



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

SB 25-183: COVERAGE FOR PREGNANCY-RELATED SERVICES

Prime Sponsors:  
Sen. Rodriguez; Daugherty  
Rep. Garcia; McCluskie

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Bill Outcome: Signed into Law  
Drafting number: LLS 25-0289

Version: Final Fiscal Note  
Date: May 19, 2025

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

Summary Information

Overview. The bill requires the Department of Health Care Policy and Financing to cover abortion care services for Medicaid and Child Health Plan Plus program participants using state funds, and for public employee insurance plans to cover abortion care services for plan members. It also makes conforming amendments to codify Amendment 79 into state law.

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

- State Expenditures
- Local Government

Appropriations. For FY 2025-26, the bill requires and includes an increase in General Fund appropriations of \$1.5 million and a decrease in cash and federal fund appropriations of \$1.8 million to the Department of Health Care Policy and Financing.

Table 1  
State Fiscal Impacts

| Type of Impact <sup>1</sup> | Budget Year<br>FY 2025-26 | Out Year<br>FY 2026-27 |
|-----------------------------|---------------------------|------------------------|
| State Revenue               | \$0                       | \$0                    |
| State Expenditures          | -\$81,551                 | -\$367,802             |
| Transferred Funds           | \$0                       | \$0                    |
| Change in TABOR Refunds     | \$0                       | \$0                    |
| Change in State FTE         | 0.0 FTE                   | 0.0 FTE                |

<sup>1</sup> Fund sources for these impacts are shown in the tables below.

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

| <b>Fund Source</b>        | <b>Budget Year<br/>FY 2025-26</b> | <b>Out Year<br/>FY 2026-27</b> |
|---------------------------|-----------------------------------|--------------------------------|
| General Fund              | \$1,476,896                       | \$2,953,791                    |
| Cash Funds                | -\$41,650                         | -\$83,300                      |
| Federal Funds             | -\$1,721,497                      | -\$3,442,993                   |
| Centrally Appropriated    | \$204,700                         | \$204,700                      |
| <b>Total Expenditures</b> | <b>-\$81,551</b>                  | <b>-\$367,802</b>              |
| <b>Total FTE</b>          | <b>0.0 FTE</b>                    | <b>0.0 FTE</b>                 |

## Summary of Legislation

Amendment 79, passed in the 2024 general election, made abortion a constitutional right in Colorado. The amendment also repealed a Colorado constitutional prohibition on the use of public funds for abortion care services.

The bill makes conforming changes to state law to codify Amendment 79 by striking references to the repealed constitutional prohibition on the use of public funds for abortion care. This includes removing the public employers exemption from the requirement that individual and group health benefit plans provide coverage for the total cost of abortion care, thus codifying that public employers are required to provide this coverage.

Additionally, the bill includes abortion care services as a covered benefit under Medicaid and Child Health Plan Plus (CHP+) administered by the Department of Health Care Policy and Financing (HCPF), and requires that all services be reimbursed with state funds only. Similar to federally funded services, the bill gives HCPF overexpenditure authority for state-funded abortion care services.

Finally, the bill removes an obsolete requirement for the state to seek a determination from the federal government on whether state defrayal of costs for abortion care provided through individual and small group plans is required. The state submitted this request and the federal government determined that state defrayal is not required.

## Background

Currently, HCPF only reimburses abortion care services in cases of rape, incest, and life endangerment, as required by federal law. Insurance plans for state and local government employees in Colorado do not currently cover abortion care services.

In 2023, an actuarial analysis of the impact of mandating abortion care coverage on health benefit plans in Colorado was conducted by an independent contractor pursuant to Senate Bill 22-040. The report may be obtained in its entirety on the [Division of Insurance website](#).

## Data and Assumptions

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### Public Health Insurance

The fiscal note estimates abortion care services that will be utilized by Medicaid and CHP+ members, as well as averted births, by using the following data and assumptions.

#### Abortion Costs

- **Enrollment.** Based on HCPF enrollment projections, about 333,330 females aged 15 to 44 will be enrolled in Medicaid or CHP+ in FY 2025-26. This population is held constant for all years in this analysis.
- **Utilization rates.** Based on the actuarial analysis cited in the Background section above, it is assumed that:
  - 1.67 percent (5,567) of Medicaid/CHP+ members of childbearing age will seek abortion care services each year; and, of those
  - 50.4 percent of abortions will be performed procedurally, and 49.6 percent will be medication abortions.
- **Cost.** Abortion procedures are assumed to be reimbursed at a rate of \$1,300, and medication abortions are assumed to be reimbursed at a rate of \$800, based on current Medicaid reimbursement rates for these services.
- **Payer source.** It is assumed that 100 percent of the utilization increase will be billed to the state-funded Medicaid program, as it is a stable and easily billed revenue source for clinics and providers compared to other financial assistance.

