



## Fiscal Note

### Legislative Council Staff

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## HB 26-1147: HOST HOME FOR PEOPLE WITH INTELLECTUAL & DEVELOPMENTAL DISABILITIES

**Prime Sponsors:**

Rep. Brown  
Sen. Cutter

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**Published for:** House Health & Human Services**Drafting number:** LLS 26-0414**Version:** Initial Fiscal Note**Date:** February 20, 2026**Fiscal note status:** The fiscal note reflects the introduced bill.

### Summary Information

**Overview.** The bill establishes a database and complaint process for host home providers and changes how the service agencies that manage host home providers are surveyed.

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

- State Expenditures

**Appropriations.** For FY 2026-27, the bill requires an appropriation of \$133,098 to the Department of Health Care Policy and Financing

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

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	\$144,111	\$678,471
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.5 FTE	6.6 FTE

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

**Table 1A  
State Expenditures**

<b>Fund Source</b>	<b>Budget Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>
General Fund	\$66,549	\$333,729
Cash Funds	\$0	\$0
Federal Funds	\$66,549	\$333,729
Centrally Appropriated	\$11,013	\$11,013
<b>Total Expenditures</b>	<b>\$144,111</b>	<b>\$678,471</b>
<b>Total FTE</b>	<b>0.5 FTE</b>	<b>6.6 FTE</b>

## Summary of Legislation

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The bill requires the Department of Health Care Policy and Financing (HCPF) to maintain a database of host home providers, develop a complaint process for host home clients, and create risk criteria for assessing and surveying host home service agencies.

The bill requires the Department of Public Health and Environment (CDPHE) to use the risk criteria developed by HCPF to conduct surveys of the service agencies responsible for overseeing host home operations.

## Background

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Host home providers are paid caregivers who provide a family-style living arrangement for people with disabilities. While it is more typical for a person with disabilities to have a hired caregiver come to their home, the host home model is an available alternative. In Colorado, there are between 3,000 and 4,000 host homes, each typically serving one person at a time.

Host homes are eligible for Medicaid reimbursement when serving a Medicaid member through a Program Approved Service Agency (PASAs), which connect individuals with disabilities to a variety of community-based care. PASAs are credentialed by HCPF, and HCPF contracts with the CDPHE to survey PASAs on a three-year cycle. While this survey process can involve surveying a sample of host homes that provide services through a PASA, it is the PASA's responsibility to monitor host homes and otherwise ensure that they providing and coordinating quality services.

## **Assumptions**

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This analysis assumes that PASAs will continue to be responsible for monitoring the quality of providers that they use to provide client services, including host homes, and that the PASA surveys conducted by CDPHE will continue to involve a limited number of host home visits. It is further assumed that the bill will not impact PASA surveys in FY 2026-27, while HCPF develops the database and complaint process necessary to establish the risk criteria.

After the risk criteria are established, the analysis assumes that surveys will increase. It is assumed that high-risk PASAs will need to be surveyed every year instead of every three years. While the bill specifies that low-risk PASAs may be surveyed less frequently to offset this increase, the fiscal note assumes that HCPF will not choose to do this since it may endanger quality control standards and the federal funds received for this work.

If HCPF determines all PASAs to be high-risk and required to be surveyed every year instead of every three years, CDPHE will require an additional 38 FTE. Assuming that PASA quality is normally distributed, the fiscal note assumes that about 16 percent will be deemed high-risk (more than one standard deviation below average), requiring an additional 6.1 FTE.

Finally, it is assumed that surveys will continue to be 50 percent funded with federal funds, with CDPHE receiving reappropriated funding from HCPF.

## **State Expenditures**

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The bill increases state expenditures in HCPF by \$144,000 in FY 2026-27. In future years HCPF will need at least \$41,099 and an additional appropriation, estimated at \$626,000, that will be reappropriated to CDPHE. These costs, split evenly from the General Fund and federal funds, are summarized in Table 2 and discussed below.

**Table 2  
State Expenditures  
Department of Health Care Policy and Financing**

<b>Cost Component</b>	<b>Budget Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>
Personal Services	\$40,458	\$40,458
Operating Expenses	\$640	\$640
Capital Outlay Costs	\$7,000	\$0
Programing Costs	\$85,000	\$0
CDPHE Contract Costs	\$0	\$626,360
Centrally Appropriated Costs	\$11,013	\$11,013
FTE – HCPF Personal Services	0.5 FTE	0.5 FTE
FTE – CDPHE Contract Services	0.0 FTE	6.1 FTE
<b>Total Costs</b>	<b>\$144,111</b>	<b>\$678,471</b>
<b>Total FTE</b>	<b>0.5 FTE</b>	<b>6.6 FTE</b>

### Health Care Policy and Financing

HCPF will have staff and programming costs starting in FY 2026-27 to create and maintain a database, complaint process, and risk assessment of host home providers.

In future years, HCPF will have costs to expand its contract with CDPHE based on the host home risk assessments and available appropriations.

#### Staff

Starting in FY 2026-27, HCPF requires 0.5 FTE to assist in developing the host home database, complaint process and risk assessment criteria. After these systems are operational, this staff will manage the complaint process and the contract with CDPHE.

#### Programing Costs

In FY 2026-27 only, HCPF requires \$85,000 in programing costs to develop the public-facing host home database and complaint process.

#### CDPHE Contract Costs

Starting in FY 2027-28, HCPF will have costs to expand the contract with CDPHE based on the host home risk assessments. These funds will be reappropriated to CDPHE to hire staff to conduct additional surveys of PASAs. The extent of the increase will not be known until the risk assessment criteria and complaint process are operational. However, as discussed in the Assumption section, the fiscal note assumes that 16 percent of PASAs will be determined to be high-risk and will be surveyed every year instead of every three years, resulting in the estimated need for 6.1 FTE.

## Centrally Appropriated Costs

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which may include employee insurance, supplemental employee retirement payments, indirect cost assessments, and other costs, are shown in Table 2 above.

## Effective Date

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

## State Appropriations

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For FY 2026-27, the bill requires an appropriation of \$133,098, split evenly between the General Fund and federal funds, to the Department of Health Care Policy and Financing, and 0.5 FTE.

## State and Local Government Contacts

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Health Care Policy and Financing

Public Health and Environment