



Fiscal Note
Legislative Council Staff
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SB 25-228: ENTERPRISE DISABILITY BUY-IN PREMIUMS

Prime Sponsors:

Sen. Amabile; Bridges
Rep. Bird; Sirota

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Fiscal note status: This revised fiscal note reflects the introduced bill, which was recommended by the Joint Budget Committee as part of the FY 2025-26 Long Bill supplemental and budget package. It has been updated to make a technical clarification regarding projected fiscal impacts.

Summary Information

Overview. The bill shift premium revenue into the Healthcare Affordability and Sustainability Enterprise.

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

- State Revenue
- State Expenditures
- TABOR Refunds

Appropriations. For FY 2024-25 and FY 2025-26, the bill requires and included several changes to appropriations for the Department of Health Care Policy and Financing that result in no net change in total appropriations. See State Appropriations section.

Table 1
State Fiscal Impacts

Type of Impact ¹	Current Year FY 2024-25	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue ²	\$0	\$0	\$0
State Expenditures ³	\$0	\$1,110,126	\$0
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	-\$1,110,126	-\$6,660,761	-\$6,660,761
Change in State FTE	0.0 FTE	0.0 FTE	0.0 FTE

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

² The bill repeals an existing cash fund and deposits revenue into a new, TABOR-exempt cash fund, resulting in no net change in state revenue. See Table 1A below.

³ This FY 2025-26 expenditure impact is not anticipated under the OSPB Forecast used by the Joint Budget Committee for budget balancing purposes.

**Table 1A
State Revenue**

Fund and TABOR Status	Current Year FY 2024-25	Budget Year FY 2025-26	Out Year FY 2026-27
Medicaid Buy-in Cash Fund (nonexempt)	-\$1,110,126	-\$6,660,761	-\$6,660,761
HAS Medicaid Buy-in Cash Fund (exempt)	\$1,110,126	\$6,660,761	\$6,660,761
Net Revenue	\$0	\$0	\$0

**Table 1B
State Expenditures**

Fund Source	Current Year FY 2024-25	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund ¹	\$0	\$1.1 million	\$0
Cash Funds	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0
Centrally Appropriated	\$0	\$0	\$0
Total Expenditures	\$0	\$1.1 million	\$0
Total FTE	0.0 FTE	0.0 FTE	0.0 FTE

¹ This expenditure is based on the March 2025 LCS Economic and Revenue Forecast. Under the March 2025 OSPB Forecast selected by the Joint Budget Committee for balancing, the bill would not require a \$1.1 million General Fund expenditure in FY 2025-26, such that total expenditures would be \$0 in every year.

**Table 1C
Change in TABOR Refunds¹**

Fund Source	Current Year FY 2024-25	Budget Year FY 2025-26	Out Year FY 2026-27
Property Tax Reimbursements to Local Govts	-\$1,110,126	\$0	\$0
Six-Tier Sales Tax Refunds	\$0	-\$6,660,761	-\$6,660,761
Net Change in TABOR Refunds	-\$1,110,126	-\$6,660,761	-\$6,660,761

¹ Under the March 2025 OSPB Forecast selected by the Joint Budget Committee for Balancing, the bill would reduce six-tier sales tax refunds by \$1.1 million in FY 2024-25, with no change to refunds via property tax reimbursements to local governments.

Summary of Legislation

Currently, the Department of Health Care Policy and Financing (HCPF) operates two Medicaid buy-in programs and will receive revenue from the programs starting May 2025. The bill shifts this revenue into the existing Colorado Healthcare Affordability and Sustainability Enterprise (CHASE), making it exempt from TABOR.

To accomplish this, the bill creates a new cash fund under CHASE, the Healthcare Affordability and Sustainability (HAS) Medicaid Buy-in Cash Fund (new fund) and makes the following changes to this new fund and the existing Medicaid Buy-in Cash Fund (existing fund):

- on the bill's effective date, the bill deposits any revenue collected from the buy-in programs or interest earned on that revenue to the new fund, rather than the existing fund;
- on June 30, 2025, the bill transfers the balance of the existing cash fund into the new cash fund; and
- on July 1, 2025 the bill repeals the existing fund.

Additionally, the bill creates the Medicaid Buy-in Enterprise Support Board.