#### Labor and Delivery Savings

Covering the cost of abortion care through Medicaid and CHP+ is also expected to reduce the number of births covered by these programs, resulting in labor and delivery cost savings for HCPF. HCPF's current reimbursement rate for labor and delivery is \$3,850. Reimbursement costs for labor and delivery are funded by the General Fund, the Healthcare Affordability and Sustainability Fee (HAS) Cash Fund, and federal funds, with splits depending on coverage type: 50/50 General Fund and federal funds for Medicaid clients, and 65 percent federal funds, 19 percent HAS Cash Fund, and 16 percent General Fund for CHP+ clients.

The amount of savings is calculated using the utilization estimate above, and assuming 30 percent of these pregnancies would have gone to term without access to abortion care through public health insurance, resulting in a birth paid for through Medicaid or CHP+. The 30 percent assumption is based on the following research:

- A [recent survey on health care costs](#) found that 40 percent of households earning under \$40,000—an income range that aligns with Medicaid eligibility depending on family size—could not afford a \$500 medical bill.

- A [study on Medicaid coverage for abortion access in Louisiana](#) found that one-fourth of Medicaid-eligible women would seek an abortion if covered, but could not otherwise pay out-of-pocket for the care.
- A [study on abortion service costs](#) found that providing state Medicaid coverage for abortion services resulted in a 30 percent average increase in Medicaid-funded abortions.

### Federally Funded Abortions

The bill mandates that all abortion care services be reimbursed exclusively with state funds, thereby shifting the cost of existing federally approved abortions to state funding. Since fewer than 20 abortions per year qualify for federal funding, this impact is assumed to be minimal.

### State Employee Health Insurance

The fiscal note relies on the actuarial analysis referenced in the Background section to estimate the cost of adding abortion care to the state employee health insurance benefit.

The fiscal note assumes that any savings to the state employee health insurance plan from averted births is minimal, as state employees are assumed to have otherwise paid out-of-pocket for abortion care services prior to the passage of this bill.

### Additional Potential Cost Savings

Medicaid-covered births typically involve additional social safety net costs for the child, whereas abortion care services represent a one-time expenditure. The Brookings Institution has conducted an extensive [body of research](#) concerning the fiscal impact of abortion coverage for recipients of public benefits, including [a study that measured the public benefit costs of children from unintended pregnancies](#). These downstream impacts have not been addressed in this fiscal note, but will be addressed through the annual budget process if savings are realized.

### State Expenditures

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On net, the bill is expected to decrease state expenditures by a relatively small amount, but will shift certain costs to the General Fund, as outlined in Table 2 and discussed below.

**Table 2**  
**State Expenditures by Cost Component<sup>1</sup>**

| <b>Cost Component</b>                                     | <b>Budget Year<br/>FY 2025-26</b> | <b>Out Year<br/>FY 2026-27</b> |
|---|-----------------------------------|--------------------------------|
| HCPF Abortion Services – State-Funded                     | \$2,928,800                       | \$5,857,600                    |
| HCPF Averted Births – Medicaid/CHP+ Funded                | -\$3,215,051                      | -\$6,430,102                   |
| State Employee Abortion Services – Centrally Appropriated | \$204,700                         | \$204,700                      |
| <b>Total Expenditures</b>                                 | <b>-\$81,551</b>                  | <b>-\$367,802</b>              |

<sup>1</sup> See Table 1A for fund sources.

## **Department of Health Care Policy and Financing**

On net, the bill will decrease costs for HCPF by about \$286,000 in FY 2025-26 and \$573,000 in FY 2026-27 and ongoing. These impacts are the net result of increased costs for abortion services and decreased costs from averted births. In the first full implementation year (FY 2026-27), costs for abortion services are estimated to be \$5.9 million, while cost savings for averted births are estimated to be \$6.4 million. Because the bill requires all abortion services to be state-funded, it will shift costs to the General Fund and decrease the use of cash and federal funds.

## **State Employee Health Insurance**

The bill will increase net costs for state employee health insurance across all agencies by an estimated \$205,000 per year. This estimate assumes that the increase in monthly medical premiums from expanded abortion care service coverage will be paid entirely by the state, and average \$0.52 per member per month, which represents a 0.041 percent impact to the Health, Life, and Dental lines for all agencies. It is assumed that this cost will be addressed through the Total Compensation analysis and centrally appropriated to state agencies through the annual budget process. First-year costs assume a full year of coverage in FY 2025-26.

## **Local Government**

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Similar to the state, the bill will increase costs for local government employers to cover abortion care services for employees as part of their health insurance plans.

## **Effective Date**

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The bill was signed into law by the Governor on April 24, 2025, and takes effect January 1, 2026.

## **State Appropriations**

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

- an increase of \$1,476,896 from the General Fund;
- a decrease of \$41,650 from the Healthcare Affordability and Sustainability Fee Cash Fund;
- and
- a decrease of \$1,721,497 from federal funds.

## State and Local Government Contacts

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Health Care Policy and Financing

Personnel and Administration

Law

Regulatory Agencies

Public Health and Environment