



Current State of Medicaid in Colorado

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June 4, 2026

Presentation Agenda

- H.R.1 (OBBBA)
- Recent State Legislation
- Interactions With Other State Departments
- Current and Future Budgetary Impacts



H.R. 1



H.R. 1

also known as the One Big Beautiful Bill Act

Coverage and
Eligibility

Financing and
Budgeting

Administration

Rural Health
Transformation
Program

SEE ALSO: "MEDICAID IMPACTS FROM THE ONE BIG BEAUTIFUL BILL ACT" MEMO



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Coverage and Eligibility

Key Sections:

- Community engagement requirements
- Redeterminations
- Cost-sharing requirements
- Retroactive coverage
- Asset ceiling
- Prohibited entity funding
- Immigrant eligibility

Estimated Impact:

- Reduced eligibility and enrollment for the ACA expansion population
- Decreased state and federal spending
- Increased insurance premium rates

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Financing and
Budgeting

Key Sections:

- Hospital Provider Fees
- State Directed Payments

Estimated Impact:

- Reduced fee revenue by \$575 million over 5 years
- Decreased federal matching funds by between \$900 million and \$2.5 billion
- 10% annual reduction in SDP revenue and expenditures

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Administration

Key Sections:

- Address verification
- Interstate data sharing
- Master Death File review
- Audit procedures and payment error rates

Estimated Impact:

- Reduced duplicative and inaccurate spending
- Increased administrative burden

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Rural Health
Transformation
Program

Estimated impact:

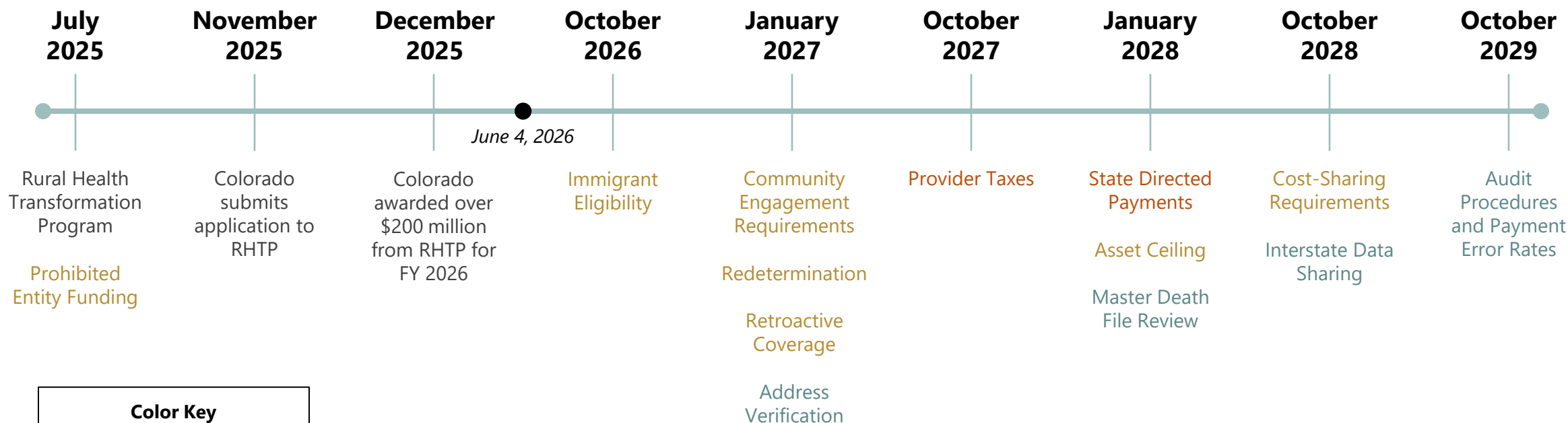
- \$50 billion in federal nationwide grants
- \$1 billion for Colorado through 2030
- \$200 million for Colorado in first year

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Color Key

- Coverage and Eligibility
- Financing and Budgeting
- Administration
- Rural Health Transformation Program (RHTP)



Recent State Legislation

2022-2026



Recent State Legislation (2022-2026)

- 87 Medicaid-related bills introduced
 - 16 bills failed (18.4%)
- Peak activity in 2025 (21 bills) and 2026 (20 bills)
- Passage rates
 - 2022-2024: $\geq 90\%$
 - 2025: 76%
 - 2026: 65%



Core Policy Themes (2022-2026)

- Eligibility, enrollment, and coverage
- Provider payments and workforce
- Financing and fiscal sustainability
- Behavioral health and high-need populations
- Utilization management and cost control
- Administrative modernization



2022-2024: Expansion and Stabilization

- Eligibility expansion and continuous coverage
- Reforms (e.g., payment, pharmacy)
- Workforce expansion and stabilization
- Access to care (e.g., behavioral health, telehealth, nutrition)
- Administrative modernization



