

**Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 26-0931.02 Pierce Lively x2059

HOUSE BILL 26-1377

HOUSE SPONSORSHIP

Sirota and Taggart, Brown,

SENATE SPONSORSHIP

Amabile and Kirkmeyer, Bridges

House Committees
Appropriations

Senate Committees
Appropriations

A BILL FOR AN ACT

101 **CONCERNING A CLARIFICATION REGARDING THE TREATMENT OF**
102 **FUNDS THAT ARE TRANSFERRED FROM THE DEPARTMENT OF**
103 **HEALTH CARE POLICY AND FINANCING THROUGH TO THE**
104 **COLORADO DEPARTMENT OF HUMAN SERVICES THAT PASS**
105 **THROUGH A REGIONAL ACCOUNTABILITY ENTITY.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

Joint Budget Committee. The department of human services (CDHS) operates mental health transitional living homes (transitional

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

SENATE
3rd Reading Unamended
April 16, 2026

SENATE
2nd Reading Unamended
April 15, 2026

HOUSE
3rd Reading Unamended
April 11, 2026

HOUSE
2nd Reading Unamended
April 9, 2026

homes). Part of the funding for transitional homes comes from patient revenues, including Medicaid-eligible patient revenues. For Medicaid-eligible patients, the patient revenues originate in the department of health care policy and financing (HCPF), HCPF distributes this money to managed care entities (MCEs), and the MCEs then pay CDHS for the services provided at the transitional homes. At least in part, the MCEs serve as passthroughs transferring patient revenues from HCPF to CDHS for transitional homes.

Because MCEs are nonstate entities, the office of the state controller counts the payments from HCPF to MCEs for transitional homes as money leaving the state and then counts the payments from MCEs to CDHS for transitional homes as state fiscal year spending for purposes of section 20 of article X of the state constitution (TABOR).

The bill establishes that, if an MCE receives federal funds or state money from HCPF and pays those funds or that money to CDHS, the funds or money received by CDHS is not included in the calculation of state fiscal year spending for purposes of TABOR.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** 26-1-143 as
3 follows:

4 **26-1-143. Managed care entity payments - definition.**

5 (1) IF A MANAGED CARE ENTITY RECEIVES FEDERAL FUNDS OR
6 STATE MONEY FROM THE DEPARTMENT OF HEALTH CARE POLICY AND
7 FINANCING AND PAYS THOSE FUNDS OR THAT MONEY TO THE STATE
8 DEPARTMENT, THE FUNDS OR MONEY RECEIVED BY THE STATE
9 DEPARTMENT IS NOT INCLUDED IN THE CALCULATION OF STATE FISCAL
10 YEAR SPENDING.

11 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
12 REQUIRES, "MANAGED CARE ENTITY" HAS THE SAME MEANING AS "MCE"
13 IN SECTION 25.5-5-402 (9)(b)(III)(B).

14 **SECTION 2. Safety clause.** The general assembly finds,
15 determines, and declares that this act is necessary for the immediate
16 preservation of the public peace, health, or safety or for appropriations for

- 1 the support and maintenance of the departments of the state and state
- 2 institutions.