



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1069: AVAILABILITY OF EMERGENCY MEDICAL SERVICES

Prime Sponsors:

Rep. Feret; Stewart K.
Sen. Mullica

Fiscal Analyst:

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

Summary Information

Overview. The bill makes several changes to the availability, scope, and reimbursement of emergency medical services in the state.

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 the following changes in appropriations: a decrease of \$2.1 million to the Department of Health Care Policy and Financing, and an increase of \$26,353 to the Department of Public Health and Environment. See State Appropriations section.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
State Revenue	\$0	\$0	\$0
State Expenditures	-\$2,105,752	-\$4,570,380	-\$4,898,533
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

Fund sources for these impacts are shown in the table below.

**Table 1A
State Expenditures**

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
General Fund	-\$522,195	-\$1,175,866	-\$1,260,293
Cash Funds	-\$124,822	-\$267,569	-\$286,780
Federal Funds	-\$1,458,735	-\$3,126,945	-\$3,351,460
Centrally Appropriated	\$0	\$0	\$0
Total Expenditures	-\$2,105,752	-\$4,570,380	-\$4,898,533
Total FTE	0.0 FTE	0.0 FTE	0.0 FTE

Summary of Legislation

The bill makes several changes to the availability, scope, and reimbursement of emergency medical services (EMS) in the state.

Availability and Scope

The bill requires EMS to be available 24 hours per day, 7 days per week and expands the definition of EMS to include:

- transportation by an ambulance service or community integrated health care service agency to destinations other than a hospital; and
- the use of telemedicine during EMS encounters to prevent transportation to an emergency department.

The bill also expands the definition of first responder to include peace officers, firefighters, volunteer firefighters, EMS providers, and mental health professionals responding to a medical emergency.

By June 1, 2027, the Department of Public Health and Environment (CDPHE) must adopt rules authorizing EMS providers with a community paramedic endorsement to administer or oversee medications, procedures, and diagnostic testing when working with a licensed community integrated health care service agency.

Reimbursement

Beginning January 1, 2027, the Department of Health Care Policy and Financing (HCPF) must reimburse the following services under Medicaid:

- transportation to a hospital or other medically appropriate destination;
- treatment provided on the scene of a medical emergency that does not result in transport; and
- telemedicine evaluations used to prevent transport to a hospital.

Telemedicine services must be billed at office or outpatient rates rather than emergency department rates.

State Expenditures

On net, the bill decreases state expenditures by \$2.1 million in FY 2026-27, \$4.6 million in FY 2027-28, and \$4.9 million in future years. Savings are realized in the Department of Health Care Policy and Financing, while costs are incurred in the Department of Public Health and Environment. Expenditures may also decrease in the Department of Personnel and Administration, and workload will minimally increase in the Department of Regulatory Agencies. These impacts affect multiple funds, and are shown in Table 2 and described in the sections below.

Table 2
State Expenditures
All Departments

Department	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
Department of Health Care Policy and Financing	-\$2,132,105	-\$4,570,380	-\$4,898,533
Department of Public Health and Environment	\$26,353	\$0	\$0
Total Costs	-\$2,105,752	-\$4,570,380	-\$4,898,533

Department of Health Care Policy and Financing

On net, state expenditures in HCPF will decrease beginning in FY 2026-27 from health care costs shifting from ambulance and institutional hospital services to professional treatment-in-place (TIP) services. The fiscal note assumes the following:

- in FY 2026-27, an estimated 195,866 emergency medical cases will result in ambulance and institutional hospital services, of which 5 percent will remain in the hospital under one day;
- emergency medical cases that result in short hospital stays are likely eligible for professional TIP instead due to the nature of the case and treatment;
- the number of emergency medical cases that result in TIP services rather than ambulance or institutional hospital services will increase annually at the acute care rate; and
- ambulance services are reimbursed at a rate of \$372 per claim, institutional hospital services at \$142.06 per claim, and TIP services at \$78.67 per claim.

Based on these assumptions, about 4,900 individual emergency medical cases in the second half of FY 2026-27 will be diverted from ambulance and institutional hospital services to TIP services. In FY 2027-28, the number of cases is expected to be 10,500, accounting for caseload growth

and a full-year impact. Utilization will continue to grow in future years, as noted in the assumptions above. As a result, the fiscal note estimates total savings of \$2.1 million in FY 2026-27 based on the following half-year impacts: ambulance service costs decreasing by \$1.8 million, institutional hospital service costs decreasing by \$0.7 million, and TIP services increasing by \$0.4 million. Upon full program implementation in FY 2027-28, expenditures will decrease, on net, by about \$4.6 million with additional savings in future years. These savings and costs are from the General Fund, the Health Affordability and Sustainability (HAS) Cash Fund, and federal funds, as detailed in Table 2A below.

