



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

SB 25-270: ENTERPRISE NURSING FACILITY PROVIDER FEES

Prime Sponsors:

Sen. Bridges; Amabile
Rep. Bird; Sirota

Fiscal Analyst:

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Bill Outcome: Signed into Law

Drafting number: LLS 25-1037

Version: Final Fiscal Note

Date: August 15, 2025

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

Summary Information

Overview. The bill diverts nursing facility fee revenue into the Colorado Healthcare Affordability and Sustainability Enterprise in the Department of Health Care Policy and Financing.

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

- State Revenue
- State Expenditures
- State Transfers
- TABOR Refunds

Appropriations. For FY 2024-25 and FY 2025-26, the bill requires 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	\$10,140,370	\$0
Diverted Funds	\$0	\$0	\$0
Change in TABOR Refunds	-\$10,140,370	-\$65,136,502	-\$65,136,502
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 existing fees and creates new fees, 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 Source and Tabor Status	Current Year FY 2024-25	Budget Year FY 2025-26	Out Year FY 2026-27
Nursing Facility CF (nonexempt)	-\$9,781,898	-\$62,986,221	-\$62,986,221
Service Fee Fund (nonexempt)	-\$358,471	-\$2,150,281	-\$2,150,281
HAS Nursing Facility Provider Fee CF (exempt)	\$9,781,898	\$62,986,221	\$62,986,221
HAS Intermediate Care Facility Fee CF (exempt)	\$358,471	\$2,150,281	\$2,150,281
Total 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	\$10,140,370	\$0
Cash Funds	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0
Centrally Appropriated	\$0	\$0	\$0
Total Expenditures	\$0	\$10,140,370	\$0
Total FTE	0.0 FTE	0.0 FTE	0.0 FTE

¹ Under the March 2025 OSPB Forecast selected by the Joint Budget Committee for balancing, the bill would not require a \$10.1 million General Fund expenditure in FY 2025-26.

**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.	-\$10,140,370	\$0	\$0
Six-Tier Sales Tax Refunds	\$0	-\$65,136,502	-\$65,136,502
Net Change in TABOR Refunds	-\$10,140,370	-\$65,136,502	-\$65,136,502

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 \$10.1 million in FY 2024-25, with no change to refunds via property tax reimbursements to local governments.

Summary of Legislation

Beginning May 1, 2025, the bill shifts fee collection for nursing facilities to the Colorado Healthcare Affordability and Sustainability Enterprise (CHASE) within the Department of Health Care Policy and Financing (HCPF). Because CHASE is an enterprise, fee revenue will be TABOR exempt.

Currently, nursing facility providers and intermediate care facilities pay a fee to the state. Those fees go to the Medicaid Nursing Facility Cash Fund and Service Fee Fund. The bill eliminates those fees, replaces them with similar fees to be collected by CHASE, and creates two new cash funds for the fees (the Healthcare Affordability and Sustainability (HAS) Nursing Facility Provider Fee Cash Fund and the HAS Intermediate Care Facility Fee Cash Fund). A new board within CHASE will support the implementation and calculation of the fees. In return for paying the fees, the facilities will receive support from CHASE through matching federal funds on fees, including sustained or increased reimbursement rates and supplemental Medicaid payments.

The bill requires the State Treasurer to transfer remaining balances of the existing cash funds to the new HAS Cash Funds on June 30, 2025. The bill also makes conforming changes to CHASE statutes, including renaming the existing CHASE-administered fee on hospitals from "HAS Fee" to the "Hospital Provider Fee."

State Revenue

The bill repeals existing fees collected by HCPF and creates new fees collected by CHASE, resulting in no net change to state revenue. Specifically, the bill repeals the provider fee charged to nursing facility and intermediate care facilities, which will reduce revenue to the Medicaid Nursing Facility Cash Fund and Service Fee Fund by \$10.1 million for FY 2024-25 and \$65.1 million in FY 2025-26 and future years. Revenue to the newly created HAS Nursing Facility Provider Fee Cash Fund and HAS Intermediate Care Facility Fee Cash Fund will increase by the same amounts, assuming the fees imposed by CHASE on nursing facilities will be set at rates similar to the repealed fees. See Table 1A above for additional detail on these changes in state revenue.

State Transfers

The fiscal note assumes no funds will be transferred from the repealed funds on June 30, 2025, as HCPF is expected to spend any existing cash fund balances before the end of the fiscal year.

State Expenditures

The bill increases state expenditures by \$10.1 million in FY 2025-26 only, based on the March 2025 LCS Economic and Revenue Forecast. 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 \$10.1 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 \$10.1 million in FY 2024-25 results in a corresponding increase in General Fund expenditures for FY 2025-26 to fund property tax reimbursements. This impact is not anticipated under the OSPB forecast used by the Joint Budget Committee for budget balancing purposes.

Facility Provider Fee Enterprise Support Board

HCPF will facilitate the Facility Provider Fee 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 accounted for through the annual 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 \$10.1 million in the current FY 2024-25, and \$65.2 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 repealing existing nursing facility provider fees subject to TABOR and creating new fees that accrue to a state enterprise that is exempt from TABOR. The net result is a reduction in cash fund revenue subject to TABOR. For FY 2025-26 and future years when the state has a TABOR refund obligation, 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

This bill was signed into law by the Governor and took effect on April 30, 2025.

State Appropriations

FY 2024-25 Appropriations

For FY 2024-25, the bill requires the following adjustments to appropriations to the Department of Health Care Policy and Financing that result in no net change to total appropriations:

- an increase of \$10,140,370, including \$9,781,898 from the Healthcare Affordability and Sustainability Nursing Facility Provider Fee Cash Fund and \$358,472 from the Healthcare Affordability and Sustainability Intermediate Care Facility Fee Cash Fund; and
- a corresponding decrease of \$10,140,370, including \$9,781,898 from the Medicaid Nursing Facility Cash Fund and \$358,472 from the Service Fee Fund.

FY 2025-26 Appropriations

For FY 2025-26, the bill requires and includes the following adjustments to appropriations to the Department of Health Care Policy and Financing that result in no net change to total appropriations:

- an increase of \$65,136,502, including \$62,986,221 from the Healthcare Affordability and Sustainability Nursing Facility Provider Fee Cash Fund and \$2,150,281 from the Healthcare Affordability and Sustainability Intermediate Care Facility Fee Cash Fund; and
- a corresponding decrease of \$65,136,502, including \$62,986,221 from the Medicaid Nursing Facility Cash Fund and \$2,150,281 from the Service Fee Fund.

In addition, for FY 2025-26, under the March 2025 LCS Forecast, the bill would also require an appropriation of \$10,140,370 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.

State and Local Government Contacts

Joint Budget Committee Staff