Summary of Legislation

2026

Health Care and Insurance

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Introduction

The General Assembly considered several pieces of legislation regarding health care and health insurance during the second session of the 75th General Assembly. Most of the legislation fell into the following categories: changes to Medicaid, artificial intelligence (AI) in health care, adjustments to scope of practice, and changes to insurance coverage.

Changes to Medicaid

One of the main priorities of the legislature this session was finding a way to address the increasing budgetary concerns surrounding the state's Medicaid program.

House Bill 26-1235 makes several updates to the state's Medicaid program. The bill requires Department of Health Care Policy and Financing (HCPF) to provide notice to outpatient therapy providers at least six months before implementing multiple procedure payment reductions. The bill also requires transportation brokers that administer nonemergency medical transportation to Medicaid members must report certain information to HCPF, including provider data, the number of grievances submitted, and disciplinary actions taken. It also requires HCPF to reimburse any provider who is licensed and authorized to prescribe, dispense, compound, or administer medication-assisted treatment in a jail setting. The bill also aligns provisions related to Medicaid eligibility for qualified noncitizens.

Although it ultimately did not pass, House Bill 26-1096 would have prohibited the (HCPF) from denying a Medicaid member the ability to purchase primary care services or enter into a direct primary care agreement.

Artificial Intelligence in Health Care

The legislature also sought to proactively address the ever-increasing presence of AI in health care. House Bill 26-1139 establishes requirements for the use of an AI system in health care utilization and prohibits payment for psychotherapy services conducted by AI. A denial or delay of coverage based in whole or in part on medical necessity cannot be based solely on the output of an AI system without independent approval by a health care professional. The bill prohibits a public or private payer, including Medicaid and the Children's Basic Health Plan, from providing coverage for psychotherapy services conducted by AI, and prohibits a mental

health provider from billing for services provided by an AI system.

House Bill 26-1195 restricts the use of AI systems in psychotherapy services. Specifically, the bill prohibits licensed, certified, or registered mental health professionals from allowing an AI system to directly engage in therapeutic communication without synchronous interaction between the mental health professional and client; or generate treatment recommendations without professional review.

However, the bill permits AI use for administrative or supplementary support functions, if the regulated professional retains full responsibility for all interactions, outputs, and data use. Written informed consent is required when AI is used to record or transcribe therapeutic sessions.

Adjustments to Scope of Practice

The General Assembly also discussed adjustments to the scope of practice.

House Bill 26-1069 makes several changes to the availability, scope, and reimbursement of EMS in the state. The bill requires EMS to be available 24 hours per day, seven days per week. It expands the definition of first responder to include peace officers, firefighters, volunteer firefighters, EMS providers, and mental health professionals responding to a medical emergency. The bill also reimburses additional EMS services under Medicaid.

House Bill 26-1238 designates EMS, including ambulance and air ambulance services, an essential service in the state. It also clarifies that off-duty EMS providers are not obligated to respond to medical emergencies.

House Bill 26-1262 allows for the production, distribution, and administration of compounded medical items as permitted by state and federal law.

Changes to Insurance Coverage

Private insurance also received attention from the legislature. House Bill 26-1070 requires a dental provider to give affirmative consent before an insurance carrier can allow a third party to access the provider's services and contractually agreed upon discounts. This bill makes it so that an insurance carrier cannot terminate a contract with a dental provider who refuses access to their services and discounts to a third party.

Senate Bill 26-006 requires state-regulated private insurance carriers to cover at least one non-opioid drug that is a clinically appropriate alternative for a covered opioid drug. It also requires that these insurance carriers not impose cost-sharing requirements or utilization review on non-opioid drugs that are more restrictive than the requirements for opioid drugs.

Beginning January 1, 2028, Senate Bill 26-167 requires prescription drug purchases, including those purchased directly through a pharmacy or direct-to-consumer platform, to

contribute towards an out-of-pocket maximum or cost-sharing requirements required by a health benefit plan.

House Bill 26-1002 requires health insurance carriers to update their provider networks by establishing procedures for provider inactivity, mental health provider network applications, and mental health provider prelicensure.

House Bill 26-1432 repeals the healthcare delivery system reform incentive payments program in the Colorado Healthcare Affordability and Sustainability Enterprise (CHASE) and creates the hospital quality incentive program to use CHASE hospital provider fee revenue to make additional payments to hospitals that meet performance metrics in delivering safer and more effective care that improves patient outcomes and reduces preventable utilization to reduce healthcare costs.

House Bill 26-1019 requires that certain health benefit plans fully cover kidney function screening as a preventative health care service, unless it is determined that the benefit requires state defrayal of the cost of coverage under the federal Patient Protection and Affordable Care Act.

House Bill 26-1336 requires health benefit plans that provide hospital, surgical, or medical expense insurance to cover health care services provided by a pharmacist if the services are within the pharmacist's scope of practice.

The bill also authorizes reimbursement under the state's Medicaid program for pharmacist-provided services that are within the pharmacist's scope of practice and are not duplicative of other pharmacist services or programs reimbursed by Medicaid.