



## Fiscal Note

### Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

## HB 26-1235: UPDATES TO MEDICAID

---

**Prime Sponsors:**

Rep. Feret  
Sen. Daugherty

**Fiscal Analyst:**

Brendan Fung, 303-866-4781  
brendan.fung@coleg.gov

**Published for:** House Second Reading**Drafting number:** LLS 26-0390**Version:** First Revised Note**Date:** March 12, 2026

**Fiscal note status:** This revised fiscal note reflects the introduced bill, as amended by the House Health & Human Services Committee.

---

### Summary Information

**Overview.** The bill makes several changes to the state's Medicaid program in the Department of Health Care Policy and Financing.

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

- Minimal State Workload

**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 makes several changes to the state's Medicaid program in the Department of Health Care Policy and Financing (HCPF).

### **Home- and Community-Based Services**

By September 30, 2027, HCPF must collect certain data from home- and community-based service (HCBS) agencies serving more than 100 members related to direct care service cost to administrative cost ratios. By December 31, 2027, the department must submit a report to the General Assembly including this information.

### **Multiple Procedure Payment Reductions**

The bill requires HCPF to provide notice to outpatient therapy providers at least six months before implementing multiple procedure payment reductions.

### **Transportation Providers**

By December 1, 2026 and each December thereafter, transportation brokers that administer nonemergency medical transportation (NEMT) to Medicaid members must report certain information to HCPF, including provider data, the number of grievances submitted, and disciplinary actions taken. Beginning January 1, 2027, HCPF must include this information in its annual SMART Act hearing with the General Assembly.

### **Community Engagement Requirements**

By January 1, 2027, the State Board of Medical Services in HCPF must adopt rules to implement federal community engagement requirements in a manner that ensures members can obtain coverage with the least amount of administrative burden. This requirement is repealed if federal community engagement requirements are amended, relocated, or repealed.

### **Opioid Treatment Providers**

Under current law, HCPF must reimburse an opioid treatment program that administers medication-assisted treatment in a jail setting. The bill modifies this provision by requiring the department to reimburse any provider who is licensed and authorized to prescribe, dispense, compound, or administer medication-assisted treatment in a jail setting.

### **State Medical Assistance and Services Advisory Council**

The bill repeals in the State Medical Assistance and Services Advisory Council in HCPF.

## State Expenditures

---

Beginning in FY 2026-27, the bill minimally increases workload in HCPF to implement HCBS data reporting and notification requirements of the bill.

## Data Reporting

In FY 2026-27 and FY 2027-28 only, the department will collect data from large HCBS agencies, calculate direct care service cost to administrative cost ratios, and compile a report for submission. This workload is absorbable within existing appropriations.

## Payment Reductions

Beginning in FY 2026-27, workload will minimally increase for HCPF to notify HCBS agencies prior to implementing multiple procedure payment reductions for outpatient hospital therapy services. This workload is expected to be minimal and no change in appropriations is required.

## Effective Date

---

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

## State and Local Government Contacts

---

Behavioral Health Administration

Health Care Policy and Financing

Corrections

---

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](#).