



Memorandum

To: Joint Budget Committee Members
From: Kelly Shen, JBC Staff (303-866-5434)
Date: April 2, 2026
Subject: Potential Legislation Packet 18

This packet contains the last two bill drafts intended for the Long Bill package.

If the Committee would like to approve a bill draft for introduction, the motion should include:

- Approve for introduction in the House as a JBC bill LLS 25-XXXX;
- When the bill should be run (with the Long Bill package or otherwise);
- Prime sponsors and co-sponsors; and
- Grant staff permission to make technical changes.

Each individual item has page numbers, but also a packet page number (P-XXX) to help navigate the whole document. The page numbers below refer to the packet page number that begins with a "P".

Potential Legislation

Health Care Policy and Financing – Eric Kurtz

LLS 26-0978 Extrapolation Audits	P-1
LLS 26-0825 Changes to Cover All Coloradans Program	P-8

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Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

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LLS NO. 26-0978.01 Shelby Ross x4510

COMMITTEE BILL

Joint Budget Committee

BILL TOPIC: HCPF Statistical Sampling & Extrapolation
DEADLINES: File by: 3/31/2026

A BILL FOR AN ACT

101 CONCERNING AUTHORIZING THE DEPARTMENT OF HEALTH CARE
102 POLICY AND FINANCING TO USE STATISTICAL SAMPLING AND
103 EXTRAPOLATION TO RECOVER OVERPAYMENTS TO PROVIDERS
104 FOR CERTAIN MEDICAID SERVICES, AND, IN CONNECTION
105 THEREWITH, MAKING AND REDUCING AN APPROPRIATION.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

Joint Budget Committee. If an audit of a medicaid provider who provides nonemergency medical transportation services or pediatric

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Dashes through the words indicate deletions from existing law.*

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1 behavior analysis services, have been identified as having elevated rates
2 of improper billing, fraud, waste, and abuse, characterized by rapid
3 outsized spending growth not explained or supported by a corresponding
4 increase in the number of individuals served;

5 (c) Requiring HCPF to individually audit each claim submitted for
6 payment by a provider to determine the appropriate error rate and
7 overpayment recovery imposes an unrealistic and unsustainable
8 administrative burden;

9 (d) The inability for HCPF to audit every claim submitted by a
10 provider results in under-represented recoupments, recovery delays, and
11 increased risk for federal disallowance, which the state is solely
12 financially responsible for;

13 (e) Statistical sampling and extrapolation methodologies, when
14 applied consistently with recognized federal standards, provide a reliable
15 and efficient basis for overpayment recovery; and

16 (f) Using statistical sampling and extrapolation across providers
17 treating medicaid members for services covered under the nonemergent
18 medical transportation benefit and the pediatric behavioral therapy
19 benefit, including applied behavioral analysis, will protect Colorado
20 medicaid funds and the state general fund; deter fraud, waste, and abuse
21 and related practices; and align state recovery practices with established
22 federal methodologies and standards.

23 **SECTION 2.** In Colorado Revised Statutes, 25.5-4-301, **add**
24 (3)(a)(VI.5) as follows:

25 **25.5-4-301. Recoveries - overpayments - penalties - interest -**
26 **adjustments - liens - review or audit procedures - cash fund - rules -**
27 **definitions - repeal.**

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(3) (a) A review or audit of a provider is subject to the following procedures:

(VI.5) (A) IF AN AUDIT OF A PROVIDER WHO PROVIDES NONEMERGENCY MEDICAL TRANSPORTATION SERVICES OR PEDIATRIC BEHAVIORAL THERAPY IS INITIATED AFTER JULY 1, 2026, FOR SERVICES PROVIDED NO MORE THAN FOUR YEARS AFTER THE EXPIRATION OF THE TIMELY FILING PERIOD, THE AUDITOR IS AUTHORIZED TO DETERMINE AND RECOVER AN OVERPAYMENT TO A PROVIDER USING A SAMPLING OF RECORDS AND EXTRAPOLATION OF THE RECORD SO LONG AS THE SAMPLING AND EXTRAPOLATION METHODS EMPLOYED UTILIZE A STATISTICALLY VALID SAMPLE AND ARE DESIGNED AND IMPLEMENTED IN ACCORDANCE WITH NATIONAL GENERALLY ACCEPTED STATISTICAL PRINCIPLES, STANDARDS, AND METHODS.

