



Fiscal Note

Legislative Council Staff

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SB 25-042: BEHAVIORAL HEALTH CRISIS RESPONSE RECOMMENDATIONS

Prime Sponsors:

Sen. Cutter; Amabile
Rep. Bradfield

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Fiscal note status: The fiscal note reflects the introduced bill, which was recommended by the Legislative Oversight Committee Concerning the Treatment of Persons with Behavioral Health Disorders in the Criminal and Juvenile Justice Systems.

Summary Information

Overview. The bill forms a behavioral health stakeholder group, creates new reporting requirements for departments and behavioral health facilities, and updates coverage of medical health care through Medicaid and emergency mental health hold practices.

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

- State Expenditures
- Local Government

Appropriations. For FY 2025-26, the bill requires an appropriation of \$598,908 to multiple state agencies.

**Table 1
State Fiscal Impacts**

Type of Impact ¹	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures	\$606,827	\$50,196
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.4 FTE	0.5 FTE

¹ Fund sources for these impacts are shown in the tables below.

**Table 1A
State Expenditures**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund	\$598,908	\$40,297
Cash Funds	\$0	\$0
Federal Funds	\$0	\$0
Centrally Appropriated	\$7,919	\$9,899
Total Expenditures	\$606,827	\$50,196
Total FTE	0.4 FTE	0.5 FTE

Summary of Legislation

The bill creates several new measures related to behavioral health, including a stakeholder group, new reporting requirements, and updated mental health care practices in the state.

Stakeholder Group

The bill requires the Department of Public Safety (CDPS) and the Behavioral Health Administration (BHA) to convene a stakeholder group by December 31, 2025, to identify existing community resources and programs for behavioral health crises. The CDPS must make the findings available on their website.

New Reporting Requirements

The bill adds new reporting requirements for state agencies and licensed behavioral health facilities, including:

- requiring the Department of Health Care Policy and Financing (HCPF), the Department of Public Health and Environment (CDPHE), and the BHA to report to the General Assembly by January 1, 2027, on reimbursement gaps within the Behavioral Health Crisis Response System and funding options to address the gaps;
- requiring the BHA to submit a report to the General Assembly on behavioral health data interoperability by October 1, 2025, and annually until October 1, 2030, in coordination with HCPF and the Health Information Organization Network; and
- requiring every licensed behavioral health entity to provide information to the BHA on the facility's behavioral health capabilities by December 31, 2025.

Medicaid Reimbursement for Mental Health Care

The bill codifies a budget request which was approved in the FY 2024-25 Long Bill to reimburse institutes of mental health disease for up to 60 days of mental health care and treatment services per Medicaid member, as long as the average length of stay is no more than 30 days per year. See Background section for additional information.

Emergency Mental Health Holds

The bill makes the changes to emergency mental health holds, including:

- requiring evaluations for people under an emergency mental health hold to include an assessment to determine if further care at a designated mental health care facility is required (this assessment is optional under existing law);
- requiring a facility to only discharge a person on an emergency mental health hold if they no longer meet the criteria for the hold; and
- requiring the BHA to include in its annual report to the General Assembly the reason for discharging each person placed on an emergency mental health hold.

Background

In the [FY 2024-25 Long Bill](#), the General Assembly approved a budget request from HCPF to reimburse stays in an institute of mental health disease for up to 30 days per stay. The department was recently approved to draw down federal matching funds to pay for these stays.

State Expenditures

The bill increases state General Fund expenditures by \$607,000 in FY 2025-26 and \$50,000 in FY 2026-27 and future years. These costs will be incurred in HCPF, the BHA, and the CDPS as shown in Tables 2 through 2C and described in the sections below.

Table 2
State Expenditures
All Departments

Department	Budget Year FY 2025-26	Out Year FY 2026-27
Department of Health Care Policy and Financing	\$550,000	\$0
Behavioral Health Administration	\$46,827	\$50,196
Department of Public Safety	\$10,000	\$0
Total Costs	\$606,827	\$50,196

Department of Health Care Policy and Financing

In FY 2025-26, HCPF requires \$550,000 in one-time funding for a contractor to conduct the analysis on gaps and funding options for the Behavioral Health Crisis Response System. This work is estimated to require approximately 2,500 hours of a contractor at a rate of \$220 per hour. This cost is based on contractor estimates and similar projects conducted in recent years the department.

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

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27
Contractor	\$550,000	\$0
Total Costs	\$550,000	\$0

Behavioral Health Administration

Beginning in FY 2025-26, the BHA requires 0.5 FTE for the new reporting requirements in the bill. This includes compiling and reporting data on emergency hold discharges annually, as well as reporting annually on data interoperability and facility behavioral health capabilities. Staff costs are prorated for a September 1, 2025 start date.

**Table 2B
State Expenditures
Behavioral Health Administration**

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27
Personal Services	\$31,726	\$39,657
Operating Expenses	\$512	\$640
Capital Outlay Costs	\$6,670	\$0
Centrally Appropriated Costs	\$7,919	\$9,899
Total Costs	\$46,827	\$50,196
Total FTE	0.4 FTE	0.5 FTE

Department of Public Safety

In FY 2025-26 only, the CDPS requires \$10,000 to convene the stakeholder group, with \$5,000 covering travel and per diem costs for traveling stakeholders, and \$5,000 for meeting supplies, venue, and food. The fiscal note assume 30 stakeholders will attend a two-day meeting in the Denver Metro Area, with five attendees traveling from outside the area and requiring travel and per diem reimbursement at a rate of \$500 per person per day.

Table 2C
State Expenditures
Department of Public Safety

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27
Travel and Per diem	\$5,000	\$0
Meeting Expenses	\$5,000	\$0
Total Costs	\$10,000	\$0

Judicial Department

To the extent the bill clarifies procedures and requirements concerning mental health hold evaluations, workload to the trial courts will decrease. It is unknown how often courts will spend less time addressing unclear evaluations results. However, because the courts currently have about 162 emergency commitment cases per year, any decrease in workload from streamlined hearings related to these cases is assumed to be minimal.

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 include employee insurance and supplemental employee retirement payments, are shown in the expenditure tables above.

Local Government

In FY 2025-26 only, workload to local government that participate in the stakeholder group will increase. This workload is expected to be minimal.

Effective Date

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

State Appropriations

For FY 2025-26, the bill requires total General Fund appropriations totaling \$598,908 to multiple state agencies, as follows:

- \$550,000 to the Department of Health Care Policy and Financing;
- \$38,908 to the Behavioral Health Administration, and 0.4 FTE; and
- \$10,000 to the Department of Public Safety.

State and Local Government Contacts

Behavioral Health Administration

Judicial

Health Care Policy and Financing

Public Health and Environment

Human Services

Public Safety

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](#).