



## Fiscal Note

### Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

## HB 25B-1015: PRESERVE MEDICAID HEALTH-CARE SERVICES

### Prime Sponsors:

Rep. Bradley

### Fiscal Analyst:

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**Fiscal note status:** This fiscal note reflects the introduced bill.

### Summary Information

**Overview.** The bill repeals several state-subsidized health care coverage programs for undocumented immigrants and prohibits state funding for abortion and gender-affirming care services.

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

- State Expenditures
- Local Government
- Statutory Public Entity

**Appropriations.** For the current FY 2025-26, the bill requires a \$40.4 million decrease in appropriations to the Department of Health Care Policy and Financing and Department of Human Services. For FY 2026-27, the bill requires a \$172.9 million decrease in appropriations. The Health Insurance Affordability Enterprise Cash Fund is continuously appropriated to the Department of Regulatory Agencies. See State Appropriations Section for more detail.

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

Type of Impact	Current Year FY 2025-26	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0	\$0
State Expenditures	up to -\$115,486,411	up to -\$98,177,375	up to -\$173,177,375
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	\$0	\$0	\$0
Change in State FTE	-3.9 FTE	-14.5 FTE	-14.5 FTE

Fund sources for these impacts are shown in Table 1A below.

**Table 1A**  
**State Expenditures**

<b>Fund Source</b>	<b>Current Year FY 2025-26</b>	<b>Budget Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>
General Fund	-\$17,724,445	-\$78,156,634	-\$78,156,634
Cash Funds	-\$75,090,434	\$74,573,963	-\$426,037
Federal Funds	-\$22,586,129	-\$94,277,675	-\$94,277,675
Centrally Appropriated	-\$85,403	-\$317,029	-\$317,029
<b>Total Expenditures</b>	<b>-\$115,486,411</b>	<b>-\$98,177,375</b>	<b>-\$173,177,375</b>
<b>Total FTE</b>	<b>-3.9 FTE</b>	<b>-14.5 FTE</b>	<b>-14.5 FTE</b>

## Summary of Legislation

The bill repeals several state-subsidized health care coverage programs for undocumented immigrants, and state-funded abortion and gender-affirming care services. It also prohibits the Department of Health Care Policy and Financing (HCPF) from reimbursing providers that deliver medical services to undocumented immigrants, or deliver abortion or gender-affirming care services.

## Health Care Coverage for Immigrants

As defined in statute, an **undocumented immigrant** is an individual who is not a U.S. citizen and resides in the U.S. without official documentation that authorizes them to enter, live in, or work in the country. A **lawfully residing immigrant** is an individual who is not a U.S. citizen and was lawfully admitted to the U.S. as an actual or prospective permanent resident or whose extended physical presence is known and permitted.

## Cover All Coloradans

Under current state law, undocumented children, pregnant people, and postpartum individuals who meet income requirements are eligible for Health First Colorado, the state's Medicaid program, and the Child Health Plan Plus (CHP+). For undocumented pregnant and postpartum people, benefits are funded through both state and federal resources. For undocumented children, benefits are funded through a look-alike program using only state resources. The bill repeals program eligibility for these populations and the drawdown of federal Health Services Initiatives funds for undocumented postpartum individuals.

## Emergency Medicaid Services

Federal law currently mandates that Medicare-participating providers deliver emergency care to individuals regardless of their immigration status, but does not guarantee payment for services rendered. Colorado's Emergency Medicaid Services (EMS) program provides financial coverage for those emergencies using Medicaid funding. The bill restricts emergency medical assistance to lawfully residing immigrants only and prohibits HCPF from reimbursing providers for services rendered to any undocumented immigrant.

## Reproductive Health Care Program

Colorado's Reproductive Health Care Program (RHCP) expands EMS to cover family planning services such as birth control, fertility, and counseling for undocumented immigrants that would otherwise qualify for Medicaid if not for their immigration status. The bill repeals this program.

## OmniSalud

Under current state law, low-income undocumented immigrants and Deferred Action for Childhood Arrivals (DACA) recipients who do not qualify for Health First Colorado or CHP+ may enroll in individual state-subsidized plans under the Health Insurance Affordability Exchange and purchased through Connect for Health Colorado, the state's health insurance marketplace. The bill prohibits state funding for this population.

## Department Responsibilities

Current state law requires HCPF to perform outreach and enrollment of eligible undocumented immigrants in the available state-subsidized health care coverage options. The bill repeals these requirements.