**Table 2A
State Expenditures
Department of Health Care Policy and Financing**

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
Ambulance Services	-\$1,821,684	-\$3,904,962	-\$4,185,338
Institutional Hospital Services	-\$695,668	-\$1,491,234	-\$1,598,304
Professional TIP Services	\$385,247	\$825,815	\$885,109
Total Costs	<u>-\$2,132,105</u>	<u>-\$4,570,380</u>	<u>-\$4,898,533</u>
General Fund	-\$548,547	-\$1,175,866	-\$1,260,293
HAS Cash Fund	-\$124,822	-\$267,569	-\$286,780
Federal Funds	-\$1,458,735	-\$3,126,945	-\$3,351,460
Total FTE	0.0 FTE	0.0 FTE	0.0 FTE

Department of Public Health and Environment

In FY 2026-27 only, the CDPHE requires \$26,000 for 635 hours of rulemaking to authorize an EMS provider with a community paramedic endorsement to provide specialized medications, procedures and diagnostic testing. Rulemaking costs include ten stakeholder meetings, administrative and document preparation, meeting facilitation, and other responsibilities.

Department of Personnel and Administration

State Employee Insurance

State employee insurance is offered through two carriers—Kaiser Permanente and Cigna. Kaiser Permanente offers fully insured plans subject to state regulation, while Cigna administers self-funded plans regulated under federal law that are also required to offer all mandatory benefits outlined in state law. Because the bill is projected to reduce claims for higher cost ambulance and institutional hospital services, it is expected to lower costs paid by both health plans, and may contribute to lower insurance premiums. Because insurance premiums are

influenced by a number of variables, savings to the state are indeterminate and have not been estimated. The share of savings realized by the state and employees will ultimately be adjusted and set by the General Assembly through the annual budget process.

Office of Administrative Courts

Workload may minimally increase for the Office of Administrative Courts if additional Medicaid provider disputes are filed as a result of the bill. It is assumed that any impact resulting from disputes will be minimal and absorbable within existing appropriations.

Department of Regulatory Agencies

Workload in the Division of Insurance will minimally increase to review complaints and address questions posed from insured individuals. Additionally, workload in the Division of Professions and Occupations will minimally increase to conduct outreach and education to medical providers and first responders. This workload can be accomplished within existing appropriations.

Local Government and Special Districts

Local governments and special districts that provide ambulance and emergency medical services will have a change in reimbursement under the bill. Reimbursement from insurers for ambulance services will decrease, while reimbursement for TIP services will increase. Reduced ambulance transport will also lower costs for ambulance mileage and vehicle maintenance. The exact impact will vary by local government and special district, the manner in which they provide or contract for services, and other factors.

Effective Date

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

State Appropriations

For FY 2026-27, the bill requires the following reductions in appropriations totaling \$2.1 million from the Department of Health Care Policy and Financing:

- a decrease of \$548,547 from the General Fund;
- a decrease of \$124,822 from the HAS Cash Fund; and
- a decrease of \$1,458,735 from federal funds.

For FY 2026-27, the bill also requires a General Fund appropriation of \$26,353 to the Department of Public Health and Environment.

Departmental Difference

The Department of Personnel and Administration estimates that the bill will increase state expenditures by \$415,000 per year beginning in FY 2026-27 due to higher premiums paid to Kaiser Permanente and Cigna for state employee insurance. Of this amount, Cigna accounts for \$375,000. Cigna assumes that EMS providers will seek to minimize legal risk and liability by maintaining ambulance utilization, rather than use TIP. As a result, out-of-network ambulance claims will increase from new coverage requirements. The remaining increase of \$50,000 for Kaiser Permanente assumes a shift in utilization from non-emergency medical transportation to ambulance services due to changes in reimbursement incentives under the bill. Neither carrier anticipates reduced emergency department utilization.

The fiscal note does not include these impacts because it assumes that expanded coverage for TIP services and telemedicine will reduce ambulance transports and emergency department visits, thus substituting lower-cost care options and realizing net savings. Further, it is assumed that EMS provider behavior will remain consistent across patients and will not vary based on insurance coverage. These assumptions are supported by a [2025 study contracted by the Florida Department of Health](#), which found that diverting potentially avoidable ambulance transports to TIP or alternate destinations reduced average commercial payer costs by approximately \$974 per episode compared to emergency department care.

State and Local Government Contacts

Counties	Public Health and Environment
Health Care Policy and Financing	Regulatory Agencies
Law	Special District Association
Municipalities	