



## Fiscal Note

### Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

## HB 26-1044: MEASURES TO IMPROVE BLACK MATERNAL HEALTH EQUITY

**Prime Sponsors:**

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**Published for:** House Health & Human Services**Drafting number:** LLS 26-0029**Version:** Initial Fiscal Note**Date:** February 11, 2026**Fiscal note status:** This fiscal note reflects the introduced bill.

### Summary Information

**Overview.** This bill establishes several requirements intended to improve equity in maternal health.

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

- State Revenue
- State Expenditures

**Appropriations.** For FY 2026-27, the bill requires an appropriation of \$866,988 to the Department of Public Health and Environment.

**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	\$946,480	\$3,791,371	\$3,643,459
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	\$0	\$0	\$0
Change in State FTE	3.6 FTE	24.1 FTE	24.1 FTE

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

**Table 1A**  
**State Expenditures**

<b>Fund Source</b>	<b>Budget Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>	<b>Out Year FY 2028-29</b>
General Fund	\$866,988	\$3,205,558	\$3,057,646
Cash Funds	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0
Centrally Appropriated	\$79,492	\$585,813	\$585,813
<b>Total Expenditures</b>	<b>\$946,480</b>	<b>\$3,791,371</b>	<b>\$3,643,459</b>
<b>Total FTE</b>	<b>3.6 FTE</b>	<b>24.1 FTE</b>	<b>24.1 FTE</b>

## Summary of Legislation

This bill establishes several requirements related to maternal health equity, including morbidity investigations and enforcement, a statewide survey, health oversight and reporting, medical professional training requirements, and publicly displayed information.

### SMM Reporting, Investigation, and Enforcement

The bill requires health care facilities to report to the Department of Public Health and Environment (CDPHE) any instances of severe maternal morbidity (SMM) or death when there is reasonable cause to believe that racial discrimination, implicit or explicit bias, negligent clinical decision-making, denial or care, or other inequitable treatment contributed to the outcome. The CDPHE must investigate factors that contributed to these cases of severe maternal morbidity or death, and may revoke a facility's license and impose an administrative penalty if found to have engaged in a discriminatory practice. Further, the CDPHE must report such incidents and refer cases of discrimination to the appropriate regulatory board, which may then impose disciplinary actions, sanctions, fines, or additional training.

Fines collected as a result of discriminatory neglect are deposited into the newly created Maternal Health Equity Improvement Cash Fund, which may be used to reduce adverse material health outcomes and support affected families.

### Statewide Birthing Parent Survey

Under current law, the CDPHE administers a multi-year health survey to birthing parents. The bill authorizes the CDPHE to implement an additional standardized survey to Coloradans who have recently given birth.

## Maternal Health Oversight and Reporting

The bill codifies the existing Maternal Health Task Force and requires the CDPHE to ensure that at least one black maternal health advocate serves on the task force. Beginning July 1, 2027, the department must also report maternal health outcomes and disparities for black individuals to the General Assembly on an annual basis, rather than every three years under current law.

## Professional Training Requirements

Licensed physicians, nurses, or nurse aides who practice primarily in obstetrics must complete at least one continuing medical education (CME) credit hour focused on cultural competence and equity in maternal care.

## Respectful Maternity Care Statement

By January 1, 2027, health care facilities that provide labor and childbirth services are required to publicly display a statement on respectful maternity care in birthing areas. The CDPHE may either develop or approve this statement.

## Background and Assumptions

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### Severe Maternal Morbidity Investigations

According to [data compiled by Colorado Hospital Association](#), there are an estimated 1,500 cases of SMM reported in Colorado hospitals each year. The Maternal Mortality Review Committee, an existing group that reviews all maternal deaths in Colorado, subsequently determined that discrimination contributed to approximately two-thirds of maternal mortality cases reviewed, with 28.1 percent of responding “yes” and 38.6 percent responding “probably.” Using the conservative estimate, it is assumed that the CDPHE will investigate 421 cases annually. Actual caseload could be higher, as this estimate does not include cases occurring in birth clinics or birthing centers.