## Abortion Care Services

Federal law currently mandates that states reimburse providers for abortion care services in the cases of rape, incest, and life endangerment. [Senate Bill 25-183](#), which goes into effect on January 1, 2026, requires HCPF to cover abortion care services under Health First Colorado and CHP+ using state funds only. The bill repeals these expanded services on their effective date, and prohibits HCPF from reimbursing providers that perform, assist, or refer a person to abortion care services.

## Gender-Affirming Care Services

The bill prohibits HCPF from reimbursing providers that perform, assist, or refer a person to gender-affirming care services.

## Background and Assumptions

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### Federal and State Immigration Law

#### EMTALA

The federal [Emergency Medical Treatment and Labor Act](#) (EMTALA) requires Medicare-participating providers with emergency departments to deliver emergency care to individuals regardless of their immigration status. However, EMTALA does not guarantee payment for services rendered. The federal Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) bars undocumented immigrants from receiving public benefits, including Medicaid, except for emergency medical conditions.

#### OBBBA

Beginning on January 1, 2027, the federal [One Big Beautiful Bill Act](#) (OBBBA) requires Colorado to establish community engagement requirements, otherwise known as work requirements, for able-bodied adults in the expansion population to maintain Medicaid eligibility. Members who do not perform 80 hours of work in the month preceding eligibility determinations may become ineligible for Health First Colorado and federal premium tax credits. However, these individuals will then meet the requirements for the state-subsidized OmniSalud program.

#### OmniSalud

State law requires the Health Insurance Affordability Enterprise to allocate at least \$18 million of fee revenue annually to the OmniSalud program. The bill removes all eligible program participants until the January 1, 2027, effective date of the OBBBA provisions mentioned above. Therefore, unexpended funds will remain within the program for future use on newly eligible individuals.

### Federal Abortion Law

[The Hyde Amendment](#) is a federal appropriations rider that bars the use federal Medicaid funds to pay for abortions, except in the cases of rape, incest, and life endangerment. States must comply with this condition if they want to receive federal Medicaid funding.

### Federal Gender-Affirming Rule

On June 20, 2025, the Centers for Medicare and Medicaid [issued a rule](#) removing sex-trait modification, known as gender-affirming care, from the federal list of Essential Health Benefits. Therefore, HCPF is no longer required to cover these services.

## State Compliance

Costs and savings outlined in this fiscal note assume that the state and providers will fully comply with the bill's requirements; however, some provisions may be preempted by federal law or rule.

## State Expenditures

On net, the bill decreases state expenditures in HCPF, the Department of Regulatory Agencies (DORA), and the Department of Human Services (CDHS) by up to \$115.5 million in the current FY 2025-26, \$98.2 million in FY 2026-27, and \$173.2 million in FY 2027-28. These savings are realized in the General Fund, cash funds, and federal funds, and are summarized in Table 2 below. Workload in the Department of Personnel and Administration will also increase by an indeterminate amount.

**Table 2**  
**State Expenditures**  
**All Agencies**

<b>Department</b>	<b>Current Year FY 2025-26</b>	<b>Budget Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>
Health Care Policy and Financing	up to -\$40,348,078	up to -\$173,011,375	up to -\$173,011,375
Regulatory Agencies	-\$75,000,000	\$75,000,000	\$0
Human Services	-\$138,333	-\$166,000	-\$166,000
<b>Total Costs</b>	<b>up to -\$115,486,411</b>	<b>up to -\$98,177,375</b>	<b>up to -\$173,177,375</b>

## Department of Health Care Policy and Financing

State expenditures in HCPF will decrease by up to \$40.3 million in the current FY 2025-26 and up to \$173.0 million beginning in FY 2026-27, as shown in Table 2A and discussed below. HCPF will require a transition period to unwind services, which are expected to be fully implemented in FY 2026-27. Additional savings will occur during the transition; however, these amounts cannot be estimated.

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

<b>Cost Component</b>	<b>Current Year FY 2025-26</b>	<b>Budget Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>
Personal Services	-\$310,143	-\$1,147,770	-\$1,147,770
Operating Expenses	-\$4,992	-\$18,560	-\$18,560

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Cost Component	Current Year FY 2025-26	Budget Year FY 2026-27	Out Year FY 2027-28
MMIS Programming	\$2,155,840	\$0	\$0
CBMS Programming	\$448,000	\$0	\$0
Cover All Coloradans Service Costs	-\$13,280,520	-\$53,122,077	-\$53,122,077
EMS Service Costs	up to -\$28,099,692	up to -\$112,398,766	up to -\$112,398,766
RHCP Service Costs	-\$653,623	-\$2,614,490	-\$2,614,490
Outreach and Enrollment	\$0	-\$750,000	-\$750,000
Abortion Care Service Costs	\$286,251	\$572,502	\$572,502
Gender-Affirming Care Costs	-\$803,796	-\$3,215,185	-\$3,215,185
Centrally Appropriated Costs	-\$85,403	-\$317,029	-\$317,029
<b>Total Costs</b>	<b>up to -\$40,348,078</b>	<b>up to -\$173,011,375</b>	<b>up to -\$173,011,375</b>
<b>Total FTE</b>	<b>-3.9 FTE</b>	<b>-14.5 FTE</b>	<b>-14.5 FTE</b>

