



Fiscal Note
Legislative Council Staff
Nonpartisan Services for Colorado’s Legislature

SB 25-290: STABILIZATION PAYMENTS FOR SAFETY NET PROVIDERS

Prime Sponsors:

Sen. Mullica; Kirkmeyer
Rep. Bird

Fiscal Analyst:

Kristine McLaughlin, 303-866-4776
kristine.mclaughlin@coleg.gov

Published for: Senate Health & Human Services
Drafting number: LLS 25-0992

Version: Initial Fiscal Note
Date: April 16, 2025

Fiscal note status: The fiscal note reflects the introduced bill. This analysis is preliminary and will be updated following further review and any additional information received.

Summary Information

Overview. The bill creates the Provider Stabilization Fund and transfers interest earnings from the Unclaimed Property Trust Fund into it.

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

- State Expenditures
- State Revenue
- State Diversions

Appropriations. For FY 2025-26, the bill requires an appropriation of about \$25 million to the Department of Health Care Policy and Financing.

Table 1
State Fiscal Impacts

Type of Impact ¹	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
State Revenue	-\$346,631	-\$1,060,832	-\$1,642,159
State Expenditures	\$25,000,000	\$20,000,000	\$15,000,000
Diverted Funds	\$25,000,000	\$20,000,000	\$15,000,000
Change in TABOR Refunds	\$0	\$0	\$0
Change in State FTE	2.0 FTE	2.0 FTE	2.0 FTE

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

**Table 1A
State Revenue**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
General Fund	\$0	\$0	\$0
Cash Funds	-\$346,631	-\$1,060,832	-\$1,642,159
Total Revenue	-\$346,631	-\$1,060,832	-\$1,642,159

**Table 1B
State Expenditures**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
General Fund	\$0	\$0	\$0
Cash Funds	\$24,962,275	\$19,962,275	\$14,962,275
Federal Funds	\$0	\$0	\$0
Centrally Appropriated	\$37,725	\$37,725	\$37,725
Total Expenditures	\$25,000,000	\$20,000,000	\$15,000,000
Total FTE	2.0 FTE	2.0 FTE	2.0 FTE

**Table 1C
State Diversions**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
Unclaimed Property Trust Fund	-\$25,000,000	-\$20,000,000	-\$15,000,000
Provider Stabilization Fund	\$25,000,000	\$20,000,000	\$15,000,000
Net Diversion	\$0	\$0	\$0

Summary of Legislation

The bill creates the Provider Stabilization Fund (cash fund) within the Colorado Healthcare Affordability and Sustainability Enterprise (enterprise) to distribute provider stabilization payments to safety net providers who provide services to low-income, uninsured individuals on a sliding-fee schedule or at no cost. These payments are distributed to eligible safety net providers based on the proportion of low-income, uninsured individuals that the provider serves in comparison to the total number of low-income, uninsured individuals served by all eligible safety net providers.

The bill transfers interest earnings from the Unclaimed Property Trust Fund (trust fund) into the cash fund. The bill specifies that this transferred money does not constitute state fiscal year spending under TABOR.

Finally, the bill creates the Provider Stabilization Fund Support Board (board) and requires the board to submit an annual report. Members are appointed by the Governor and serve without compensation or expense reimbursement.

Background

Colorado Healthcare Affordability and Sustainability Enterprise

[Senate Bill 17-267](#) created the enterprise under the Department of Health Care Policy and Financing (HCPF). The enterprise 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.

Unclaimed Property Trust Fund

The Unclaimed Property Division of the State Treasury holds, in perpetuity or until claimed, lost or forgotten assets of individuals and businesses in Colorado. The trust fund consists of all moneys collected under the Unclaimed Property Act, and interest earned on the account. The trust fund is TABOR-exempt; however, if the funds are spent by the state they generally become subject to TABOR.

