



## Fiscal Note

### Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

## HB 25-1255: HEALTH CARE PROVIDER RIGHT TO EXERCISE CONSCIENCE

#### Prime Sponsors:

Rep. Luck

#### Fiscal Analyst:

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**Bill Outcome:** Postponed Indefinitely

**Drafting number:** LLS 25-0800

**Version:** Final Fiscal Note

**Date:** September 4, 2025

**Fiscal note status:** This final fiscal note reflects the introduced bill. This bill was postponed indefinitely by the House Judiciary Committee on March 4, 2025; therefore, the impacts identified in this analysis do not take effect.

### Summary Information

**Overview.** The bill would have allowed health care providers to refuse to perform or pay for medical procedures based on their right of conscience.

**Types of impacts.** The bill was projected to affect the following areas on an ongoing basis:

- State Revenue
- State Expenditures
- TABOR Refunds

**Appropriations.** For FY 2025-26, the bill would have required an appropriation of \$505,986 to multiple state agencies. See State Appropriations Section.

**Table 1**  
**State Fiscal Impacts**

Type of Impact <sup>1</sup>	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$340,000
State Expenditures	\$549,269	\$965,809
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$340,000
Change in State FTE	3.5 FTE	3.9 FTE

<sup>1</sup> Fund sources for these impacts are shown in the tables below.

**Table 1A  
State Revenue**

<b>Fund Source</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
General Fund	\$0	\$0
Cash Funds	\$0	\$340,000
<b>Total Revenue</b>	<b>\$0</b>	<b>\$340,000</b>

**Table 1B  
State Expenditures**

<b>Fund Source</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
General Fund	\$191,248	\$0
Cash Funds	\$314,738	\$305,282
Reappropriated Funds <sup>1</sup>	\$0	\$613,802
Federal Funds	\$0	\$0
Centrally Appropriated	\$43,283	\$46,725
<b>Total Expenditures</b>	<b>\$549,269</b>	<b>\$965,809</b>
<b>Total FTE</b>	<b>3.5 FTE</b>	<b>3.9 FTE</b>

<sup>1</sup> Some out-year costs will be paid using a mix of General Fund, cash funds, and federal funds reappropriated to the DPA from affected state agencies.

## **Summary of Legislation**

The bill enacts the Medical Ethics Defense Act to recognize that health care professionals, institutions, and providers have a right of conscience. As defined in the bill, a right of conscience is the determination of choice based on one's ethical, moral, or religious beliefs and principles.

Specifically, the bill permits a health care provider to refuse to participate in or pay for a medical procedure, treatment, or service that violates their conscience. Providers and whistleblowers may not be discriminated against as a result of exercising their right of conscience or disclosing a violation of these rights. Neither providers nor institutions are liable for an individual exercising their right of conscience.

The bill also prohibits state agencies that regulate medical professionals from denying or revoking an individual's license or certification as a result of exercising their right of conscience. Any complaints that a registered medical professional receives related to a right of conscience must be provided to the respondent.

Medical entities may file a civil action and are entitled to relief, damages, and expenses.

## Background

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The Health Facilities and Emergency Medical Services Division in the Department of Public Health and Environment (CDPHE) licenses and regulates health facilities in the state to ensure quality of care for patients, residents, and clients. Licensed facilities must meet the department's requirements, as promulgated in rule, including staffing a sufficient number of qualified health care professionals to provide timely and relevant care.

The Division of Professions and Occupations in the Department of Regulatory Agencies (DORA) licenses and regulates health care professionals in the state to maintain standards of care, compliance, and continuing education of registrants.

## Assumptions

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Currently, the Division of Professions and Occupations in DORA regulates nearly 340,000 health care professionals across 30 occupations in the state. In the past year, the department received about 7,260 complaints related to these professionals. The fiscal note assumes the bill will increase the number of complaints across all health care professions by 10 percent each year, or about 725 additional complaints.

## State Revenue

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The bill increases cash fund revenue by \$340,000 starting in FY 2026-27 to the Division of Professions and Occupations Cash Fund in DORA to cover the costs of managing increased complaints for regulated health care professionals. The bill may also increase state revenue from court filing fees by a minimal amount.