### Immigrant Services

#### Programming

In FY 2025-26 only, the bill increases HCPF expenditures by about \$2.6 million to update the Medicaid Management Information System (MMIS) and Colorado Benefits Management System (CBMS) with eligibility adjustments for Health First Colorado, CHP+, the children's look-alike programs, RHCP, and EMS. Because these costs do not support the traditional Medicaid or CHP+ populations, the fiscal note assumes that programming expenditures will be paid from the General Fund.

#### Staff

Beginning in FY 2025-26, the bill reduces staff in HCPF by 14.5 FTE who manage, support, analyze, and coordinate the Cover All Coloradans, Emergency Medicaid Services (EMS), and Reproductive Health Care (RHCP) programs. These impacts begin April 1, 2026, after the unwind transition period is complete, and include operating expenses.

#### Cover All Coloradans Service Costs

The bill decreases costs in HCPF by about \$13.3 million in FY 2025-26 and \$53.1 million beginning in FY 2026-27, as a result of decreased coverage for undocumented pregnant and postpartum immigrants enrolled in the Medicaid and CHP+ programs, and undocumented children enrolled in the look-alike programs. Adult service costs assume the enhanced federal match rate of 65 percent, and children's service costs assume no federal match

## EMS Service Costs

The bill decreases costs in HCPF by up to \$28.1 million in FY 2025-26 and up to \$112.4 million beginning in FY 2026-27, as a result of decreased coverage for undocumented immigrants receiving emergency medical assistance. EMS cost savings are split between the General Fund and federal funds; however, they may not be realized if it is determined that federal law requires the state to provide these services.

## RHCP Service Costs

The bill decreases costs in HCPF by about \$654,000 in FY 2025-26 and \$2.6 million beginning in FY 2026-27, as a result of decreased coverage for individuals accessing family planning services through the repealed RHCP. These savings are realized in the General Fund.

## Outreach and Enrollment

The bill decreases expenditures in HCPF by about \$750,000 beginning in FY 2026-27 from the elimination of outreach programs to enroll eligible individuals in the repealed programs. The contract for these services has already been finalized and encumbered for FY 2025-26. These savings are split between the General Fund and federal funds.

## Abortion Care Services

Based on the [fiscal note for Senate Bill 25-183](#) Coverage for Pregnancy-related Services, the bill's modification to abortion care services increases costs in HCPF by about \$286,000 in FY 2025-26 and \$573,000 in future years. These impacts are the net result of decreased costs for abortion services, realized in the General Fund, and increased labor and delivery costs, paid from the General Fund, HAS Cash Fund, and federal funds. In the first full implementation year (FY 2026-27), cost savings from abortion services are estimated to be \$5.9 million, while expenditures for labor and delivery are estimated to be \$6.4 million.

## Gender-Affirming Care Services

The bill decreases costs in HCPF by about \$804,000 in FY 2025-26 and \$3.2 million beginning in FY 2026-27, from reduced gender-affirming care services. These cost savings are split between the General Fund, the Health Care Affordability and Sustainability (HAS) Cash Fund, and federal funds, and are prorated in the first year to the bill's effective date.

## Department of Regulatory Agencies

State expenditures in the Health Insurance Affordability Enterprise (HIAE) in DORA will decrease by about \$75.0 million in the current FY 2025-26 and increase by about \$75.0 million in FY 2026-27, as shown in Table 2B and discussed below.

**Table 2B**  
**State Expenditures**  
**Department of Regulatory Agencies**

<b>Cost Component</b>	<b>Current Year FY 2025-26</b>	<b>Budget Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>
OmniSalud Savings	-\$75,000,000	\$0	\$0
OmniSalud Expenditures	\$0	\$75,000,000	\$0
<b>Total FTE</b>	<b>-\$75,000,000</b>	<b>\$75,000,000</b>	<b>\$0</b>

### OmniSalud Coverage

In FY 2025-26, expenditures in the HIAE will decrease by about \$75.0 million from enrolled populations becoming ineligible for state-subsidized OmniSalud plans. These savings represent a September 1, 2025 prorated impact on the program's total FY 2025-26 budget of \$90 million. As discussed in the Background and Assumptions section, OmniSalud will retain these unexpended funds for future use when new individuals become eligible as a result of the OBBBA. The fiscal note assumes that the enterprise will expend the entire \$75.0 million in FY 2026-27; however, any unexpended funds may roll forward into future years. These savings and costs are realized in the HIAE Cash Fund, which is continuously appropriated to DORA.