(B) IF THE STATE DEPARTMENT ENTERS INTO A CONTRACT FOR THE PURPOSE OF CONDUCTING AN AUDIT PURSUANT TO THIS SUBSECTION (3)(a)(VI.5), THE CONTRACT MUST NOT BE A CONTINGENCY-BASED CONTRACT BASED ON A PERCENTAGE OF THE AMOUNT OF RECOVERY COLLECTED FROM THE PROVIDER.

(C) IF THE AUDIT IDENTIFIES AN ALLEGED OVERPAYMENT, THE STATE DEPARTMENT SHALL ISSUE A NOTICE OF ALLEGED OVERPAYMENT WITHIN SIXTY DAYS AFTER THE ALLEGED OVERPAYMENT IS IDENTIFIED. THE NOTICE OF ALLEGED OVERPAYMENT MUST INCLUDE THE BASIS OF THE ALLEGED OVERPAYMENT, THE RATIONALE FOR THE ALLEGED OVERPAYMENT, THE METHODOLOGY USED TO CALCULATE THE ALLEGED OVERPAYMENT, AND INFORMATION ON WHY THE STATE DEPARTMENT IDENTIFIED THE ALLEGED OVERPAYMENT.

(D) AFTER THE STATE DEPARTMENT COMPLETES AN AUDIT OF A

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1 PROVIDER PURSUANT TO THIS SUBSECTION (3)(a)(VI.5), THE STATE
2 AUDITOR OR ANY PERSON AUTHORIZED BY THE STATE AUDITOR SHALL
3 CONDUCT AN EXAMINATION IN ACCORDANCE WITH SECTION 2-3-103 TO
4 DETERMINE WHETHER THE STATE DEPARTMENT USED PROPER STATISTICAL
5 SAMPLING AND EXTRAPOLATION METHODS WHEN DETERMINING WHETHER
6 OVERPAYMENTS WERE MADE TO A PROVIDER. THE STATE AUDITOR SHALL,
7 AT LEAST ANNUALLY, REPORT THE FINDINGS MADE PURSUANT TO THIS
8 SUBSECTION (3)(a)(VI.5)(D) TO THE LEGISLATIVE AUDIT COMMITTEE AND
9 THE JOINT BUDGET COMMITTEE UNTIL THE AUDITS CONDUCTED PURSUANT
10 TO THIS SUBSECTION (3)(a)(VI.5) ARE COMPLETE.

11 **SECTION 3. Appropriation - adjustments to 2026 long bill.**

12 (1) Except as provided in subsection (3) of this section, to implement this
13 act, the appropriation made in the annual general appropriation act for the
14 2026-27 state fiscal year to the department of health care policy and
15 financing for medical and long-term care services for Medicaid-eligible
16 individuals is adjusted as follows:

17 (a) The general fund appropriation is decreased by \$6,861,775,
18 which amount is subject to the "(M)" notation as defined in the annual
19 general appropriation act for the same fiscal year; and

20 (b) The cash funds appropriation from recoveries and
21 recoupments is increased by \$13,723,550.

22 (2) For the 2026-27 state fiscal year, the general assembly
23 anticipates that the federal funds received by the department of health
24 care policy and financing for medical and long-term care services for
25 Medicaid-eligible individuals will decrease by \$6,861,775. The
26 appropriation in subsection (1)(a) of this section is based on the
27 assumption that the department will not receive this amount of federal

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funds.

2 (3) Subsection (1)(a) of this section does not require a reduction
3 of an appropriation in the annual general appropriation act for the
4 2026-27 state fiscal year if:

5 (a) The amount of the general fund appropriation made in the
6 annual general appropriation act for the 2026-27 state fiscal year to the
7 department of health care policy and financing for medical and long-term
8 care services for Medicaid-eligible individuals is less than the amount of
9 the adjustment required in subsection (1)(a) of this section; or

10 (b) The annual general appropriation act for the 2026-27 state
11 fiscal year does not include an appropriation to the department of health
12 care policy and financing for medical and long-term care services for
13 Medicaid-eligible individuals.

14 **SECTION 4. Effective date.** This act takes effect upon passage;
15 except that section 3 of this act takes effect only if the annual general
16 appropriation act for the 2026-27 state fiscal year becomes law, in which
17 case section 3 of this act takes effect upon the effective date of this act or
18 of the annual general appropriation act for state fiscal year 2026-27,
19 whichever is later.

