



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

SB 26-138: REDUCING ADMINISTRATIVE BURDENS ON HEALTH CARE

Prime Sponsors:

Sen. Daugherty; Mullica
Rep. Stewart K.

Fiscal Analyst:

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

Published for: Senate Appropriations

Drafting number: LLS 26-0721

Version: First Revised Note

Date: April 28, 2026

Fiscal note status: The revised fiscal note reflects the introduced bill, as amended by the Senate Health and Human Services Committee.

Summary Information

Overview. The bill repeals and modifies certain requirements placed on health care facilities and insurance carriers and limits how other requirements may be placed on them by state departments.

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

- Minimal State Revenue
- Minimal State Workload

Appropriations. No appropriation is required.

**Table 1
State Fiscal Impacts**

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

Summary of Legislation

The bill repeals and modifies certain requirements placed on health care facilities and insurance carriers. It also limits how other requirements may be placed on these entities by various state departments by setting new requirements on licensing processes and rule promulgation.

Repeals and Modifications of Requirements Placed on Private Entities

The bill repeals the substance use disorder training requirements placed on certain licensed medical professionals by [Senate Bill 19-228](#), which were later amended by [House Bill 21-1276](#), with agencies required to repeal of rules on this topic by July 1, 2027.

The bill modifies the process for health care facilities to screen patients into financial assistance programs by:

- allowing use of third-party data or a questionnaire in place of a uniform application in certain circumstances;
- establishing new notice and appeal processes; and
- requiring the Department of Health Care Policy and Financing (HCPF) to adopt rules governing these processes, including timelines, methodologies, and documentation standards.

Licensing Requirements

Starting July 1, 2030, the bill requires health facilities licenses issued by the Department of Public Health and Environment (CDPHE) to be renewed every two years, rather than annually.

Rule Promulgation

The bill prohibits HCPF from making changes to the Indigent Care program through regulatory guidance that is not adopted in rule and subject to timeline and stakeholder requirements, except in response to new federal poverty guidelines or emergent and immediate trends.

Finally, the bill requires HCPF to establish by rule the content and format of hospital transparency reports.

State Revenue

By requiring CDPHE licensees to be renewed every two years instead of annually, the bill changes when CDPHE receives license renewal fee revenue, effective July 1, 2030. The fiscal note assumes that renewal timelines for different facilities will be staggered so that CDPHE will issue renewals for half of all facilities every year and the impact on the fee collection timeline will be minimal.

State Expenditures

The bill minimally impacts workload for HCPF, the Department of Regulatory Agencies (DORA), and CDPHE as discussed below.

Department of Health Care Policy and Financing

Workload will minimally increase for HCPF to make changes to select program through rule instead of through guidance. Given the exceptions outlined in the bill, the impact will be minimal.

Department of Regulatory Agencies

Workload will minimally decrease for DORA with the repeal of the substance use disorder training requirements. No appropriation was initially granted for this work so no change in appropriation is required.

Department of Public Health and Environment

Starting July 2030, workload will minimally increase for CDPHE to promulgate new rules to require licensees to be renewed biannually instead of annually. Since CDPHE surveys facilities continuously as part of the complaint investigation process, the fiscal note assumes that the workload for facility surveys will be unaffected by the bill.

Effective Date

Section 3 and Section 15 of the bill, impacting the licensing requirements take effect on July 1, 2028. The remainder of the bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

Departmental Difference

CDPHE estimates that the bill requires \$19,315 in FY 2030-31 and \$14,912 in future years to promulgate rules to require licensees to be renewed biannually instead of annually. CDPHE assumes this work will be complex and ongoing since it impacts all CDPHE-issued licenses.

The fiscal note assumes this work will be absorbable since the change only impact timelines and not other more complex licensure requirements.

State and Local Government Contacts

Behavioral Health Administration

Personnel

Health Care Policy and Financing

Public Health and Environment

Human Services

Regulatory Agencies

Law