



## Fiscal Note

### Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

## HB 25-1003: CHILDREN COMPLEX HEALTH NEEDS WAIVER

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**Prime Sponsors:**

Rep. Stewart R.; Brooks  
Sen. Cutter

**Fiscal Analyst:**

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### Summary Information

**Overview.** The bill codifies current practices of the Children with Complex Health Needs waiver program in the Department of Health Care Policy and Financing.

**No fiscal impact.** The bill has no fiscal impact on state or local government.

**Appropriations.** No appropriation is required.

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

<b>Type of Impact</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
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

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## Summary of Legislation

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The bill revises state statute to align with a recent change in the Department of Health Care Policy and Financing (HCPF), which combined two existing Medicaid waiver programs for children – the Children’s Home and Community-Based Services (CHCBS) waiver and the Children with Life Limiting Illness (CLLI) waiver – into the Children with Complex Health Needs waiver program. The new program includes respite care, palliative care, and bereavement services for eligible individuals. A child is eligible for the waiver program if they:

- are under 19 years old;
- meet the income requirements of the Home and Community Based Services waivers; and
- have a life-limiting illness or qualify for nursing facility or hospital level of care.

## Background

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In 2023, the Colorado Department of Justice found that the state violated Title II of the Americans with Disabilities Act (ADA) by administering its long-term care system in a way that unnecessarily segregated individuals with physical disabilities in nursing facilities and placed others with physical disabilities at serious risk of unnecessary institutionalization. As a result, HCPF initiated several changes, including expanding access to community-based service systems by merging the CHCBS and CLLI waiver programs. As of January 2025, HCPF submitted this new waiver amendment to the Centers for Medicare and Medicaid Services for a July 1, 2025, implementation date.

In FY 2024-25, the General Assembly appropriated \$2.7 million to HCPF through the annual budget process to cover increased service utilization and costs in the newly combined Children with Complex Health Needs waiver program. For FY 2025-26, the department is seeking an additional \$2.7 million for the program.

## Assessment of No Fiscal Impact

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The bill codifies changes to the state’s medical assistance program under HCPF. Since these changes were mandated by the federal government and associated costs have been addressed through the annual budget process, the bill is assessed as having no fiscal impact.

## Effective Date

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The bill takes effect July 1, 2025, except that Section 2 takes effect July 1, 2026.

## State and Local Government Contacts

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Health Care Policy and Financing

Treasury