



## Fiscal Note

### Legislative Council Staff

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## HB 26-1096: CO MEDICAID ACCESS TO PRIMARY CARE SERVICES

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**Prime Sponsors:**

Rep. Feret; Johnson  
Sen. Rich

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**Fiscal note status:** This fiscal note reflects the introduced bill. Due to time constraints, this analysis is preliminary and will be updated following further review and any additional information received.

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### Summary Information

**Overview.** The bill prohibits the Department of Health Care Policy and Financing from denying Medicaid clients the ability to enter into direct primary care agreements.

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

- Minimal State Workload

**Appropriations.** No appropriation is required.

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

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

## Summary of Legislation

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The bill prohibits the Department of Health Care Policy and Financing (HCPF) from denying Medicaid clients the ability to enter into direct primary care (DPC) agreements and places disclosure requirements on providers entering these agreements.

## Background

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### Direct Primary Care

The DPC model is an alternative to the insurance model of primary care coverage. Under the insurance model, patients pool the risk of medical costs with multiple patients by paying into an insurance program and then having medical providers bill their insurance company. Under the DPC model, individual patients enter into contracts directly with providers and pay a monthly or annual fee in exchange for a set of primary care services. DPC patients may also enter into insurance agreements to cover the cost of services or providers outside the DPC agreement, or they may assume the full cost of such services without insurance. The Colorado Health Institute published this [DPC overview](#) in June 2018.

## Assumptions

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Federal law prohibits Medicaid providers from accepting payments directly from Medicaid clients for services that are covered by Medicaid.<sup>1</sup> Current Colorado law extends this prohibition to all providers.<sup>2</sup>

The fiscal note assumes that the bill creates an exception to this prohibition as allowed by federal law, effectively allowing non-Medicaid providers to charge Medicaid clients for Medicaid-covered services via a DPC agreement.

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<sup>1</sup> [42 CFR § 447.15](#)

<sup>2</sup> Section 25.5-4-301 (1)(a)(II), C.R.S.

## **State Expenditures**

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To the extent that Medicaid clients pay for services through DPC agreements that would otherwise be covered by Medicaid, expenditures in HCPF will decrease. If these payments result in increased complaints, administrative workload for HCPF will increase. Given that the bill places disclosure requirements on providers entering DPC agreements with Medicaid clients, the limited utilization of DPC agreements in the private market, and that the up-front costs of these agreements are expected to further limit utilization in the Medicaid-client market, the fiscal note assumes that these impacts will be minimal.

Additionally, HCPF may have increased workload to educate providers about the restrictions placed on direct primary care agreements through the bill and federal law.

## **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.

## **Departmental Difference**

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HCPF estimates that the bill requires 1.0 FTE, requiring an appropriation in FY 2026-27 of \$77,331, split evenly between the General Fund and federal funds. This estimate assumes that administrative workload will increase to ensure that DPC agreements comply with federal and state law and do not result in duplicative billing, regardless of how often DPC agreements are utilized. It also assumes the processing of additional provider and member questions and complaints related to coverage uncertainty. The fiscal note assumes these impacts will be minimal given the limited nature of DPC agreements.

## **State and Local Government Contacts**

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Health Care Policy and Financing

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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](#).