2025: Financing and Benefits

- **Emerging Focus**

- Financing mechanisms and enterprise expansion
- Benefit mandates (e.g., reproductive health care, social needs)
- Workforce investments

- **Notable Changes**

- Greater use of state-only funding mechanisms
- Increased attention to federal matching strategies



2026: Cost Control and Governance

- **Emerging Focus**

- Fiscal risk management under federal uncertainty
- Audits, fraud investigation and enforcement, and program integrity
- Managed care expansion
- Governance and oversight

- **Notable Changes**

- 7 of 20 bills failed; all 5 bills related to coverage and benefits failed



Interactions with State Departments



Brief history of HCPF

- **1994** – The Department of Health Care Policy & Financing is created
- **Late 1990's** – Transition to a managed care model
- **2011** – Launch of Accountable Care Collaborative (ACC)
- **2016 – 2019** – Member Centric Expansion
- **2020** – COVID-19 Emergency Response
- **2025 – 2026** – ACC Phase 3



Interactions with State Departments

- Behavioral Health Administration
- Department of Human Services
- Department of Public Health and Environment
- Department of Regulatory Agencies – DOI and DPO
- Department of Local Affairs
- Governor's Office of Information Technology

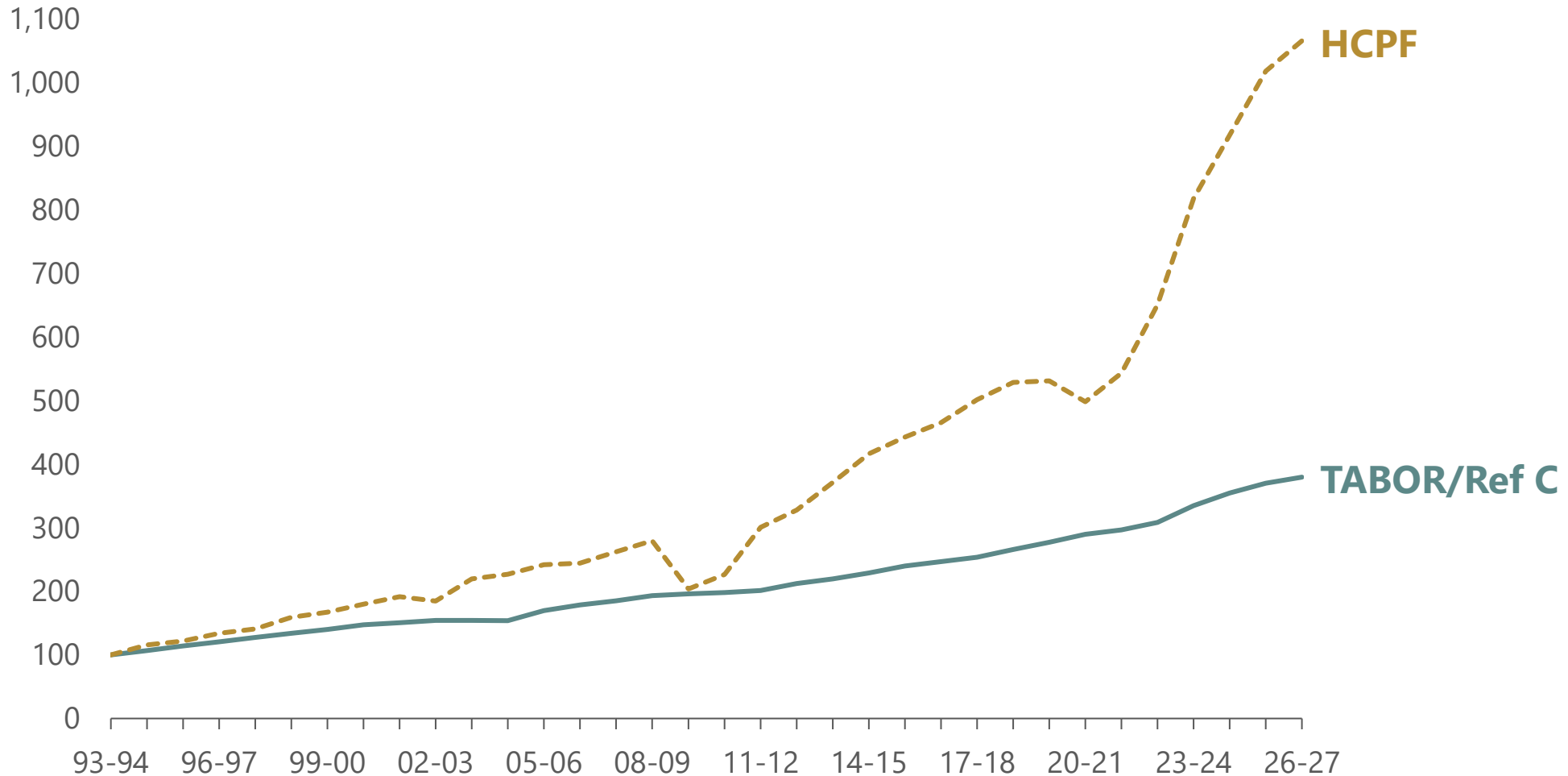


Budgetary Impacts



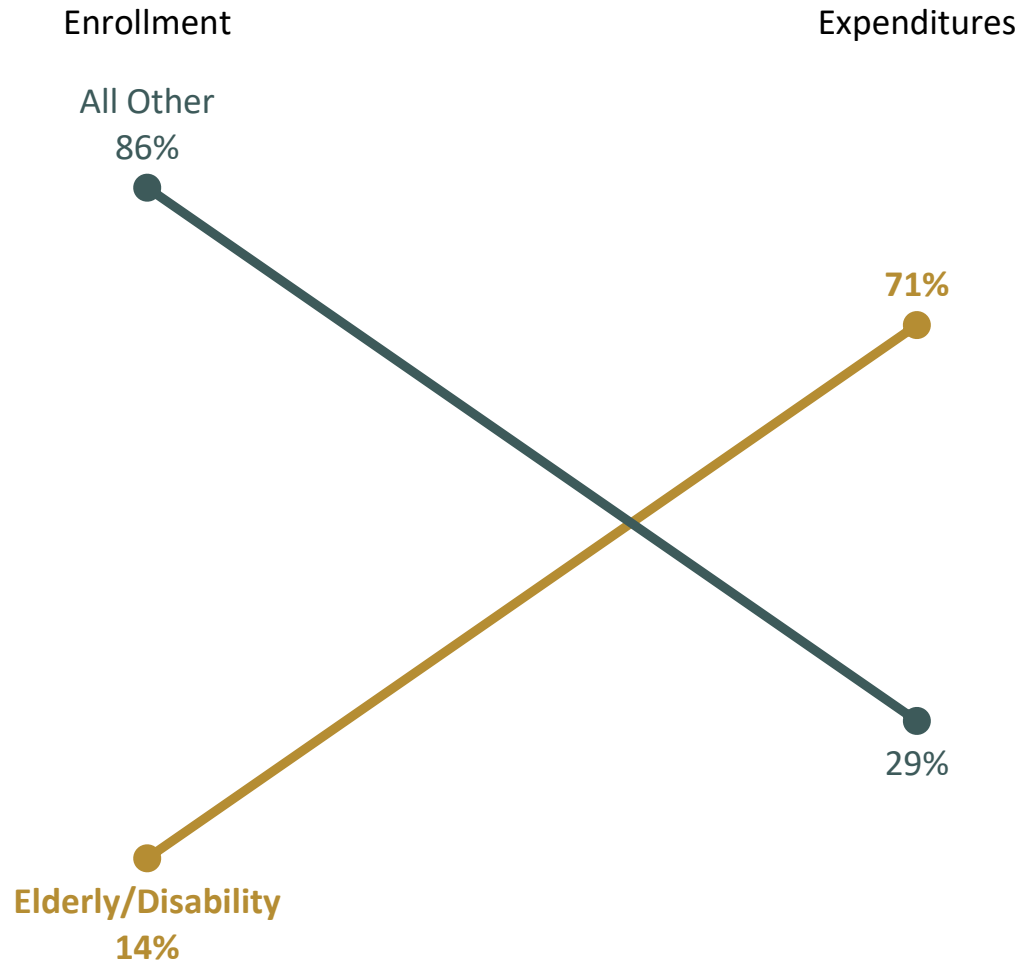
General Fund appropriations for **Health Care Policy and Financing (HCPF)** are growing faster than the **TABOR/Referendum C** limit

Index = 100



The **elderly and people with disabilities** represent 14% of enrollment but 71% of General Fund expenditures

February 2026 forecast for FY 2026-27



Sources of Funding

- Traditional Medicaid
 - Children, pregnant people, very low income parents (to 68% of federal poverty guidelines), elderly, people with disabilities
 - 50% General Fund / 50% federal funds (with some exceptions)
- Expansion Adults
 - Adults without children, parents 68%-138% FPL
 - 10% Hospital Provider Fee/90% federal funds



Sources of Funding

- Child Health Plan Plus (CHP+)
 - Children and pregnant people above Medicaid to 265% FPL
 - 35% state funds/65% federal funds
 - State funds = tobacco settlement, Hospital Provider Fee, General Fund
- State Only Programs
 - Select services for people with intellectual and developmental disabilities
 - Cover All Coloradans children (pregnant people get a federal match)
 - 100% General Fund



Questions?

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