20 **SECTION 5. Safety clause.** The general assembly finds,
21 determines, and declares that this act is necessary for the immediate
22 preservation of the public peace, health, or safety or for appropriations for
23 the support and maintenance of the departments of the state and state
24 institutions.

Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

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LLS NO. 26-0825.01 Chelsea Princell x4335

COMMITTEE BILL

Joint Budget Committee

BILL TOPIC: Changes to Cover All Coloradans Program
DEADLINES: File by: 3/13/2026

A BILL FOR AN ACT

101 **CONCERNING CHANGES TO THE COVER ALL COLORADANS PROGRAM,**
102 **AND, IN CONNECTION THEREWITH, MAKING AND REDUCING AN**
103 **APPROPRIATION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

Joint Budget Committee. The bill limits the benefits pregnant women and children with a certain family household income and citizen or immigration status are eligible for under the state medical assistance program and the medical assistance program.

Eligible pregnant women and children are subject to the following

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Dashes through the words indicate deletions from existing law.*

limitations on benefits:

- Beginning July 1, 2026, there is an annual cap on dental services in the amount of \$750;
- Beginning January 1, 2027, behavioral health services offered must be provided on a fee-for-service basis only;
- Beginning January 1, 2027, services offered through the accountable care collaborative are no longer covered; and
- Beginning January 1, 2027, managed care services through the medical assistance program are no longer covered.

Beginning January 1, 2027, children under 19 years old whose family household income does not exceed 260% of the federal poverty line, adjusted for family size, and who are not eligible for the medical assistance program due to their immigration status, are not eligible for home- and community-based services, community first choice, long-term home health, private duty nursing, hospice care, and nursing home care unless those children already receive those services on or before December 31, 2026.

For the 2026-27 state fiscal year, the bill caps enrollment of children in the state medical assistance program at 25,000 children if certain conditions are met.

The bill repeals provisions requiring the department of health care policy and financing to develop an outreach and enrollment strategy for enrolling eligible groups into new coverage options.

The bill repeals the state children's basic health plan.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 25.5-2-104, **amend**
3 (1); and **add** (3.5) as follows:

4 **25.5-2-104. State-funded health and medical care - rules.**

5 (1) (a) ~~Beginning no later than January 1, 2025,~~ There is created
6 the state medical assistance program, referred to in this section as "state
7 medical assistance". SUBJECT TO THE LIMITATIONS DETAILED IN
8 SUBSECTION (1)(b) OF THIS SECTION, state medical assistance includes all
9 benefits and services at the same cost to the beneficiary as ~~are~~ BENEFITS
10 AND SERVICES offered pursuant to the medical assistance program,
11 defined in section 25.5-4-103 (13), such that, to the maximum extent

1 possible, AN eligible ~~individuals must not be~~ INDIVIDUAL IS NOT able to
2 tell that ~~the person is~~ THEY ARE enrolled in a different program from
3 medical assistance, ~~pursuant to~~ AS DEFINED IN section 25.5-4-103 (13).

4 (b) PREGNANT WOMEN WHO ARE NOT ELIGIBLE FOR THE MEDICAL
5 ASSISTANCE PROGRAM SOLELY DUE TO THEIR IMMIGRATION STATUS AND
6 CHILDREN UNDER NINETEEN YEARS OLD WHOSE FAMILY HOUSEHOLD
7 INCOME DOES NOT EXCEED TWO HUNDRED SIXTY PERCENT OF THE
8 FEDERAL POVERTY LINE, ADJUSTED FOR FAMILY SIZE, AND WHO DO NOT
9 MEET THE IMMIGRATION REQUIREMENTS FOR ELIGIBILITY ARE SUBJECT TO
10 THE FOLLOWING LIMITATIONS ON BENEFITS:

11 (I) BEGINNING JULY 1, 2026, THEY ARE SUBJECT TO AN ANNUAL
12 CAP ON DENTAL SERVICES IN THE AMOUNT OF SEVEN HUNDRED FIFTY
13 DOLLARS;

14 (II) BEGINNING JANUARY 1, 2027, THEY MUST BE OFFERED
15 BEHAVIORAL HEALTH SERVICES ON A FEE-FOR-SERVICE BASIS ONLY;

16 (III) BEGINNING JANUARY 1, 2027, THEY ARE NOT ELIGIBLE FOR
17 SERVICES OFFERED THROUGH THE ACCOUNTABLE CARE COLLABORATIVE
18 PURSUANT TO SECTION 25.5-5-419; AND

19 (IV) BEGINNING JANUARY 1, 2027, THEY SHALL NOT RECEIVE
20 MANAGED CARE SERVICES PURSUANT TO PART 4 OF ARTICLE 5 OF THIS
21 TITLE 25.5.

