

The [sunset review](#) of the program completed by DORA is available on their website.

Continuing Program Impacts

Based on the projected revenue and expenditures, CDLE is expected to have continuing annual revenue and expenditures of \$491,339 and 3.5 FTE to administer the accreditation program. Of this amount, \$370,639 is from the Workers Compensation Cash Fund and \$120,700 is from the Physician Accreditation Program Cash Fund. If this bill is enacted, current revenue and expenditures will continue for the program starting in FY 2026-27. This revenue is subject to the state TABOR limits.

If this bill is not enacted, the program will end one year after its repeal date on September 1, 2026, following a wind-down period. If allowed to repeal, state revenue and expenditures from the Physician Accreditation Program Cash Fund will decrease by \$120,700 starting in FY 2026-27. The Workers Compensation Cash Fund does not repeal and its revenue and expenditures are likely to continue for handling impairment ratings for the state's worker's compensation program.

The changes to the program that drive additional revenue and costs are discussed in the State Revenue and State Expenditures sections below, based on the assumptions outlined in the following section.

Assumptions

Currently, there are about 700 accredited Level I providers, or about 4.6 percent of currently eligible health care providers. Assuming there are about 48,600 providers who become eligible to seek accreditation and they have the same accreditation rate as currently eligible professions, it is estimated that up to 2,200 additional providers will seek accreditation. It is assumed that approximately 15 percent of this amount will complete accreditation in the first year.

State Revenue

Based on the assumptions above, the bill increases revenue to CDLE by about \$221,000 in FY 2025-26 and \$705,000 in subsequent years to the Workers Compensation Cash Fund and Physician Accreditation Program Cash Fund. This revenue is from surcharges and fees collected by CDLE and is subject to TABOR. Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency, which is provided below.

Surcharge on Workers Compensation Insurers

Revenue to the Workers Compensation Cash Fund is assumed to increase by \$153,903 in FY 2025-26 and \$175,705 in subsequent years to cover the additional costs incurred to implement the changes in the bill. This increase to the surcharge is assumed to be spread across all workers' compensation insurance providers. Exact surcharge amounts will be set based by CDLE based on overall costs and the number of providers accredited.

Fee Impact on Newly Accredited Providers

As described above, additional health care providers will seek Level I accreditation and be required to pay a fee. Fee amounts shown in Table 2 below reflect the current fee for an online training; however, actual fees will be set administratively by CDLE based on cash fund balance, program costs, and the number of registrations subject to the fee. Population estimates are based on the assumptions discussed in the State Expenditures section below. The table below identifies the fee impact of this bill.

Table 2
Fee Impact on Newly Accredited Providers

Year	Type of Fee	Estimated Fee	Number Affected	Total Fee Impact
FY 2025-26	Level I Accreditation	\$200	336	\$67,200
FY 2026-27	Level I Accreditation	\$200	190	\$38,000

State Expenditures

The bill increases state expenditures for CDLE by about \$221,103 in FY 2025-26 and \$73,142 in subsequent years, paid from the Workers Compensation Cash Fund. These costs are summarized in Table 3 and discussed below.

Table 3
State Expenditures
Department of Labor and Employment

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27
Personal Services	\$108,545	\$135,682
Operating Expenses	\$2,048	\$2,560
Capital Outlay Costs	\$13,340	\$0
Training Costs	\$67,200	\$38,000
Centrally Appropriated Costs	\$29,970	\$37,463
Total Costs	\$221,103	\$213,705
Total FTE	1.6 FTE	2.0 FTE

Staff

CDLE requires 2.0 FTE starting in FY 2025-26 to handle the increased population that may apply for accreditation, including providing the required training and addressing any complaints received about newly accredited professionals. The additional staff is assumed to be evenly split between administrative workload and training support. First-year costs are prorated for a September start date.

Training Costs

Application fee revenue from the newly eligible providers is used to provide training on workers' compensation system. Training costs include the online training platform, materials and supplies, and contracts for instructors or develop training curriculum. The increase in training costs is estimated at about \$67,000 in FY 2025-26 and \$38,000 in subsequent years, paid from the continuously appropriated Physician Accreditation Program Cash Fund.

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 may include employee insurance, supplemental employee retirement payments, leased space, and indirect cost assessments, are shown in the expenditure table above.

TABOR Refunds

The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by the amounts shown in Table 1 above. This estimate assumes the March 2025 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2026-27. Because TABOR refunds are paid from the General Fund, 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.

State Appropriations

For FY 2025-26, the bill requires and includes an appropriation of \$123,933 from the Workers Compensation Cash Fund to the Department of Labor and Employment, and 1.6 FTE.

No appropriation is required from the Physician Accreditation Program Cash Fund, which is continuously appropriated to the Department of Labor and Employment.

State and Local Government Contacts

Labor

Regulatory Agencies