



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

SB 26-063: NONEMERGENCY MEDICAL TRANSPORTATION SERVICES

Prime Sponsors:

Sen. Hinrichsen
Rep. Ricks

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Fiscal note status: This fiscal note reflects the introduced bill.

Summary Information

Overview. The bill makes several changes to nonemergency transportation services in the state’s Medicaid program, including qualification, administration, and reimbursement requirements.

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

- State Expenditures

Appropriations. No appropriation is required.

**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

The bill requires a transportation broker participating in the state's Medicaid program to contract with at least five transportation providers to deliver nonemergency medical transportation (NEMT) services. These transportation providers must meet specified experience, operational, and safety requirements. The bill also requires transportation brokers to manage scheduling and billing, maintain records, and conduct annual performance reviews of providers.

For NEMT trips of 52 miles or more, the Department of Health Care Policy and Financing (HCPF) must issue payment within 14 days of receiving the claim. Lastly, the bill requires that Medicaid members be allowed to preapprove NEMT services and select a preferred provider.

Background

NEMT is a benefit available to eligible Medicaid members who lack other means of transportation to access medically necessary covered services. The NEMT program ensures that members without personal, public, or other reliable transportation can travel to and from nonemergency medical appointments, such as doctor visits, therapy, lab work, and other Medicaid-covered services.

NEMT Fraud

NEMT has experienced instances of fraud and improper payments within the state's Medicaid program. Documented issues include billing for transportation services that were not provided, overstated mileage or trip distances, and claims submitted without sufficient documentation to support medical necessity or trip verification. In August 2021, [a performance audit conducted](#) by the Office of the State Auditor found that the department had not ensured that Medicaid NEMT was administered in line with federal and state requirements or in a manner that provided members with consistently reliable transportation to and from their medical care. In August 2023, monthly NEMT expenditures peaked at approximately \$43.0 million, largely driven by fraudulent billing. The General Assembly has since appropriated funding to HCPF to investigate inefficiencies in the NEMT program and implement a new prepayment review process. Current NEMT expenditures are now around \$25 million per month. Between July 1, 2025 and November 1, 2025, [HCPF realized about \\$8.0 million in savings](#) from denials for improperly billed NEMT claims across 105 providers.

State Expenditures

Beginning in FY 2026-27, the bill may increase expenditures in HCPF and workload in the Department of Personnel and Administration (DPA), as detailed below.

Department of Health Care Policy and Financing

The bill may impact expenditures in HCPF to the extent that patterns of NEMT billing or utilization shifts toward higher-cost services. Costs may increase by an indeterminate amount if expedited payment requirements for trips over 52 miles reduce operational flexibility or limit prepayment review. Expenditures may also increase if Medicaid members select higher-cost transportation options that differ from the program's current least-cost practices. Conversely, costs may decrease to the extent that centralized broker oversight reduces fraudulent activity. The net impact depends on payment rates, utilization, and behavioral responses by transportation providers and Medicaid members; therefore, the fiscal note cannot estimate these impacts. Any change in state expenditures resulting from the bill will be addressed through the annual budget process.

Department of Personnel and Administration

The bill may increase workload for the Office of Administrative Courts (OAC) in the DPA to handle any appeals that transportation providers file as a result of suspension or termination from the NEMT program. The fiscal note assumes that HCPF will adopt rules that provide sufficient time for brokers to meet the bill's requirements before taking disciplinary action, and that any workload will be minimal. Therefore, no change in appropriations is required.

Effective Date

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

State and Local Government Contacts

Health Care Policy and Financing

Personnel

Law

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](#).