22 (c) BEGINNING JANUARY 1, 2027, CHILDREN UNDER NINETEEN
23 YEARS OLD WHOSE FAMILY HOUSEHOLD INCOME DOES NOT EXCEED TWO
24 HUNDRED SIXTY PERCENT OF THE FEDERAL POVERTY LINE, ADJUSTED FOR
25 FAMILY SIZE, AND WHO ARE NOT ELIGIBLE FOR THE MEDICAL ASSISTANCE
26 PROGRAM DUE TO THEIR IMMIGRATION STATUS, SHALL NOT RECEIVE,
27 PURSUANT TO THE STATE MEDICAL ASSISTANCE PROGRAM CREATED IN

1 THIS SECTION, LONG-TERM SERVICES AND SUPPORTS DESCRIBED IN
2 SECTION 25.5-5-102 (1)(e); SECTION 25.5-5-202 (1)(c), (1)(n), AND (1)(p);
3 HOME HEALTH SERVICES DESCRIBED IN SECTION 25.5-5-102 (1)(f) FOR
4 MEMBERS WHO REQUIRE ONGOING HOME HEALTH SERVICES FOLLOWING
5 SIXTY DAYS OF ACUTE HOME HEALTH SERVICES; AND SERVICES DESCRIBED
6 IN PART 19 OF ARTICLE 6 OF THIS TITLE 25.5 UNLESS THEY ALREADY
7 RECEIVE THESE SERVICES ON OR BEFORE DECEMBER 31, 2026.

8 (3.5) (a) FOR THE 2026-27 STATE FISCAL YEAR, ENROLLMENT IN
9 STATE MEDICAL ASSISTANCE OF CHILDREN UNDER NINETEEN YEARS OLD
10 WHOSE FAMILY HOUSEHOLD INCOME DOES NOT EXCEED TWO HUNDRED
11 SIXTY PERCENT OF THE FEDERAL POVERTY LINE, ADJUSTED FOR FAMILY
12 SIZE, AND WHO ARE NOT ELIGIBLE FOR THE MEDICAL ASSISTANCE
13 PROGRAM DUE TO THEIR IMMIGRATION STATUS, IS SUBJECT TO AN
14 ENROLLMENT CAP OF TWENTY-FIVE THOUSAND IF ONE OF THE FOLLOWING
15 CONDITIONS IS MET:

16 (I) ENROLLMENT OF THE CHILDREN DESCRIBED IN THIS SUBSECTION
17 (3.5)(a) IN STATE MEDICAL ASSISTANCE EXCEEDS TWENTY-FIVE THOUSAND
18 CHILDREN; OR

19 (II) EXPENDITURES FOR A FISCAL QUARTER OF THE 2026-27 STATE
20 FISCAL YEAR EXCEED ONE QUARTER OF THE APPROPRIATION FOR STATE
21 MEDICAL ASSISTANCE PLUS FIVE PERCENT TO ACCOUNT FOR COST
22 FLUCTUATIONS DUE TO SEASONALITY.

23 (b) IF A CONDITION DETAILED IN SUBSECTION (3.5)(a) OF THIS
24 SECTION IS MET, THE STATE DEPARTMENT MUST CAP THE ENROLLMENT OF
25 THE CHILDREN DESCRIBED IN SUBSECTION (3.5)(a) OF THIS SECTION AT
26 TWENTY-FIVE THOUSAND CHILDREN BEGINNING ON THE FIRST DAY OF THE
27 MONTH FOLLOWING SIXTY DAYS AFTER THE STATE DEPARTMENT

1 DETERMINES THAT A CONDITION DETAILED IN SUBSECTION (3.5)(a) OF THIS
2 SECTION IS MET.

3 (c) THE STATE DEPARTMENT SHALL ADOPT RULES NECESSARY TO
4 IMPLEMENT THE ENROLLMENT CAP DETAILED IN THIS SUBSECTION (3.5).

