



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1177: END NURSING PROVIDER WAGE ENHANCEMENT PAYMENTS

Prime Sponsors:

Rep. Brown; Taggart
Sen. Amabile; Kirkmeyer

Fiscal Analyst:

Kristine McLaughlin, 303-866-4776
kristine.mclaughlin@coleg.gov

Published for: House Appropriations**Drafting number:** LLS 26-0833**Version:** Initial Fiscal Note**Date:** February 9, 2026

Fiscal note status: The fiscal note reflects the introduced bill, which was recommended by the Joint Budget Committee as part of the FY 2025-26 supplemental budget package.

Summary Information

Overview. The bill prohibits the Department of Health Care Policy and Financing from implementing a wage enhancement for select nursing home providers.

Types of impacts. The bill is projected to affect the following areas in FY 2025-26 only:

- State Expenditures

Appropriations. For the current FY 2025-26, the bill requires and includes a reduction in appropriations of \$8.7 million from the Department of Health Care Policy and Financing.

Table 1
State Fiscal Impacts

Type of Impact	Current Year FY 2025-26	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0	\$0
State Expenditures	-\$8,719,922	\$0	\$0
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	\$0	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE	FTE

Fund sources for these impacts are shown in the table below.

**Table 1A
State Expenditures**

Fund Source	Current Year FY 2025-26	Budget Year FY 2026-27	Out Year FY 2027-28
General Fund	-\$4,359,961	\$0	\$0
Cash Funds	\$0	\$0	\$0
Federal Funds	-\$4,359,961	\$0	\$0
Centrally Appropriated	\$0	\$0	\$0
Total Expenditures	-\$8,719,922	\$0	\$0
Total FTE	0.0 FTE	0.0 FTE	0.0 FTE

Summary of Legislation

Under current law, the Department of Health Care Policy and Financing (HCPF) is required to make wage enhancement supplemental payments to eligible nursing home providers until the statewide minimum wage exceeds \$15 per hour. As of January 1, 2026, the statewide minimum wage is \$15.16 per hour.

This bill prohibits HCPF from these supplemental payments to nursing home providers, even if the services were provided prior to January 2026.

Background

[House Bill 19-1210](#) required supplemental payments when a nursing facility had to comply with a local minimum wage or was located nearby and chose to match the minimum wage.

[House Bill 22-1333](#) changed the supplemental payment so that any nursing facility statewide that paid employees at least \$15 per hour could qualify. According to available data, only three nursing facilities did not claim the supplemental payment in calendar year 2024.

State Expenditures

The bill decreases state expenditures by \$8.7 million in the current FY 2025-26. These savings will be incurred in the Department of Health Care Policy and Financing, split evenly between the General Fund and federal funds. This reduction is approximately 0.85 percent of total projected Medicaid reimbursement to nursing homes. The impacted nursing homes will see reductions to Medicaid reimbursement ranging from 0.3 percent to 1.7 percent.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For the current FY 2025-26, the bill requires and includes a reduction in appropriations of \$8,719,922 from the Department of Health Care Policy and Financing, split evenly between the General Fund and federal funds.

State and Local Government Contacts

Joint Budget Committee Staff

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).