

HB25B-0042 — Stabilize Premiums, Protect Coverage, Live Within Our Means

INFO PAPER

What the bill does

- **Refocuses HIAE affordability dollars** on people who meet **federal eligibility standards** (i.e., lawful presence).
- **Removes “regardless of immigration status”** from the definition of “qualified individual” and **excludes** those without lawful status from HIAE-funded subsidies.
- **Implements quickly** to help stabilize **2026 individual-market premiums** during a declared budget shortfall.
- **Does not change** federally required **Emergency Medicaid** or privately funded/charitable care.

Why it’s needed now

- **Budget reality:** Colorado faces a significant deficit. In tight years, every dollar we spend must protect core services and the largest number of residents possible.
- **Premium shock ahead:** Without retargeting funds, many lawfully present families will face **higher 2026 premiums** and **coverage losses**.
- **Cost trajectory:** Current OmniSalud subsidies are **~\$18M/year**. Had **HB25-1297** become law, funding would have risen to **~\$75M/year**—a figure that more accurately reflects where costs are headed if we do nothing. The \$18M is an **artificially low waypoint** that will grow toward **\$75M+** unless we reform how these services are financed or reduce dependency on subsidies.

Intended purpose

- **Stabilize premiums** and **preserve coverage** for lawfully present Coloradans in a deficit year.
- **Align with federal rules** to safeguard matching funds and avoid ripple cuts to education, behavioral health, and public safety.
- **Prioritize constituents**—Colorado voters and citizens—when resources are limited.

Key impacts

- **Individual market stability:** More affordability help is available to hold down premiums for lawfully present enrollees in 2026.
- **Targeted compassion:** Emergency and charitable care remain; community providers can be supported through separate appropriations if needed.
- **Program sustainability:** Right-sizes HIAE to prevent a funding curve that outpaces revenues.

Frequently Asked Questions

- **“Isn’t this abandoning compassion?”** - No. **Letting the system drift toward collapse is not compassionate.** Compassion means building a program that endures so families can keep coverage next year and beyond.
- **“Does this cut off emergency care?”** - No. Federally required **Emergency Medicaid** and **private/charitable care** are unchanged.
- **“What about children and maternal health?”** - The bill’s goal is fiscal stabilization and premium relief; members can consider **targeted transition supports** or **specific carve-outs** without losing the bill’s core purpose. Amendments for second reading in these areas are welcome.

Broad Appeal

- **Equity & coverage preservation:**
Stabilizing the individual market prevents churn among low- and moderate-income families and protects federal funding streams that sustain safety-net services. Pairing this bill with **transition supports for current enrollees** and **community health center capacity** is a responsible equity strategy in a deficit year.
- **Pocketbook & fairness:**
This keeps **premiums from spiking**, protects coverage for those who qualify under federal rules, and ensures we **live within our means** without cutting classrooms or public safety.

Path forward

- **Amendments welcome before Second Reading** to refine implementation (e.g., transition aid, reporting, targeted carve-outs) while keeping the bill’s fiscal and premium-stabilization goals intact.

Bottom line

In a year of limited dollars, **prioritizing our constituents—Colorado voters and citizens—**ahead of others is our duty. HB25B-0042 is a pragmatic, compassionate step that protects coverage, stabilizes premiums, and stewards scarce resources.

Please vote YES and refer HB25B-0042 to the full House with a favorable recommendation.

Questions? Please Contact:

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