



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1432: HEALTH-CARE PAYMENT PROGRAMS

Prime Sponsors:

Rep. Soper; Stewart K.
Sen. Roberts; Pelton R.

Fiscal Analyst:

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Bill Outcome: Signed into Law

Drafting Number: LLS 26-0786

Version: Final Fiscal Note

Date: July 15, 2026

Fiscal note status: This final fiscal note reflects the enacted bill.

Summary Information

Overview. The bill reorganizes how the Department of Health Care Policy and Financing distributes incentive payments to hospitals.

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

- State Expenditures

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 reorganizes how the Department of Health Care Policy and Financing (HCPF) distributes incentive payments to hospitals by ending the Hospital Transformation Program and modifying the Hospital Quality Incentive Payment (HQIP) Program. HQIP rules for the distribution of incentive payments must be approved by the Colorado Healthcare Affordability and Sustainability Enterprise (CHASE) board and processes for setting and modifying hospital quality metrics are modified to prioritize stability, federal alignment, and reducing administrative overhead.

Background

CHASE charges hospitals a Healthcare Affordability and Sustainability (HAS) fee to draw additional federal funds, which are used to fund health coverage for certain Medicaid and CHP+ populations and to make supplemental payments to hospitals. See this [Legislative Council Staff Issue Brief](#) for more detail. [Hospital Quality Incentive Payments](#) (HQIP) are funded by the HAS fee to improve the quality of care provided in Colorado hospitals. The HQIP subcommittee recommends the approach for quality incentive payments, at the direction of the [CHASE Board](#).

State Expenditures

Workload will minimally increase for CHASE board to review HQIP rules as required by the bill. Ending the Hospital Transformation Program codifies current practice (as of May 7, 2026) and has no fiscal impact.

While the bill may impact the distribution of supplemental payments to hospitals, the total amount of hospital supplemental payments made through the enterprise is not expected to change.

Effective Date

The bill was signed into law by the Governor and took effect on June 4, 2026.

State and Local Government Contacts

Health Care Policy and Financing

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](#).