

SB 25-229: REIMBURSEMENT FOR COMMUNITY HEALTH WORKERS

Prime Sponsors:

Sen. Kirkmeyer; Bridges Rep. Bird; Taggart

Bill Outcome: Signed into Law

Drafting number: LLS 25-0978

Fiscal Analyst:

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Version: Final Fiscal Note

Date: July 1, 2025

Fiscal note status: The final fiscal note reflects the enacted bill. The bill was recommended by the Joint

Budget Committee as part of the FY 2025-26 Long Bill budget package.

Summary Information

Overview. The bill delays implementation of Medicaid coverage of services provided by community health workers by six months.

Types of impacts. The bill is projected to affect the following areas in FY 2025-26 only:

State Expenditures

Appropriations. For FY 2025-26, the bill decreases appropriations by \$5.7 million in the Department of Health Care Policy and Financing.

Table 1 State Fiscal Impacts

| | Budget Year | Out Year |
|-----------------------------|--------------|------------|
| Type of Impact ¹ | FY 2025-26 | FY 2026-27 |
| State Revenue | \$0 | \$0 |
| State Expenditures | -\$5,713,346 | \$0 |
| Transferred Funds | \$0 | \$0 |
| Change in TABOR Refunds | \$0 | \$0 |
| Change in State FTE | 0.0 FTE | 0.0 FTE |

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

Table 1A State Expenditures

| | Budget Year | Out Year |
|---------------------------|--------------|------------|
| Fund Source | FY 2025-26 | FY 2026-27 |
| General Fund | -\$1,364,558 | \$0 |
| Cash Funds | -\$342,750 | \$0 |
| Federal Funds | -\$4,006,038 | \$0 |
| Centrally Appropriated | \$0 | \$0 |
| Total Expenditures | -\$5,713,346 | \$0 |
| Total FTE | 0.0 FTE | 0.0 FTE |

Summary of Legislation

The bill delays by six months implementation of <u>Senate Bill 23-002</u>, which requires the Department of Health Care Policy and Financing (HCPF) to cover services—including health education, screening, and advocacy—provided by community health workers. Community health workers are defined as liaisons between health care or social service providers who are credentialed by the Department of Public Health and Environment (CDPHE).

Under the bill, implementation will begin January 1, 2026. Additionally, the bill delays the program's reporting requirements by one year, requiring HCPF to produce a report for its January 2027 SMART Act hearing.

State Expenditures

The bill decreases state expenditures by \$5.7 million in FY 2025-26 only. These savings, from General Fund, the Health Care Affordability and Sustainability Cash Fund, and federal funds, will be incurred in HCPF.

SB 23-002 included staff, system change, and service costs for HCPF to cover services provided by community health workers. This bill only impacts the service costs.

Effective Date

This bill was signed into law by the Governor and took effect on May 20, 2025.

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State Appropriations

For FY 2025-26 the bill includes a decrease in appropriation to the Department of Health Care Policy and Financing of \$5,713,346, including:

- \$1,364,558 from the General Fund;
- \$342,750 from the Health Care Affordability and Sustainability Cash Fund; and
- \$4,006,038 from federal funds.

State and Local Government Contacts

Health Care Policy and Financing Public Health and Environment

Joint Budget Committee Staff Treasury