### Division of Insurance

Workload in the Division of Insurance will also minimally increase to issue conforming rules and bulletin changes, and perform outreach and education to newly ineligible populations. This workload can be accomplished within existing appropriations.

### Department of Human Services

The bill decreases computer programming costs in the Department of Human Services (CDHS) by \$138,333 in FY 2025-26 and \$166,000 in future years, which represent the cost of a full-time developer at a rate of \$80 per hour. These savings, realized in the General Fund, are a result of undocumented foster youth under 19 years old no longer being eligible for health benefits, and claims processing no longer requiring a link between HCPF's MMIS and CDHS' Trails system. Impacts are prorated in the first year based on the bill's effective date.

### Department of Personnel and Administration

#### Administrative Courts

Workload in the Office of Administrative Courts in the Department of Personnel and Administration will increase to the extent that state-operated Medicaid providers appeal EMS reimbursement denials and beneficiaries file a hearing request. This workload depends on actions taken by individuals and providers; therefore, changes to state expenditures cannot be estimated.



## State Employee Health Insurance

The bill is expected to decrease state employee health care costs by an estimated \$205,000 annually for abortion care services and \$415,000 annually for gender-affirming care services through insurance premiums paid by state agencies. The exact impact on state employee insurance premiums will depend on business decisions made by insurers and a variety of factors. It is assumed that any savings will be addressed through the annual budget process based on adjustments to premiums made by insurers and the future share of premiums that is paid by the state and its employees.

Workload will increase in the Division of Human Resources to negotiate these health insurance rates with carriers, which can be accomplished within existing appropriations.

## Centrally Appropriated Costs

Pursuant to a Joint Budget Committee policy, certain cost savings 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 cost savings, which may include employee insurance, supplemental employee retirement payments, indirect cost assessments, and other costs, are shown in the tables above.

## Local Government and Statutory Public Entity

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The bill affects workload in county health departments and Connect for Health Colorado in several ways. If fewer people apply for state-subsidized health care programs, workload will decrease. If higher rates of applicants are denied enrollment, workload per case will increase. Additionally, costs for local government employers to cover abortion and gender-affirming care services for employees will decrease as part of their health insurance plans. Cost impacts in Connect for Health Colorado may be adjusted in the fees assessed on health plans sold in the state. This workload is expected to be minimal.

## Technical Note

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The bill prohibits HCPF from reimbursing health care providers that perform, assist, or refer a person to abortion or gender-affirming care services. It is unclear whether this prohibition applies only to reimbursement for the specified services, or to all Medicaid reimbursements for providers that offer the specified services. The fiscal note assumes that HCPF is barred only from reimbursing abortion- and gender-affirming care-related services. If the prohibition is interpreted to apply to all services, the state's share of Medicaid expenditures will decrease. At the same time, expenditures will increase for several state agencies to cover uncompensated care in state-operated facilities that continue to provide abortion and gender-affirming care services.

## Effective Date

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The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

## State Appropriations

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### FY 2025-26

For FY 2025-26, the bill requires the following appropriations for the Department of Health Care Policy and Financing:

- a \$17,586,112 decrease from the General Fund, and a reduction of 3.9 FTE;
- a \$90,434 decrease from the Health Care Affordability and Sustainability Cash Fund; and
- a \$22,586,129 decrease from federal funds.

For FY 2025-26, the bill also requires a \$138,333 decrease from the General Fund to the Department of Human Services.

### FY 2026-27

For FY 2026-27, the bill requires the following appropriations for the Department of Health Care Policy and Financing:

- a \$77,990,634 decrease from the General Fund, and a reduction of 14.5 FTE;
- a \$426,037 decrease from the Health Care Affordability and Sustainability Cash Fund; and
- a \$94,277,675 decrease from federal funds.

For FY 2026-27, the bill also requires a \$166,000 decrease from the General Fund to the Department of Human Services.

The Health Insurance Affordability Enterprise Cash Fund is continuously appropriated to the Department of Regulatory Agencies.

## State and Local Government Contacts

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Connect for Health Colorado	Law
Health Care Policy and Financing	Personnel and Administration
Human Services	Regulatory Agencies