



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25-1033: MEDICAID THIRD-PARTY LIABILITY PAYMENTS

Prime Sponsors:

Rep. Lieder

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Version: Initial Fiscal Note

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

Summary Information

Overview. The bill conforms state Medicaid statutes to recent changes in federal law by prohibiting third-party payers from refusing to reimburse the Department of Health Care Policy and Financing for items or services provided to a member without prior authorization.

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

- State Revenue

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

| Type of Impact | Budget Year FY 2025-26 | Out Year FY 2026-27 |
|-------------------------|-----------------------------------|--------------------------------|
| 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 mandates third-party payers to reimburse the Department of Health Care Policy and Financing (HCPF) for health care items and services provided to Medicaid members regardless of any prior authorization requirements they impose.

The bill also requires third-party payers to respond to claims issued by HCPF within 60 days of receipt – either with payment or written denial.

Background

The bill conforms state Medicaid statutes regarding third-party payers to recent changes in federal law. The federal Consolidated Appropriations Act of 2022 amended federal third-party liability provisions and the Centers for Medicare and Medicaid Services (CMS) directed states to pass legislation to adhere to the new provisions.

State Revenue

The bill may increase state revenue to the extent that third-party payers fulfill more claims issued by HCPF. Since the requirements are already in place federally, any impact will be minimal.

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](#).