



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25B-1013: LIMIT SUBSIDIES HEALTH INSUR AFFORD ENTERPRISE

Prime Sponsors:

Rep. Richardson

Sen. Baisley

Fiscal Analyst:

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Fiscal note status: The fiscal note reflects the introduced bill.

Summary Information

Overview. The bill disqualifies all current enrollees in the Health Insurance Affordability Enterprise's OmniSalud program and establishes new eligibility requirements to include only individuals who are eligible for federal tax credits or state funded insurance. Under the bill, persons without lawful immigration status are ineligible for the program.

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

- State Expenditures

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Current Year FY 2025-26	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0	\$0
State Expenditures	\$0	\$0	\$0
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	\$0	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE	0.0 FTE

The bill does not change total expenditures for the OmniSalud program in the Department of Regulatory Agencies, but will shift spending to a different population starting in FY 2025-26.

Summary of Legislation

The Health Insurance Affordability Enterprise (HIAE) in the Division of Insurance in the Department of Regulatory Agencies (DORA) assesses a fee on health insurance carriers to fund programs to reduce individual market premiums, including the OmniSalud program. The program receives an allocation of at least \$18 million annually to subsidize insurance for all Coloradans, regardless of immigration status, with incomes below 300 percent of the federal poverty line (FPL) who are not eligible for the premium tax credit, Medicaid, Medicare or the Children's Basic Health Plan.

Under the bill, only US citizens and persons with lawful immigration status who meet income and federal eligibility requirements will be eligible for the OmniSalud program.

Background and Assumptions

Currently, the HIAE draws down federal funds to fund the Reinsurance program and assesses a fee on health insurance carriers to fund programs to reduce individual market premiums. Fee funds are allocated as follows:

- to the Reinsurance program: the lesser of 73 percent of total fee revenue or \$90 million;
- to the OmniSalud program: at least \$18 million plus any remaining fee revenue;
- to On-Exchange subsidies: up to 10 percent of total fee revenue; and
- to administrative needs: up to 3 percent of total fee revenue.

Currently, LCS projects that OmniSalud will have expenditures of \$90 million in the current FY 2025-26 and \$20 million in FY 2026-27, based on the allocation of current and future revenue to the enterprise and the spending of previously accrued revenue surplus.

With passage of this bill, the fiscal note assumes that the OmniSalud program will redefine itself as an extension of the On-Exchange Subsidies program for persons eligible for federal tax credits. The On-Exchange Subsidies program currently provides additional subsidies to purchase insurance for persons eligible for the federal premium tax credit with incomes up to 200 percent of the FPL by covering the expected contribution up to \$50 a month for an individual. The redefined OmniSalud could cover the expected contribution for persons receiving federal premium tax credits at higher income levels, up to 400 percent of the FPL.

State Expenditures

As the OmniSalud program shifts to a new population of eligible individuals, it will incur additional administrative and marketing expenses. Pursuant to state law, the program will continue to receive at least \$18 million annually. If any portion of these funds are not fully expended, they remain with the program to be spent in future years.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Regulatory Agencies