## Fee Impact on Regulated Health Care Professionals

Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. Beginning in FY 2026-27, DORA will collect \$340,000 in registration and renewal fees from about 340,000 regulated health care professionals each year. Due to the wide array of potential cost impacts on registered individuals across 30 regulated occupations, the fiscal note assumes that the department will increase licensing, certification, and registration fees by \$1 across all professions. This proposed fee is an estimate only; actual fees will be set administratively by DORA based on the cash fund balance, estimated program costs, and the estimated number of licensees subject to the fee.

## Filing Fees

The bill may increase revenue to the Judicial Department from an increase in civil case filings. Revenue from filing fees is subject to TABOR.

## State Expenditures

The bill increases state expenditures by about \$549,000 in FY 2025-26 and \$966,000 on an ongoing basis, paid from the General Fund, cash funds, and federal funds. These costs will be incurred in the CDPHE, DORA, and the Department of Personnel and Administration (DPA) as shown in Table 2 and described in the sections below. The bill also minimally increases workload in the Judicial Department, and has indeterminate impacts on several other agencies.

**Table 2**  
**State Expenditures**  
**All Departments**

<b>Department</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
Department of Public Health and Environment	\$66,916	\$36,147
Department of Regulatory Agencies	\$291,105	\$315,860
Department of Personnel and Administration	\$191,248	\$613,802
<b>Total Costs</b>	<b>\$549,269</b>	<b>\$965,809</b>

### Department of Public Health and Environment

In FY 2025-26 and FY 2026-27, the CDPHE requires 0.5 FTE Policy Analyst to conduct stakeholder meetings and support the State Board of Health rulemaking related to availability of care standards at licensed health care facilities. Staff costs and FTE are prorated in the first year based on the bill's effective date and conclude in January 2027, upon the adoption of revised rules. These expenditures are paid from CDPHE's General Licensure Cash Fund.

The department may also require legal services, provided by the Department of Law, which can be accomplished within existing appropriations. Legal counsel is related to rulemaking, implementation, and ongoing administration of the program, as well as a rise in complaints.

**Table 2A**  
**State Expenditures**  
**Department of Public Health and Environment**

<b>Cost Component</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
Personal Services	\$48,851	\$29,310
Operating Expenses	\$640	\$384
Capital Outlay Costs	\$6,670	\$0
Centrally Appropriated Costs	\$10,755	\$6,453
<b>Total Costs</b>	<b>\$66,916</b>	<b>\$36,147</b>
<b>Total FTE</b>	<b>0.5 FTE</b>	<b>0.3 FTE</b>

## Department of Regulatory Agencies

The bill increases expenditures in Division of Professions and Occupations in DORA, and has an indeterminate impact on the Division of Insurance, as described below.

### Division of Professions and Occupations

Starting in FY 2025-26, DORA requires 0.7 FTE Technician III to process complaints, issue subpoenas and gather information, and update case material for regulatory boards. The department also requires 1.0 FTE Criminal Investigator III and 0.4 FTE Administrator IV to manage and investigate the expected increase in complaints related to regulated health care professionals. The fiscal note assumes an increase in complaints of 10 percent annually, and the current time to handle complaints. These costs are paid from the Division of Professions and Occupations Cash Fund.

Additionally, DORA requires 900 hours of legal services beginning in FY 2025-26 for rulemaking, program implementation, and disciplinary actions, which equates to 0.5 FTE in the Department of Law. The fiscal note assumes that at least three complaints will be referred to the Attorney General annually and require 300 hours of legal services per complaint. Legal services are provided by at a rate of \$133.74 per hour.

### Division of Insurance

If health care payers refuse to pay or cover non-contractual medical procedures, treatments, or services for insured individuals, expenditures in the Division of Insurance may increase to update rules, respond to complaints against licensed insurers, and oversee insurance requirements. Due to the wide array of medical procedures that could be impacted, and the uncertainty about individual providers' decisions, the fiscal note cannot estimate these costs.

