



## Fiscal Note

### Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

## HB 26-1432: HEALTH-CARE PAYMENT PROGRAMS

---

**Prime Sponsors:**

Rep. Soper; Stewart K.

Sen. Roberts; Pelton R.

**Fiscal Analyst:**

Erin Reynolds, 303-866-4146

erin.reynolds@coleg.gov

**Published for:** Senate Introduction

**Drafting number:** LLS 26-0786

**Version:** First Revised Note

**Date:** May 9, 2026

**Fiscal note status:** This revised fiscal note reflects the reengrossed bill.

---

### Summary Information

**Overview.** The bill reorganizes how the Department of Health Care Policy and Financing distributes incentive payments to hospitals.

**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	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 reorganizes how the Department of Health Care Policy and Financing (HCPF) distributes incentive payments to hospitals by ending the Hospital Transformation Program and modifying the Hospital Quality Incentive Payment (HQIP) Program. HQIP rules for the distribution of incentive payments must be approved by the Colorado Healthcare Affordability and Sustainability Enterprise (CHASE) board and processes for setting and modifying hospital quality metrics are modified to prioritize stability, federal alignment, and reducing administrative overhead.

## Background

---

CHASE charges hospitals a Healthcare Affordability and Sustainability (HAS) fee to draw additional federal funds, which are used to fund health coverage for certain Medicaid and CHP+ populations and to make supplemental payments to hospitals. See this [Legislative Council Staff Issue Brief](#) for more detail. [Hospital Quality Incentive Payments](#) (HQIP) are funded by the HAS fee to improve the quality of care provided in Colorado hospitals. The HQIP subcommittee recommends the approach for quality incentive payments, at the direction of the [CHASE Board](#).

## State Expenditures

---

Workload will minimally increase for CHASE board to review HQIP rules as required by the bill. Ending the Hospital Transformation Program codifies current practice (as of May 7, 2026) and has no fiscal impact.

While the bill may impact the distribution of supplemental payments to hospitals, the total amount of hospital supplemental payments made through the enterprise is not expected to change.

## Effective Date

---

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

## State and Local Government Contacts

---

Health Care Policy and Financing

---

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).