5 (d) ON OR BEFORE NOVEMBER 1, 2026, THE STATE DEPARTMENT
6 SHALL SUBMIT A REPORT TO THE JOINT BUDGET COMMITTEE DETAILING
7 WHAT IS DRIVING ENROLLMENT AND UTILIZATION OF STATE MEDICAL
8 ASSISTANCE BY CHILDREN WHO ARE UNDER NINETEEN YEARS OLD WHOSE
9 FAMILY HOUSEHOLD INCOME DOES NOT EXCEED TWO HUNDRED SIXTY
10 PERCENT OF THE FEDERAL POVERTY LINE, ADJUSTED FOR FAMILY SIZE, AND
11 WHO ARE NOT ELIGIBLE FOR THE MEDICAL ASSISTANCE PROGRAM DUE TO
12 THEIR IMMIGRATION STATUS. THE REPORT MUST INCLUDE STRATEGIES FOR
13 REDUCING COSTS ASSOCIATED WITH ENROLLING THESE CHILDREN IN STATE
14 MEDICAL ASSISTANCE.

15 **SECTION 2.** In Colorado Revised Statutes, 25.5-5-201, **amend**
16 (6)(a) and (6)(b) as follows:

17 **25.5-5-201. Optional provisions - optional groups - rules.**

18 (6) (a) ~~Beginning no later than January 1, 2025,~~ A pregnant person
19 who is not a citizen and who is not eligible for medical assistance
20 pursuant to subsection (4) of this section is eligible to receive medical
21 assistance pursuant to this subsection (6)(a), SUBJECT TO THE LIMITATIONS
22 DETAILED IN SECTION 25.5-2-104 (1)(b), if the individual meets the
23 eligibility requirements other than those related to citizenship and
24 immigration status.

25 (b) A pregnant person who is eligible for medical assistance
26 pursuant to this subsection (6) remains continuously eligible for all
27 medical services pursuant to the medical assistance program, SUBJECT TO

1 THE LIMITATIONS DETAILED IN SECTION 25.5-2-104 (1)(b), for the
2 twelve-month postpartum period, so long as eligibility remains in effect
3 pursuant to subsection (4.5)(a) of this section.

4 **SECTION 3.** In Colorado Revised Statutes, 25.5-8-107, **repeal**
5 (1)(i) as follows:

6 **25.5-8-107. Duties of the department - schedule of services -**
7 **premiums - copayments - subsidies - purchase of childhood**
8 **immunizations.**

9 (1) In addition to any other duties pursuant to this article 8, the
10 department has the following duties:

11 (i) ~~(F) The department shall develop and implement an outreach~~
12 ~~strategy for Coloradans who become eligible for health coverage pursuant~~
13 ~~to section 25.5-2-104, 25.5-2-105, 25.5-5-201 (6), or 25.5-8-109 (7). The~~
14 ~~state department shall work with stakeholders to develop an outreach~~
15 ~~strategy that includes:~~

16 ~~(A) Funding for community-based organizations to partner with~~
17 ~~the department on outreach;~~

18 ~~(B) A method for providing information related to eligibility and~~
19 ~~enrollment that can be provided to nonprofit partners, school districts, and~~
20 ~~charter schools for outreach purposes; and~~

21 ~~(C) At a minimum, providing information related to eligibility and~~
22 ~~coverage in English, Spanish, and in each language spoken by at least~~
23 ~~two-and-one-half percent of the population of any county who speak~~
24 ~~English less than very well, as defined by the United States bureau of the~~
25 ~~census American community survey, and who speak the minority~~
26 ~~language at home;~~

27 ~~(H) Approximately twelve and twenty-four months after~~

1 ~~implementation of the strategy required pursuant to subsection (1)(i)(I) of~~
2 ~~this section, the department shall convene stakeholders, including directly~~
3 ~~impacted individuals, service providers, and advocacy organizations that~~
4 ~~are diverse with regard to race, ethnicity, immigration status, sexual~~
5 ~~orientation, and gender identity and who are affected by higher rates of~~
6 ~~health disparities and inequities. The department shall report on the~~
7 ~~outreach and enrollment strategy outcomes, including enrollment of~~
8 ~~eligible persons into these programs compared to those persons who are~~
9 ~~eligible for coverage, but not enrolled.~~

10 **SECTION 4.** In Colorado Revised Statutes, **repeal** 25.5-2-105.