**Table 2B**  
**State Expenditures**  
**Department of Regulatory Agencies**

<b>Cost Component</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
Personal Services	\$122,695	\$152,534
Operating Expenses	\$2,176	\$2,688
Capital Outlay Costs	\$13,340	\$0
Legal Services	\$120,366	\$120,366
Centrally Appropriated Costs	\$32,528	\$40,272
FTE – Personal Services	1.7 FTE	2.1 FTE
FTE – Legal Services	0.5 FTE	0.5 FTE
<b>Total Costs</b>	<b>\$291,105</b>	<b>\$315,860</b>
<b>Total FTE</b>	<b>2.2 FTE</b>	<b>2.6 FTE</b>

## Department of Personnel and Administration

Expenditures in the DPA will increase by about \$191,000 in FY 2025-26 and \$949,000 in future years from litigation and risk management costs. The state's actual costs will depend on a number of factors, including the number and complexity of cases, outcomes, and the timing of cases and judgements. Potential costs include settlements and legal services, as described below.

### State Litigation and Risk Impacts

In the first year, DPA is estimated to incur about \$191,000 in legal services, provided by the Department of Law, to represent the state in an estimated 7 whistleblower and medical provider discrimination lawsuits. Approximately \$362,000 in settlements and awards from these cases are estimated for the following year, FY 2026-27. In all subsequent years, DPA is projected to incur legal services of \$252,000 from 9 annual lawsuits, and pay \$406,000 of settlements and awards the following year.

Based on historical averages, the fiscal note assumes that:

- future cases for whistleblower and medical provider discrimination will represent about one-quarter of current medical licensing due process cases;
- cases require 12 months to conclude after filing;
- the state will settle about one-third of the lawsuits filed each year, at a rate of \$228,440 per whistleblower case and \$44,500 per medical provider case;
- legal services will average \$37,178 per whistleblower case and \$23,388 per medical provider case.

Depending on the outcome of cases, settlement and liability payments will be required from the Risk Management Fund in the DPA. State agencies make payments for legal services and risk management through common policy billings based on costs incurred in prior years. It is assumed any change in costs will be accounted for through the annual budget process

**Table 2C**  
**State Expenditures**  
**Department of Personnel and Administration**

<b>Cost Component</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
Settlements	\$0	\$361,940
Legal Services	\$191,248	\$251,862
<b>Total Costs</b>	<b>\$191,248</b>	<b>\$613,802</b>
<b>Total FTE – Legal Services</b>	<b>0.8 FTE</b>	<b>1.0 FTE</b>

## **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 the expenditure tables above.

## **Judicial Department**

Trial courts in the Judicial Department may experience an increase in workload to that extent that additional civil cases are filed under the bill. The fiscal note assumes that any increase will be minimal.

## **Indeterminate Agency Impacts**

### **Department of Corrections**

If health care providers at a state-run correctional facility refuse to perform services for inmates, expenditures in the DOC may increase to transfer patients to outside facilities. Costs may include transportation, treatment, and staff hours. Due to the wide array of medical procedures that could be impacted, and the uncertainty about individual providers' decisions, the fiscal note cannot estimate these costs.

### **Department of Human Services**

If health care providers at the Mental Health Hospitals of Pueblo or Fort Logan refuse to perform services for patients, expenditures in the CDHE may increase to find alternative medical professionals or transfer patients to outside facilities. Due to the wide array of medical procedures that could be impacted, and the uncertainty about individual providers' decisions, the fiscal note cannot estimate these costs.

### **Department of Health Care Policy and Financing**

If health care providers refuse to perform services for Medicaid or CHP+ members and access to certain services are no longer available in the state, expenditures in HCPF may increase to transfer individuals under the age of 19 to out of state facilities. Due to the wide array of medical procedures that could be impacted, and the uncertainty about individual providers' decisions, the fiscal note cannot estimate these costs.

## **TABOR Refunds**

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The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by the amounts shown in the State Revenue section above. This estimate assumes the December 2024 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

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The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed, and applies to conduct occurring on or after this date.

## State Appropriations

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For FY 2025-26, the bill requires the following appropriations:

- \$258,577 from the Division of Professions and Occupations Cash Fund to the Department of Regulatory Agencies, and 1.7 FTE. Of this amount, \$120,366 is reappropriated to the Department of Law with an additional 0.5 FTE;
- \$56,161 from the General Licensure Cash Fund to the Department of Public Health and Environment, and 0.5 FTE; and
- \$191,248 to the Department of Personnel and Administration, all of which is reappropriated to the Department of Law with 0.8 FTE.

## State and Local Government Contacts

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Corrections

Health Care Policy and Financing

Human Services

Judicial

Law

Public Health and Environment

Regulatory Agencies