The fiscal note further assumes that every investigation will require an on-site visit to evaluate facility processes and conduct interviews. There are approximately 111 licensed hospitals distributed across the state, 40 percent of which will require overnight travel. After investigations are completed, deficiencies identified under state licensing rules will trigger a follow-up investigation. The fiscal note assumes that 10 percent of investigations will trigger this follow-up process.

### Survey Scope

In addition to the current birthing survey, the bill allows the CDPHE to administer a survey to additional or all people in Colorado who have recently given birth. The fiscal note assumes the

department will establish the infrastructure and capabilities to survey all birth parents in the state, or approximately 60,000 individuals annually.

## State Revenue

Starting in FY 2026-27, the bill may increase state revenue from fines imposed on health care facilities and professionals that engage in discriminatory practices that lead to SMM or death. Facilities are subject to an administrative fine of up to \$250,000 per violation, and licensed medical professionals are subject to a wide range of fines depending on the profession. This revenue is classified as a damage award and is not subject to TABOR. Given the wide range of possible penalties that could be imposed, the fiscal note cannot estimate the potential impact these fines. However, it is assumed that health care entities will comply with the bill and any impacts will be minimal. Fine revenue is deposited into the newly created Maternal Health Equity Improvement Cash Fund, which may also accept gifts, grants, and donations.

## State Expenditures

The bill increases state expenditures in the CDPHE by about \$946,000 in FY 2026-27, \$3.8 million in FY 2027-28, and \$3.6 million in FY 2028-29 and ongoing. These costs, paid from the General Fund, are summarized in Table 2 and discussed below. The bill also minimally affects workload in several other departments.

**Table 2**  
**State Expenditures**  
**Department of Public Health and Environment**

<b>Cost Component</b>	<b>Budget Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>	<b>Out Year FY 2028-29</b>
Personal Services	\$293,414	\$2,541,128	\$2,541,128
Operating Expenses	\$4,608	\$30,848	\$30,848
Capital Outlay Costs	\$42,000	\$133,000	\$0
Database Development	\$150,000	\$10,000	\$10,000
Travel Expenses	\$0	\$248,820	\$248,820
IT Survey Development	\$348,255	\$221,850	\$221,850
Translation and Accessibility Costs	\$5,200	\$5,000	\$5,000
Rulemaking	\$23,511	\$14,912	\$0
Centrally Appropriated Costs	\$79,492	\$585,813	\$585,813
<b>Total Costs</b>	<b>\$946,480</b>	<b>\$3,791,371</b>	<b>\$3,643,459</b>
<b>Total FTE</b>	<b>3.6 FTE</b>	<b>24.1 FTE</b>	<b>24.1 FTE</b>

## **Department of Public Health and Environment**

CDPHE requires staff in four main areas—SMM Reporting, Investigation, and Enforcement; Statewide Birthing Parent Survey; Maternal Health Oversight and Reporting; and Respectful Maternity Care Statement—which are described in detail below.

### **SMM Reporting, Investigation, and Enforcement**

#### **Staff**

In FY 2026-27 only, the CDPHE requires 3.0 FTE to develop the database and create policy guidelines, with staff prorated for a January 2027 start date. Beginning in FY 2027-28, staff increases to 22.5 FTE to conduct statewide investigations of SMM or death. Specifically, the CDPHE requires the following staff:

- 1.0 FTE Administrator III to oversee and operate the board which would review the findings of the severe maternal morbidity investigations. Costs are based on a January 2027 start date.
- 2.0 FTE Health Professional V to provide oversight of the nurse consultants conducting severe maternal morbidity investigations. Costs are based on a January 2027 start date.
- 18.0 FTE Nurse Consultant to investigate reported cases of severe maternal morbidity or maternal death and to perform related follow up when deficiencies are identified. This estimate assumes 421 cases of SMM or death will be investigated per year. Staff costs and FTE are based on a July 2027 start date.
- 1.0 FTE Compliance Specialist IV to assess investigation outcomes and impose license revocations or fines against facilities. Staff costs and FTE are based on a July 2027 start date.
- 0.5 FTE Data Management III to develop and maintain the secure databases containing investigation records and provide continued updates and maintenance. Costs are based on a July 2027 start date.