11 **SECTION 5.** In Colorado Revised Statutes, 24-75-109, **repeal**
12 (1)(a.8) as follows:

13 **24-75-109. Controller may allow expenditures in excess of**
14 **appropriations - limitations - appropriations for subsequent fiscal**
15 **year restricted - repeal.**

16 (1) For the purpose of closing the state's books, and subject to the
17 provisions of this section, the controller may, on or after May 1 of any
18 fiscal year and before the forty-fifth day after the close thereof, upon
19 approval of the governor, allow any department, institution, or agency of
20 the state, including any institution of higher education, to make an
21 expenditure in excess of the amount authorized by an item of
22 appropriation for such fiscal year if:

23 (a.8) ~~The overexpenditure is by the department of health care~~
24 ~~policy and financing for the state children's basic health plan, established~~
25 ~~pursuant to section 25.5-2-105; or~~

26 **SECTION 6.** In Colorado Revised Statutes, 25.5-4-201, **amend**
27 (1) as follows:

1 **25.5-4-201. Cash system of accounting - financial**
2 **administration of medical services premiums - medical programs**
3 **administered by department of human services - federal**
4 **contributions - rules.**

5 (1) The state department shall utilize the cash system of
6 accounting, as enunciated by the governmental accounting standards
7 board, regardless of the source of revenues involved, for all activities of
8 the state department relating to the financial administration of any
9 nonadministrative expenditure that qualifies for federal financial
10 participation under Title XIX of the federal "Social Security Act", and for
11 the administration of the state-funded health and medical care program,
12 created pursuant to section 25.5-2-104, ~~and for the state children's basic~~
13 ~~health plan, created pursuant to section 25.5-2-105,~~ except for
14 expenditures under the program for the medically indigent, article 3 of
15 this title 25.5.

16 **SECTION 7.** In Colorado Revised Statutes, 25.5-5-335, **amend**
17 (2)(a), (2)(b), and (7)(b) as follows:

18 **25.5-5-335. Continuous medical coverage for children and**
19 **adults feasibility study - federal authorization - rules - report -**
20 **definition.**

21 (2) At a minimum, the feasibility study must consider the costs;
22 implementation factors, including county workload, training, and
23 administrative burdens on the counties, information technology systems,
24 upgrades, and associated costs; potential health benefits for individuals
25 and communities, including disadvantaged and marginalized groups;
26 impacts of increased use of preventive and high-value health services;
27 administrative savings, including, but not limited to, reducing or

1 eliminating eligibility processing for populations during the continuous
2 eligibility period; reductions in administrative turnover and coverage loss;
3 and, to the extent practicable, social and economic impacts with respect
4 to the following:

5 (a) Allowing an eligible child, as defined in this article 5 and
6 articles 2, 3, 6, and 8 of this title 25.5, including children eligible under
7 ~~sections 25.5-2-104 and 25.5-2-105~~ SECTION 25.5-2-104, to remain
8 continuously eligible for medical assistance ~~and the children's basic~~
9 ~~health plan~~ for twenty-four months after the last day of the month in
10 which the child was enrolled;

11 (b) Allowing an eligible child, as defined in this article 5 and
12 articles 2, 3, 6, and 8 of this title 25.5, including children eligible under
13 ~~sections 25.5-2-104 and 25.5-2-105~~ SECTION 25.5-2-104 who are less than
14 six years ~~of age~~ OLD, to remain continuously eligible for medical
15 assistance ~~or the children's basic health plan~~ without regard to a change
16 in household income until the child reaches six years ~~of age~~ OLD;

17 (7) (b) For purposes of seeking federal authorization pursuant to
18 subsection (7)(a) of this section, an eligible child is as defined in this
19 article 5 and articles 2, 3, 6, and 8 of this title 25.5, including a child
20 eligible pursuant to ~~sections 25.5-2-104 and 25.5-2-105~~ SECTION
21 25.5-2-104, and must be under three years ~~of age~~ OLD. An eligible child
22 ~~shall remain~~ REMAINS continuously eligible without regard to household
23 income until the eligible child reaches three years ~~of age~~ OLD; except that
24 a child is no longer eligible and must be disenrolled from a medical
25 assistance program if the state department becomes aware that the child
26 has moved out of the state, the state department or county possesses facts
27 indicating that the family has requested the child's voluntary

1 disenrollment, the state department determines eligibility was erroneously
2 granted, or the child is deceased.

