



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1063: TREATING PEOPLE WITH BEHAVIORAL HLTH DISORDER

Prime Sponsors:

Rep. Bradfield; Rydin
Sen. Amabile; Michaelson Jenet

Fiscal Analyst:

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

Published for: House Health & Human Services**Drafting number:** LLS 26-0121**Version:** Initial Fiscal Note**Date:** February 10, 2026

Fiscal note status: This fiscal note is provided pursuant to Joint Rule 22(b)(2) and reflects strike-below Amendment L.002. The introduced bill was recommended by the Treatment of Persons with Behavioral Health Disorders in the Criminal and Juvenile Justice Systems Committee. This analysis is preliminary and will be updated following further review and any additional information received.

Summary Information

Overview. The bill changes requirements for providers of medicated-assisted treatment and secure transportation services.

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

- State Expenditures
- Local Government

Appropriations. For FY 2026-27, the bill requires an appropriation of \$146,482 to the Department of Public Health and Environment.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29	Out Year FY 2029-30
State Revenue	\$0	\$0	\$0	\$0
State Expenditures	\$180,790	\$28,954	\$28,954	\$118,263
Transferred Funds	\$0	\$0	\$0	\$0
Change in TABOR Refunds	\$0	\$0	\$0	\$0
Change in State FTE	1.6 FTE	0.3 FTE	0.3 FTE	1.2 FTE

Fund sources for this impact are shown in the tables below.

Table 1A
State Expenditures

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29	Out Year FY 2029-30
General Fund	\$146,482	\$22,561	\$22,561	\$92,838
Cash Funds	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0
Centrally Appropriated	\$34,308	\$6,393	\$6,393	\$25,425
Total Expenditures	\$180,790	\$28,954	\$28,954	\$118,263
Total FTE	1.6 FTE	0.3 FTE	0.3 FTE	1.2 FTE

Summary of Legislation

Medicated-Assisted Treatment

[House Bill 24-1045](#) required the Department of Health Care Policy and Financing (HCPF) to seek federal authorization to provide reentry services to people immediately before they are released from a state facility and, if no additional state funds are required, from participating county jails. Reentry services include medicated-assisted treatment (MAT) provided via the opioid treatment program operated by the Behavioral Health Administration (BHA). Under current law, MAT services in county jails will begin no sooner than FY 2027-28 if the budget neutrality requirement is met.

This bill removes the requirement that MAT services be provided via the BHA opioid treatment program for the county jail benefit and instead allows it to be performed by any provider licensed and authorized to provide MAT services.

Secure Transportation

[House Bill 21-1085](#) required secure transportation services to be licensed by a county's board of commissioners and authorized these services to be paid by the state Medicaid program. Under current law, secure transportation services cannot be provided by personnel employed by or contracted with a law enforcement agency.

This bill transfers licensing authority from counties to CDPHE starting January 1, 2027, and allows entities who contract with law enforcement agencies to provide secure transportation services. CDPHE will maintain a public list of approved providers.

Finally, the bill clarifies that the State Board of Health establishes training requirements for a provider to be licensed as a Medicaid provider of secure transportation requirements, not counties.

Assumptions

The bill transfers licensing authority from counties to CDPHE but does not transfer authority to charge the corresponding licensing fee. The fiscal note assumes that no licensing fee will be charged.

State Expenditures

The bill increases state expenditures in CDPHE by about \$181,000 in FY 2026-27, and then by about \$29,000 per year, except that costs will be about \$118,000 in FY 2029-30 and every three years thereafter. Costs are paid from the General Fund, and the periodic cost increase results from the three-year licensing cycle for secure transportation providers. These impacts are shown in Table 2. Additionally, the medicated-assisted treatment provisions of the bill will have an absorbable impact on HCPF. These costs are discussed below.

Department of Public Health and Environment

CDPHE will have costs to assume responsibility for licensing secure transportation providers. This will include \$63,000 in initial administrative costs in the first year, \$118,000 in the first year and every three years to inspect all agencies currently licensed by counties, and \$29,000 annually to process complaints.

The fiscal note assumes that the initial administrative work will be completed between August and September of 2026, initial licenses will be issued between October and December of 2026, a complaint response FTE will be hired January 2027, and renewals will be issued between in the first half of FY 2029-30 and every three years thereafter.

Administrative Costs

Initial one-time administrative costs include 0.5 FTE to promulgate rules and incorporate stakeholder feedback and \$20,000 to update technology systems. System updates will be performed by the current vendor used by the CDPHE for its ground ambulance registration system.

Inspection Costs

Under current law, counties must inspect a total of 85 unique secure transportation agencies every three years as part of the license renewal process. Under the bill, these inspections will instead be performed by CDPHE. The fiscal note assumes inspections and processing will take 22 hours per agency resulting in the need for 0.9 FTE every three years. The fiscal note further assumes 25 percent of the inspections will be conducted outside of the metro area and inspectors will require a travel budget of \$219 per day.

Complaint Response Costs

As the licensing authority, CDPHE will process complaints made against secure transportation providers. The fiscal note assumes this requires 0.3 FTE to manage these complaints and conduct one follow-up inspection conducted outside the metro area annually.

Table 2A
State Expenditures
Department of Public Health and Environment

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29	Out Year FY 2029-30
Personal Services	\$119,397	\$21,958	\$21,958	\$86,265
Operating Expenses	\$2,048	\$384	\$384	\$1,536
Inspection Travel Costs	\$4,818	\$0	\$0	\$4,818
Complaint Response Travel Costs	\$219	\$219	\$219	\$219
System Updates	\$20,000	\$0	\$0	\$0
Centrally Appropriated Costs	\$34,308	\$6,393	\$6,393	\$25,425
Total Costs	\$180,790	\$28,954	\$28,954	\$118,263
Total FTE	1.6 FTE	0.3 FTE	0.3 FTE	1.2 FTE

Department of Health Care Policy and Financing

The fiscal note assumes that, under current law, most MAT providers seeking to service the county jail population participate in the BHA program to receive reimbursement from HCPF. However, if the bill does impact the total number of providers eligible for HCPF's county jail reentry services benefit, if and when it is implemented, it will not impact state expenditures based on the budget neutrality requirement placed on the benefit under HB 24-1045.

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, indirect cost assessments, and other costs, are shown in the table above.

Local Government

County workload and expenditures will decrease since the bill transfers secure transportation provider licensing authority from counties to CDPHE. The fiscal note assumes that revenue from licensing fees will decrease proportionally.

Technical Note

The bill requires all secure transportation providers to be licensed by CDPHE by January 1, 2027. CDPHE may not be able to issue all secure transportation licenses by this deadline. If not, secure transportation services may be limited, resulting in a decrease in secure transportation costs to the Department of Health Care Policy and the Behavioral Health Administration and an increase in other transportation costs, such as emergency transportation costs.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed and secure transportation providers must be licensed by January 1, 2027

State Appropriations

For FY 2026-27, the bill requires a General Fund appropriation of \$146,482 and 1.6 FTE to the Department of Public Health and Environment.

State and Local Government Contacts

Behavioral Health Administration	Human Services
Counties	Law
Health Care Policy and Financing	Public Health and Environment