#### **Database Development**

In FY 2026-27 only, the CDPHE requires \$150,000 to create and maintain a secure system to store and manage sensitive information related to reported cases of severe maternal morbidity or maternal death. Ongoing maintenance costs are estimated at \$10,000 per year.

#### **Travel Expenses**

Beginning in FY 2027-28, the CDPHE requires about \$250,000 for staff travel to conduct on-site investigations and enforcement activities; interview the birthing parents, family, and facility staff; and assess facility practices for reported cases of SMM or death. Travel costs include per diem and incidental expenses, lodging, and fleet vehicle costs.

### Maternal Health Equity Improvement Fund

If fine revenue is credited to the Maternal Health Equity Improvement Cash Fund, the fiscal note assumes the department will request spending authority and clarify its uses through future legislation.

### Statewide Birthing Parent Survey

#### Staff

Beginning in FY 2026-27, the CDPHE requires 1.0 FTE Statistical Analyst III and 0.5 FTE Data Management III to develop, implement, and analyze a statewide birthing parent survey.

#### Information Technology Survey Development

Beginning in FY 2026-27, the CDPHE will incur both one-time and ongoing costs to develop, implement, and maintain a statewide maternal health survey system. Costs also include servers, databases, security, and contingency. Information technology services will be provided by the Office of Information Technology.

#### Translation and Accessibility Costs

The CDPHE will incur annual costs of \$5,000 per year to provide translation and accessibility services for the birthing parent survey. The fiscal note assumes that translation will be provided in Spanish, in addition to English. Ongoing costs are associated with updates to survey content and changes to accessibility requirements.

### Maternal Health Oversight and Reporting

#### Staff

Beginning in FY 2026-27, the CDPHE requires 0.1 FTE Program Manager II to support annual maternal mortality reporting, including the expanded analysis of Black maternal health outcomes.

### Respectful Maternity Care Statement

#### Rulemaking

In FY 2026-27 and FY 2027-28, costs in the CDPHE will increase to conduct rulemaking for health care facilities to publish a statement on respectful maternity care in a health facility's birthing area. These costs include stakeholder meetings, administrative and document preparation, meeting facilitation, and other responsibilities.

### Translation and Accessibility Costs

For FY 2026-27, CDPHE will incur a one-time cost of \$200 to translate the Respectful Maternity Care Statement into Spanish.

### Centrally Appropriated Costs

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which may include employee insurance, supplemental employee retirement payments, indirect cost assessments, and other costs, are shown in Table 2 above.

### Other State Agencies

#### Department of Regulatory Agencies

Workload in the Division of Professions and Occupations in the Department of Regulatory Agencies will minimally increase to conduct limited rulemaking, provide information and outreach to licensees, and respond to a possible increase in complaints. These activities are absorbable within existing resources and no additional appropriation is required.

#### Cash Fund Creation—Departments of Personnel and Treasury

Workload will increase for the Department of Personnel and Administration and Treasury to manage and perform accounting for the cash fund created in the bill. While no appropriation is required at this time, these departments may seek additional funding through the annual budget process based on the cumulative impact of all cash funds created through legislation.

#### Department of Law

The bill may increase administrative appeals for the Department of Law's health care unit; however, it is anticipated that any impact will be minimal and absorbable within existing appropriations.

### Technical Note

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The bill requires the CDPHE to refer instances of discriminatory practice or negligent misconduct that results in SSM or death to the applicable regulatory board in DORA. The CDPHE does not oversee nor regulate providers' practices and evaluating providers' clinical decision-making is outside the department's current regulatory scope. The bill does not specify if CDPHE would develop this capacity, or if coordination with DORA or the Attorney General's Office is expected to review the investigations and determine the fine amounts.

## Effective Date

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

## State Appropriations

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For FY 2026-27, the bill requires a General Fund appropriation of \$866,988 to the Colorado Department of Public Health and Environment, and 3.6 FTE. Of this amount, \$348,255 is reappropriated to the Office of Information Technology.

## State and Local Government Contacts

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Health Care Policy and Financing

Public Health and Environment

Higher Education

Regulatory Agencies

Law

Treasury

Personnel