3 **SECTION 8. Appropriation - adjustments to 2026 long bill.**

4 (1) For the 2026-27 state fiscal year, \$3,128,166 is appropriated to the
5 department of health care policy and financing. This appropriation is from
6 the general fund. To implement this act, the department may use this
7 appropriation as follows:

8 (a) \$2,286,549 for Medicaid management information system
9 maintenance and projects;

10 (b) \$1,017,700 for Colorado benefits management systems,
11 operating and contract expenses; and

12 (c) \$73,917 for behavioral health fee-for-service payments, which
13 amount is subject to the "(M)" notation as defined in the annual general
14 appropriation act for the same fiscal year.

15 (2) For the 2026-27 state fiscal year, the general assembly
16 anticipates that the department of health care policy and financing will
17 receive \$137,274 in federal funds for behavioral health fee-for-service
18 payments to implement this act. The appropriation in subsection (1)(c) of
19 this section is based on the assumption that the department will receive
20 this amount of federal funds.

21 (3) Except as provided in subsection (5), to implement this act,
22 appropriations made in the annual general appropriation act for the
23 2026-27 state fiscal year to the department of health care policy and
24 financing are adjusted as follows:

25 (a) The appropriation for general professional services and special
26 projects is decreased by \$262,500 from the general fund;

27 (b) The appropriation for medical and long-term care services for

1 Medicaid eligible individuals is decreased by \$271,951 from the general
2 fund, which amount is subject to the "(M)" notation as defined in the
3 annual general appropriations act for the same fiscal year, and \$396,038
4 from the adult dental funds created in section 25.5-5-207 (4)(a), C.R.S.;

5 (c) The appropriation for behavioral health capitation payments
6 is decreased by \$753,747 from the general fund, which amount is subject
7 to the "(M)" notation as defined in the annual general appropriations act
8 for the same fiscal year; and

9 (d) The appropriation for health benefits for children lacking
10 access due to immigration status is decreased by \$15,006,358 from the
11 general fund.

12 (4) The decrease of the appropriations in subsection (3) of this
13 section is based on the assumption that the anticipated amount of federal
14 funds received for the 2026-27 state fiscal year by the department of
15 health care policy and financing will decrease as follows:

16 (a) \$487,500 for general professional services and special
17 projects, which is subject to the "(I)" notation as defined in the annual
18 general appropriation act for the same fiscal year;

19 (b) \$1,240,551 for medical and long-term care services for
20 Medicaid eligible individuals; and

21 (c) \$1,399,814 for behavioral health capitation payments.

22 (5) Subsection (3) of this section does not require a reduction of
23 an appropriation in the annual general appropriation act for the 2026-27
24 state fiscal year if either:

25 (a) The amount of the general fund appropriation made in the
26 annual general appropriation act for the 2026-27 state fiscal year to the
27 department of health care policy and financing is less than the amount of

1 the adjustments required in subsection (3) of this section for:

2 (I) General professional services and special projects;

3 (II) Medical and long-term care services for Medicaid eligible
4 individuals;

5 (III) Behavioral health capitation payments; or

6 (IV) Health benefits for children lacking access due to
7 immigration status.

8 (b) Or, the annual general appropriation act for the 2026-27 state
9 fiscal year does not include an appropriation to the department of health
10 care policy and financing for:

11 (I) General professional services and special projects;

12 (II) Medical and long-term care services for Medicaid eligible
13 individuals;

14 (III) Behavioral health capitation payments; or

15 (IV) Health benefits for children lacking access due to
16 immigration status.

