



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25-1003: CHILDREN COMPLEX HEALTH NEEDS WAIVER

Prime Sponsors:

Rep. Stewart R.; Brooks
Sen. Cutter

Fiscal Analyst:

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Bill Outcome: Signed into Law

Drafting number: LLS 25-0641

Version: Final Fiscal Note

Date: May 28, 2025

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

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.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27
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 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

In 2023, the U.S. Department of Justice found that Colorado 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 through the annual budget process.

Assessment of No Fiscal Impact

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

The bill was signed by the Governor on March 31, 2025, and takes effect on July 1, 2025, except that Section 6 takes effect July 1, 2026.

State and Local Government Contacts

Health Care Policy and Financing

Treasury