Background

Colorado Healthcare Affordability and Sustainability Enterprise (CHASE)

[Senate Bill 17-267](#) created CHASE under HCPF. CHASE charges hospitals a Healthcare Affordability and Sustainability fee and provides hospitals with services that include drawing additional federal funds that are passed on to hospitals through payments like the quality incentive payments.

Medicaid Buy-in Programs

HCPF operates two buy-in programs that allow people with disabilities who are not otherwise eligible for Medicaid to buy coverage. One program is for working adults with disabilities with income up to 450 percent of the federal poverty guidelines. The other is for children with disabilities with family income up to 300 percent of the federal poverty guidelines. Both programs charge premiums on a sliding scale based on income.

HCPF suspended premium collection on both programs during the public health emergency and collection will resume in May 2025.

Assumptions

The fiscal note assumes that the bill will be enacted before premium collections for the Medicaid Buy-in programs begin again in May 2025.

State Revenue

The bill shifts Medicaid buy-in premium revenue from the Medicaid Buy-in Cash Fund (existing fund) to the HAS Medicaid Buy-in Cash Fund (new fund), as shown in Table 1B above.

State Transfers

The fiscal note assumes no funds will be transferred from the repealed fund on June 30, 2025, as HCPF is expected to spend the existing cash fund balance (about \$119,000 as of this writing) before the end of the fiscal year. In addition, it is assumed that premium revenue, when it starts being collected again in May 2025, will go to the new fund.

State Expenditures

The bill increases state expenditures by \$1.1 million in FY 2025-26 only. These costs will be incurred in the Department of the Treasury and paid from the General Fund. The bill also minimally increases workload in HCPF and the Governor's Office.

Property Tax Reimbursements to Local Governments

For FY 2025-26 only, the bill increases General Fund expenditures by \$1.1 million as a result of reduced revenue subject to TABOR in FY 2024-25. Under the March 2025 LCS Forecast, the FY 2024-25 TABOR surplus is not expected to be large enough to fully fund reimbursements to local governments for the constitutional homestead exemptions. The fiscal note assumes that General Fund expenditures will be required to fully fund the reimbursements. Therefore, reducing revenue subject to TABOR by \$1.1 million in FY 2024-25 results in a corresponding increase in General Fund expenditures for FY 2025-26 to fund property tax reimbursements.

Medicaid Buy-in Enterprise Support Board

HCPF will facilitate the Medicaid Buy-in Enterprise Support Board and reimburse members for any actual and necessary expenses. Given the limited number of members, this impact is expected to be minimal but will be adjusted for through the normal budget process once the total number of in-person meetings per year is decided.

Workload will also minimally increase in the Governor's Office to make appointments to board and in state departments with employees appointed to the board.

TABOR Refunds

The bill is expected to decrease the amount of state revenue required to be refunded to taxpayers by \$1.1 million in the current FY 2024-25, and \$6.7 million in FY 2025-26 and future years. This estimate assumes the March 2025 LCS Forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2026-27.

The reduction occurs from bringing the Medicaid buy-in programs within the CHASE enterprise and shifting revenue from the non-exempt Medicaid Buy-in Cash Fund into the newly created, TABOR-exempt, Healthcare Affordability and Sustainability Medicaid Buy-in Cash Fund. The result is a reduction in cash fund revenue subject to TABOR. Decreased cash fund revenue subject to TABOR will increase the amount of General Fund available to spend or save elsewhere in the budget.

Effective Date

The bill takes effect May 1, 2025.

State Appropriations

The bill requires and includes the following appropriations to the Department of Health Care Policy and Financing, resulting in no net change in total appropriations:

- for the current FY 2024-25, an increase of \$1,110,126 from the newly created Healthcare Affordability and Sustainability Medicaid Buy-in Cash Fund and a corresponding decrease in appropriations from the Medicaid Buy-in Cash Fund; and
- for FY 2025-26, an increase of \$6,660,761 from the newly created Healthcare Affordability and Sustainability Medicaid Buy-in Cash Fund and a corresponding decrease in appropriations from the Medicaid Buy-in Cash Fund.

For FY 2025-26, under the March 2025 LCS Forecast, the bill would also require an appropriation of \$1,110,126 from the General Fund to the Department of the Treasury for property tax reimbursements. Under the March 2025 OSPB Forecast selected by the Joint Budget Committee for balancing, this appropriation is not required, and therefore has not been included in the bill.

State and Local Government Contacts

Health Care Policy and Financing

Joint Budget Committee Staff

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](#).