DRAFT
APPROPRIATION FROM

	ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
	\$	\$	\$	\$	\$	\$	\$
1	Unfunded Liability						
2	Amortization Equalization						
3	Disbursement Payments	7,939,888					
4	Salary Survey	2,299,634					
5	Step Pay	151,359					
6	PERA Direct Distribution	1,638,429					
7	Workers' Compensation	230,107					
8	Operating Expenses	3,400,301					
9	Legal Services	2,824,915					
10	Administrative Law Judge						
11	Services	2,636,344					
12	Payment to Risk						
13	Management and Property						
14	Funds	280,008					
15	Leased Space	3,712,918					

DRAFT
 APRIL 2026
 APPROPRIATION FROM

	ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
	\$	\$	\$	\$	\$	\$	\$
1	Payments to OIT	15,566,219					
2	CORE Operations	35,879					
3	General Professional						
4	Services and Special						
5	Projects	47,899,410					
6		47,524,410					
7		<u>178,253,415</u>	69,183,269		14,104,503 ^a	3,852,606 ^b	91,113,037(I)
8		177,878,415	69,052,019				90,869,287(I)

^a Of this amount, \$12,618,763 shall be from the Healthcare Affordability and Sustainability Fee Cash Fund created in Section 25.5-4-402.4 (5)(a), C.R.S., \$399,810 shall be from the Healthcare Affordability and Sustainability Nursing Facility Provider Fee Cash Fund created in Section 25.5-4-402.4 (5.5)(a), C.R.S., \$361,397 shall be from the Children's Basic Health Plan Trust created in Section 25.5-8-105 (1), C.R.S., \$278,999 shall be from the Adult Dental Fund created in Section 25.5-5-207 (4)(a), C.R.S., \$204,488 shall be from the Primary Care Fund created in Section 24-22-117 (2)(b)(I), C.R.S., \$131,531 shall be from the Nursing Home Penalty Cash Fund created in Section 25.5-6-205 (3)(a), C.R.S., \$59,140 shall be from the Healthcare Affordability and Sustainability Intermediate Care Facility Fee Cash Fund created in Section 25.5-4-402.4 (5.7)(a), C.R.S., and \$50,375 shall be from the Breast and Cervical Cancer Prevention and Treatment Fund created in Section 25.5-5-308 (8)(a)(I), C.R.S.

DRAFT
APPROPRIATION FROM

ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
\$	\$	\$	\$	\$	\$	\$

^b Of this amount, \$1,374,082 shall be transferred from the Department of Human Services from the Health Care and Economic Security Staff Development Center line item appropriation, \$881,600 shall be from statewide indirect cost recoveries, \$839,181 shall be transferred from the Colorado Benefits Management System, Health Care and Economic Security Staff Development Center line item appropriation in this department, \$577,832 shall be transferred from the Department of Higher Education from the Fee-for-service Contracts with State Institutions for Speciality Education Programs line item, \$95,773 shall be from the Department of Personnel and Administration, \$57,678 shall be from the Department of Early Childhood, and \$26,460 shall be from the Department of Public Health and Environment from the Women, Infants, and Children Supplemental Food Grant line item.

TOTALS PART VI

(HEALTH CARE

POLICY AND

FINANCING)²⁵

\$18,980,783,085	\$4,381,549,873	\$1,293,261,386 ^a	\$2,168,909,052 ^b	\$160,576,367	\$10,976,486,407 ^c
<u>\$18,980,408,085</u>	<u>\$4,381,418,623</u>				<u>\$10,976,242,657^c</u>

^a Of this amount, \$1,292,968,309 shall be from the General Fund Exempt Account created in Section 24-77-103.6 (2), C.R.S., and \$293,077 shall be General Fund Exempt pursuant to Section 24-22-117 (1)(c)(I)(B.5), C.R.S. Said \$293,077 is not subject to the statutory limitation on General Fund appropriations imposed by Section 24-75-201.1, C.R.S.

^b Of this amount, \$22,134,496 contains an (I) notation.

^c Of this amount, ~~\$422,806,064~~ \$422,562,314 contains an (I) notation.

1 **SECTION 10. Effective date.** This act takes effect upon passage;
2 except that section 8 of this act takes effect only if the annual general
3 appropriation act for the 2026-27 state fiscal year becomes law, in which
4 case section 8 takes effect upon the effective date of this act or of the
5 annual general appropriation act for state fiscal year 2026-27, whichever
6 is later.

7 **SECTION 11. Safety clause.** The general assembly finds,
8 determines, and declares that this act is necessary for the immediate
9 preservation of the public peace, health, or safety or for appropriations for
10 the support and maintenance of the departments of the state and state
11 institutions.