Assumptions

The bill specifies that all sections of the bill expect for the legislative declaration will not take effect unless "Bill 25- becomes law." The fiscal note assumes that this references a potential bill discussed by the Joint Budget Committee that would eliminate the transfer from the trust fund to the Medicaid adult dental program and that the bill will be amended to reflect this as soon as the potential bill is introduced.

State Revenue

The bill reduces revenue from interest earnings, as shown in Table 2 and discussed below. It may increase revenue from gifts, grants, and donations.

Table 2
Change in Interest Earnings

Fund Name	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
Unclaimed Property Trust Fund	-\$760,399	-\$1,391,846	-\$1,890,420
Provider Stabilization Fund	\$413,768	\$331,015	\$248,261
Net Change	-\$346,631	-\$1,060,832	-\$1,642,159

Reduced Interest Earnings to the Unclaimed Property Trust Fund

The bill reduces interest revenue earned on money held in the Unclaimed Property Trust Fund. The amount of lost revenue depends on interest rates and other changes to the trust fund's balance. Assuming a 3 percent annual interest rate, compounded monthly, and that the transferred money and interest earnings would have otherwise stayed in the fund, the amount of lost revenue is estimated at about \$760,000 in FY 2025-26, \$1.4 million in FY 2026-27, and \$1.9 million in FY 2027-28. Interest earned on money in the trust fund is not subject to TABOR.

Interest Earned in Provider Stabilization Fund

Based on the amount transferred, about \$415,000 in FY 2025-26, \$330,000 in FY 2026-27, and \$250,000 in FY 2027-28 and future years in interest will accrue to the new Provider Stabilization Fund. These amounts assume that funding transferred each year is spent evenly throughout the year at the same 3 percent annual interest described above.

Gifts, Grants, and Donations

The bill potentially increases state revenue to the Provider Stabilization Fund from gifts, grants, or donations; however, no sources have been identified at this time. Gifts, grants, and donations are exempt from TABOR revenue limits.

State Diversions

The bill diverts the following amounts from the Unclaimed Property Trust Fund into the Provider Stabilization Fund:

- \$25 million for FY 2025-26;
- \$20 million for FY 2026-27; and
- \$15 million for FY 2027-28 and future years.

State Expenditures

Expenditures in the enterprise under HCPF will increase based on the amounts transferred starting in FY 2025-26. Pending additional information, the fiscal note assumes that these funds will not draw down any federal funds. These cash fund expenditures are summarized in Table 2 and discussed below.

Table 2
State Expenditures
Department of Health Care Policy and Financing

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
Personal Services	\$138,505	\$138,505	\$138,505
Operating Expenses	\$2,560	\$2,560	\$2,560
Capital Outlay Costs	\$13,340	\$0	\$0
Provider Stabilization Payments	\$24,807,870	\$19,821,210	\$14,821,210
Centrally Appropriated Costs	\$37,725	\$37,725	\$37,725
Total Costs	\$25,000,000	\$20,000,000	\$15,000,000
Total FTE	2.0 FTE	2.0 FTE	2.0 FTE

Colorado Healthcare Affordability and Sustainability Enterprise

The enterprise requires 2.0 FTE to monitor applications for provider stabilization payments and otherwise support the board as they establish rules for the program, make payments, and produce the annual report. The remaining funds will be expended directly on the payments.

Governor's Office

Workload will minimally increase for the Governor's Office of Boards and Commissions to make the required appointment under the bill. This work can be accomplished within existing appropriations.

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 may include employee insurance, supplemental employee retirement payments, leased space, and indirect cost assessments, are shown in the expenditure table(s) above.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature. As discussed in the Assumptions section, all sections of the bill except for the legislative declaration take effect once a future bill is enacted to eliminate a transfer from the Unclaimed Property Trust Fund to the Adult Dental Program is eliminated.

State Appropriations

For FY 2025-26, the bill requires an appropriation of \$24,962,275 from the Provider Stabilization Fund to the Department of Health Care Policy and Financing, and 2.0 FTE.

State and Local Government Contacts

Health Care Policy and Financing

Treasury

Legislative Legal Services

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](#).